LOCATION DECISIONS IN POP-UP RETAILING

Focus on the Finnish fashion sector

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1.1   The new era of experiential retail

The retailing industry is characterized by a highly dynamic nature (Dawson 2004, 93). It is forced to constant evolution and transformation (Coca-Stefaniak et al. 2010, 679; Sands et al. 2011, 438). Globalization, emergence of new technologies and the proliferation of the internet have decreased the importance of national borders in retailing. Simultaneously, retail markets have also become highly competitive and saturated. (See, for example, The Evolution of Experience Retailing 2013.) The mature markets, especially in Western Europe, North America and Japan, are characterized by a relatively slow growth apart from the high technology sector (Johansson 2009, 231– 233).

In competitive retail environments, consumers are subject to information overload and an endless number of options to choose from (Sullivan & Adcock 2002, 114). Instead of providing more information or wider product range, retailers have shifted from product orientation towards a customer-centred viewpoint (Dawson 2004, 91). Therefore, retailers have started to build the products, processes and services around the customer. Satisfying customers' needs maintains a high level of profitability and responds to competition effectively (Sullivan & Adcock 2002, 7; Johansson 2009, 231– 233; Bălăşescu 2013, 9–10).

Consumers and consumption patterns have also evolved in the past decade. Recently, large-scale changes have occurred in the society (Surchi 2011, 260), especially in the consumption culture (Dawson 2004, 93) and consumer behaviour (Pomodoro 2013, 341). Instead of traditional shopping, familiarity and credibility, a modern customer prefers novelty and surprising shopping experiences (Niehm et al. 2007, 25; Johansson 2009, 239; Surchi 2011, 260; Pomodoro 2013, 341). Social and unique experiences are especially important for millennials (Fitts 2013). This new culture of consumption has been called as experiential consumption (Kim 2001). A recent study by The Evolution of Experiential Retail (2013) supports the argument that retail experience is important for consumers around the world (figure 1).
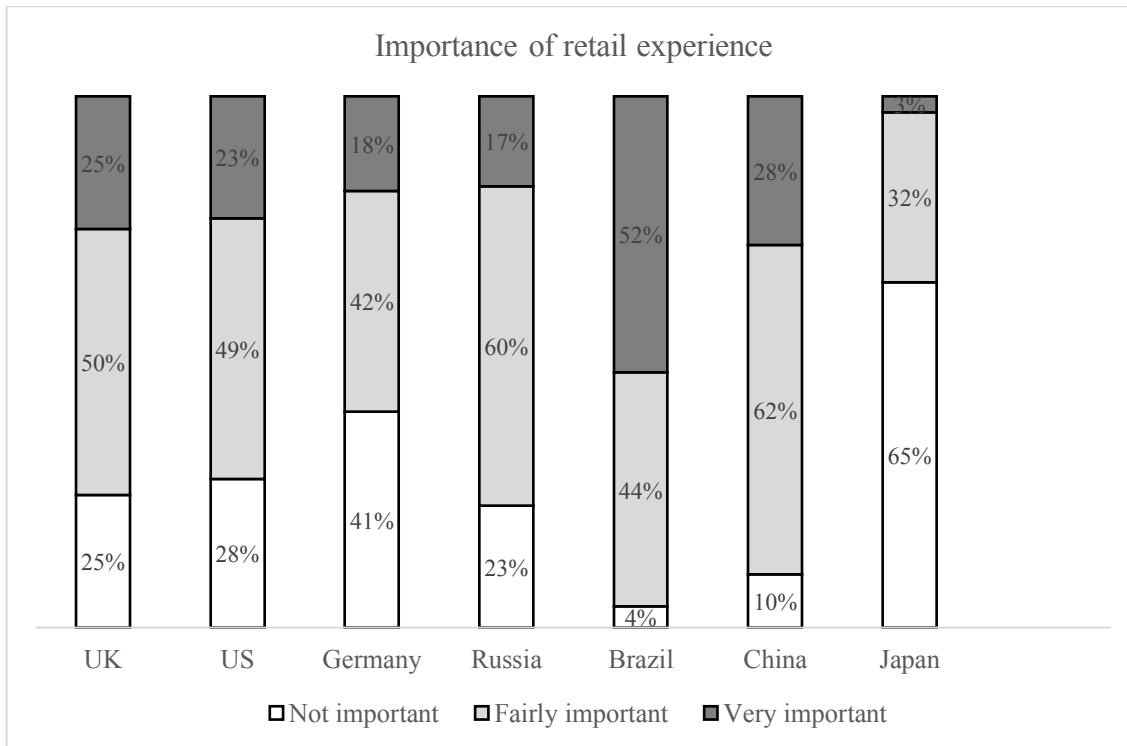
Figure 1   The importance of retail experience (The Evolution of Experiential Retail 2013)

Figure 1 illustrates that consumers value retail experience on a global scale. In total 72 per cent of the respondents consider experience as an important feature of modern retailing. Product showcasing (62 per cent) and a vibrant, engaging store environment (56 per cent) were identified as the key factors of satisfactory customer experience. Moreover, a study by CX Index Report Europe (2012) found that 81 per cent of consumers are willing to spend more money in return to better customer experience. A superior customer experience differentiates the retailers from their competitors and generate added value for the customer (The Evolution of Experiential Retail 2013, 26).

Retailers have responded to the competitive pressures and changes in consumer behaviour by innovation (see, for example, Dawson 2004, 93; Wood & Reynolds 2012, 1077; Bălășescu 2013, 9; Salo 2013; Sanderson 2016). One of the latest innovative retailing formats, pop-up retailing, is an emblematic expression of the new culture of experiential consumption (Pomodoro 2013, 343). A pop-up store opens temporarily in a location and then quickly disappears (Niehm et al. 2007, 4; Marciniak & Budnarowska 2009, 2; Remes 2016). Pop-up stores differ from traditional retailing because they especially aim at creating experiences for consumers (Klein et al. 2016, 5761). A pop-up store produces a surprising, emotional (Surchi 2011, 260), social or interactive experience (Klein et al. 2016, 5761–5762). Pop-up stores appeal to customers because they offer seasonal products, unique services and products, local shopping, good prices, convenience and fun experience (Baras 2015). They respond to the modern customers'

increasing desire for comfort by combining the product offering with the right time and place (Salo 2013).

From the retailers' point of view, pop-up stores strengthen the seamless customer experience (Salo 2013) and enhance brand image (Remes 2016). Recently, there has been a trend for omnichannel retailing, meaning the conversion of offline and online shopping channels (Bălăşescu 2013, 12, 14). The growth of e-commerce has forced the retailers to unlearn the rules of traditional and fixed brick-and-mortar stores (Singer & Piluso 2010, 18). However, customers feel that online platforms lack emotional response. In consequence, the majority of purchases are still made in physical stores. (See, for example, Skarda 2011; Walker 2014; Swystun 2015; Remes 2016.) Pop-up stores provide a hybrid solution of these channels since it offers a physical touchpoint to the brand with online extension (Baras 2015; Raghavan 2015; Swystun 2015; Remes 2016).

Pop-up retailing has rapidly become a significant global retailing phenomenon after the first pop-up store was launched in the UK in 2003 (Pomodoro 2013, 343). For example, large online retailers such as Amazon, eBay and Google are opening pop-up stores as complementary channels to their online operations (Baras 2015). In the UK eight percent of retailers opened a pop-up store in 2015 to complement their permanent locations. There were around 10 500 pop-up stores in the UK in 2015, and the sector is expected to grow at a 12,3% annual pace. (Britain's Pop-Up Retail Economy 2015.) According to the estimates, pop-up retailing industry generates already USD 10 billion in sales annually (Baras 2015). Pop-up stores have quickly spread all over the American, European and Asian markets (Lassus & Freire 2012, 71; Pomodoro 2013, 343).

In recent years, the pop-up phenomenon has also reached the Finnish retailing scene (Anttonen 2013). The number of pop-up stores grows year by year as more Finnish retailers consider the pop-up retailing option (Haapala 2014). For example, a current study indicates that in Finnish shopping malls traditional stores lose floor space to experiential solutions such as services, meeting places, showrooms and pop-up stores (Kauppakeskusbarometri 2016). Pop-up stores have also been used for mall and city revitalizing projects in Finland because of their experiential nature (see, for example, Tammilehto 2015; Pop-up Turku elävöittää keskustaa 2015; Remes 2016).

Previous research on pop-up retailing identifies retail store location as one of the critical elements of pop-up stores. First, the store location has a significant influence on the performance of the store. (Picot-Coupey 2014, 655.) Second, it also contributes to the overall retail and customer experience (Surchi 2011, 260; Russo-Spena et al. 2012, 31). The strategic significance of retail location is already well understood by pop-up retailers (Fitts 2013; Picot-Coupey 2014, 655). However, the study of Centre for Economics and Business Research reports that finding an ideal location remains one of

the major challenges for pop-up retailers (Britain's Pop-Up Retail Economy 2015). Some retailers have even cancelled their pop-up store plans due to the difficulties of finding the right retail location (see, for example, Cook & Appleby 2013).

All retail organizations have encountered more complex and versatile location decisions in the past years (Meester 2004, 1–2). Increased competition, saturation of markets and tightened regulations have caused a shortage of suitable retail locations (Byrom et al. 2001, 219; Pioch and Byrom 2004, 224; Wood & Reynolds 2012, 1077). In addition, trend for decentralisation has changed the role of premium high streets and regional shopping centres (Rogers 2005, 201). Due to globalization, many retailers open stores in foreign countries and location decisions often transcend national borders (Heizer & Render 2011, 347).

Location decisions in pop-up retailing are especially complicated. First, pop-up retailers are involved in international location decisions since pop-up stores can be used for testing new markets (Salo 2013; Haapala 2014). For example, a Swedish furniture retailer Ikea is going open at least fifty pop-up stores in India shortly to introduce the brand to the Indian customers (Heikkilä 2016). Second, due to the temporary nature of the retailing format, location decisions differ in pop-up retailing from traditional retailing. In contrast to traditional retailing, location decisions in pop-up retailing are short-term (Raghavan 2015), and therefore more flexible and affordable. However, the temporariness of the retailing format creates a need for fast tempo new decisions.

Due to recent market saturation and site availability issues, locational planning and decision-making has become even more significant to all retail organizations (Byrom et al. 2001, 219; Birkin et al. 2002, 1–2). Based on the above discussion, selection of retail location is a primary strategic decision for all retail organizations, and particularly for pop-up retailers. Thoughtful and long-term locational planning and decision-making is crucial to all retailers. Careful planning and selection of location helps to maintain retail profitability and to decrease the risk of location failures, in terms of lost time, finance and management focus. (Rogers 2005, 201.) Locational planning and decision-making also enables the maximization of customer experience by exploiting the experiential opportunities that are existent in particular retail locations. Identifying and understanding the inner factors that influence locational planning helps the retailers to forecast and react quickly to the changes in the dynamic retailing environment.

1.2   Purpose and structure of the study

The focus of the research is on the location decisions in pop-up retailing. There are several arguments behind the importance of investigating the topic. First, many publications underline the importance of acquiring the right retail locations (see, for

example, Parekh et al. 2011, 102; Mendes & Themido 2004, 1; González-Benito & González-Benito 2005, 300; Heizer & Render 2011, 346). Retail location decisions are top strategic decisions to retailers due to their influence on the organization's viability (Durvasula et al. 1992, 420; González-Benito & González-Benito 2005, 300) and potential of creating competitive advantage (Zentes et al. 2011, 203). Second, even though the academic field of retail location is extensive and rich, location decisions have been limitedly studied from a comprehensive strategic management point of view (Clarke et al. 1997, 59). The topic of opening new stores has dominated the academic retail location research, mainly discussing the technical and policy issues of assessing and developing new sites (Bennison et al. 1995, 2–3; Clarke et al. 1997, 59). Third, a study by Bennison et al. (1995,18) proposes directly a more detailed examination of the nature, processes, extent and scale of locational decision-making in different retailing environments. In particular, this applies to the progression of different decision-making levels, and exploration of similarities and differences between diverse business sectors, countries and retailing formats. Since the majority of research concerning locational decision-making is carried out in a traditional and large-scale retailing context (see, for example, Clarkson et al. 1996; Pioch & Byrom 2004; González-Benito & González-Benito 2005; Wood & Browne 2007), the examination of innovative, smaller-sized pop-up retailers brings a new perspective to the previous academic research.

From another point of view, pop-up retailing has become an increasingly common phenomenon in the international business environment (Surchi 2011, 257). In contrast to the research on location decisions, the academic literature on pop-up retailing remains certainly limited despite the vast media buzz around the phenomenon (Russo-Spena et al. 2012, 26; Pomodoro 2013, 344; Picot-Coupey 2014, 649). The research on pop-up retailing is in its infancy, examining aspects such as the features of pop-up retailing (Marciniak & Budnarowska 2009; Pomodoro 2013), consumer behaviour and attitudes (Kim et al. 2010), customer and store experience (Niehm et al. 2007; Russo-Spena et al. 2012), pop-up retailing as a marketing tool (Marciniak & Budnarowska 2009; Surchi 2011) and pop-up retailing as a foreign operation mode (Picot-Coupey 2014). These publications have not yet touched on location decisions directly. Based on the discussion above, examining location decisions in the pop-up retailing context contributes to the previous academic research in a two-fold way; it expands the location decision research from the traditional environment to smaller-sized retailing, and explores the field of pop-up retailing from a novel perspective. To fill in the identified research gap, the objective of this study is:

To examine location decisions in the pop-up retailing context.

The research objective that functions as the guideline of the study is further divided into three sub objectives:

1) What kind of retail locations are selected for pop-up stores?
2) How are retail locations selected for pop-up stores?
3) What kind of location-related decisions are made in pop-up stores after the retail location has been selected?

The study examines the topic from the pop-up retailers' point of view. The first sub objective focuses on the retailers' experiences on selected locations for pop-up stores. The second and the third sub objectives aim at understanding the nature of locational planning and decision-making in an uncommon retailing environment. The second sub objective examines the abstract locational planning and decision-making, whereas the third sub objective looks at the location management in pop-up retailing after the retail location has been selected.

This study focuses on the examination of pop-up retailers in the fashion sector. It is a logical continuum to the academic literature on pop-up retailing that mainly centres on the fashion sector (see, for example, Surchi 2011, Pomodoro 2013). In fact, the pop-up retailing format originates from the fashion industry (Surchi 2011, 257) and the number of pop-up stores in the given sector expand rapidly (Pomodoro 2013, 345). According to Easey (2009, 4), fashion retailers cover all retailers that sell fashion products and other related accessories, for example clothing, shoes, hats, bags, belts and scarves. This definition is also used in this study. Studying locational planning and decision-making in the fashion sector is meaningful, since the majority of such studies have focused mainly on the grocery sector and superstore format (Andrew et al. 2008, 536). In addition, Coca-Stefaniak et al. (2010, 677) propose that despite the retail sector is dominated by a few large retailers, small retailers are highly important to national economies due to their contribution to market share and employment. Figure 2 illustrates the outline of the study.

Research objective	To examine location decisions in the pop-up retailing context.
Sub objectives	What kind of retail locations are selected for pop-up stores? / How are retail locations selected for pop-up stores? / What kind of location-related decisions are made in pop-up stores after the retail location has been selected?
Theoretical framework	Location decisions in pop-up retailing
Data collection	Seven qualitative expert interviews
Findings	Thematic analysis
Implications	Conclusions

Figure 2   Structure of the study

The study is divided into six main chapters. After an introduction to the topic and a discussion on the purpose of the study, chapter two reviews the phenomenon of pop-up retailing that is the context of the research. The overview provides a definition of pop-up retailing and identifies the main characteristics and strategic purposes of the retailing format. The third chapter discusses the previous academic literature on retail locational planning and decision-making in a traditional retailing environment. In the end of the chapter, a theoretical framework is sketched by combining the two topics. The next chapter moves to the empirical part of the study. In this chapter, the methodology of the study is explained thoroughly; the research design provides a detailed description about the research approach, data collection, data analysis and trustworthiness of the study. The fifth chapter presents the main findings of the empirical study. The final chapter presents the conclusions and limitations of the study and proposes suggestions for future research.

2 POP-UP RETAILING

2.1 Defining pop-up retailing

Pop-up retailing is a relatively new name for an older concept of temporary retail (Burgess 2012, 285). The significant global boom of pop-up retailing in recent years has prompted a lot of attention in the media. However, academic research on the topic is only starting to emerge. Defining pop-up retailing is challenging because the concept is complex and multifaceted (Pomodoro 2013, 341, 350). First, pop-up stores are relatively heterogeneous in terms of strategic objectives, store layout and physical features. Second, they have also rapidly expanded from the fashion sector to other sectors such as restaurants, bars and online stores (Pomodoro 2013, 350). The diversity of pop-up stores is reflected by the multitude of existing expressions for the same phenomenon, including temporary, itinerant, nomad or guerrilla store. Therefore, there is no consensus on a comprehensive definition of pop-up retailing (Russo-Spena et al. 2012, 26). Nevertheless, pop-up retailing is nowadays the most commonly used term for temporary retail (Surchi 2011, 257).

A pop-up store is the physical outcome of operating pop-up retailing. The store opens suddenly in a location and soon disappears (Niehm et al. 2007, 4; Marciniak & Budnarowska 2009, 2). The impact on pop-up store relies on creating an unexpected novel experience for consumers through a unique store concept (Klein et al. 2016, 5761). A memorable pop-up experience engages the customer to a long-term customer-brand relationship (Russo-Spena et al. 2012, 21; Pomodoro 2013, 347).

Previous academic literature examines pop-up stores in terms of their characteristics and their functional purposes. The fundamental characteristic that differentiates pop-up stores from other retailing formats is their temporary nature (Niehm et al. 2007, 2, 4; Marciniak & Budnarowska 2009, 1; Surchi 2011; 257; Pomodoro 2013, 345; Klein et al. 2016, 5761). Their presence varies from few days up to one year (Niehm et al. 2007, 2; Pomodoro 2013, 343; Lassus & Freire 2014, 61; Klein et al. 2016, 5761) but is generally a month at most (Surchi 2011, 260; Pomodoro 2013, 343). The temporary nature of the pop-up store is often clearly expressed to prompt the customers for quick decisions to take advantage of unique opportunity. For example, pop-up retailers may set up a countdown of hours left until the closure of the store. (Surchi 2011, 258–267.)

Studies focusing on the functional purposes of pop-up stores identify brand promotion (Niehm et al. 2007, 2; Surchi 2011, 267; Russo-Spena et al. 2012, 21; Pomodoro 2013; 344) and market research (Surchi 2011, 265; Pomodoro 2013, 344, 350) as primary strategic purposes for pop-up stores. Respectively, sales are considered as a secondary purpose (Marciniak & Budnarowska 2009, 4; Surchi 2011, 267; Russo-

Spena et al. 2012, 21; Lassus & Freire 2014, 66). According to Klein et al. (2016, 5765), pop-up stores function as an effective experiential marketing tool because they enhance brand experience and generate positive word-of-mouth (WOM) communication. A unique pop-up experience awakens the consumers' curiosity towards the brand (Surchi 2011, 265–266; Lassus & Freire 2014, 61; Picot-Coupey 2014, 656). Positive WOM is caused by the pop-up stores' hedonic shopping experience, unique retail environment or attractive store atmosphere (Klein et al. 2016, 5765). A positive feeling of surprise arouses emotional responses in customers, thus strengthens the brand image (Surchi 2011, 260–265).

The use of pop-up stores for promotional purposes is also supported by the research of Pomodoro (2013, 347–349) that introduces the idea of pop-up concept brand stores and community stores. The concept brand store aims at increasing brand awareness and evolving brand image. To enhance brand identity, the concept brand stores provide more unique and personal brand experiences than flagship stores. Not only the physical elements of the store but also the organized events are coherent with the brand concept. The concept brand stores are typically built around a theme and they are characterized by sensational and multisensory elements. In contrast, the community brand stores aim at promoting the brand and engaging the customers by creating a brand community. It is typical of community stores to provide an intense platform for socializing activities, leisure and interaction. Through co-experiencing with other customers, the community stores strengthen the emotional brand-customer bond. The customers' desire of being part of the group increases the sense of belonging to the brand community. (Pomodoro 2013, 347.)

The investigative function is also considered a primary strategic purpose of pop-up stores (Surchi 2011, 265; Pomodoro 2013, 349). Pomodoro (2013, 349) identifies this type of a pop-up store as a test store. During the short operation time, pop-up retailers may conduct real-time market research trough their stores that help the brands with upcoming strategic market decisions (Niehm et al 2007, 25). For example, pop-up retailers may test a new brand or a new product line, obtain knowledge about the attractiveness of a particular location or examine the responsiveness of new customers through pop-up stores (Surchi 2011, 266; Pomodoro 2013, 349). Customer feedback is typically collected by personalized product tests or digital platforms (Pomodoro 2013, 349). The investigative ability of pop-up stores is important for both emerging and well-established brands because the market can be tested with a relatively low budget before committing to substantial financial investments or long-term leasing contracts (Surchi 2011, 266; Pomodoro 2013, 349).

On the other hand, sales are considered a secondary purpose for pop-up stores (Marciniak & Budnarowska 2009, 4; Surchi 2011, 267; Russo-Spena et al. 2012, 21; Lassus & Freire 2014, 66; Klein et al. 2016, 5761). As a matter of fact, also Niehm et al.

(2007, 4) propose that sometimes pop-up stores do not even sell merchandise at the store. According to Klein et al. (2016, 5761–5762) pop-up brand stores focus exclusively on the reinforcement of brand experience instead of gaining profits from sales activities. These ideas are supported by Surchi (2011, 261) who suggests that even in periods of intense commercial activities pop-up stores can be exclusively used as showrooms to display the brand. When pop-up stores prioritize brand promotional objectives, high sales objectives are not even set to the store. From the sales point of view, pop-up stores are mainly used for maintaining sales levels in less-active commercial seasons or selling off excess stock, yet promotions and discounts may naturally stimulate impulse shopping. (Surchi 2011, 265–266.) In the luxury fashion sector, pop-up stores function rather as a complementary sales tool to the permanent business operations (Lassus & Freire 2014, 66).

The discussion above demonstrates that despite comprehensive definition, pop-up stores can be examined in terms of their characteristics or functional purposes. In this study, pop-up stores are defined as a format of retailing, which takes advantage of its temporary nature to create novel brand experiences. The temporariness of the format is the key element to differentiate pop-up retailing from other retailing formats. The functional purposes are not as suitable for defining pop-up retailing because they are not exclusively associated with the given retailing format.

2.2 Key characteristics of pop-up stores

A retailing format is considered the core of retailing strategy. In essence, it refers to the physical embodiment of the selected retail business model. A retailing format incorporates a specific configuration of the elements of the retail mix, consisting of location, store size, merchandise and price. (Reynolds et al. 2007, 648; Zentes et al. 2012, 3.) Specific store characteristics are intrinsic in experiential retail, and therefore they are emphasized in pop-up retailing (Klein et al. 2016, 5761–5762). Store-specific characteristics are strongly connected to the competitiveness of the retail stores. Particular characteristics can lead into better performance, or even competitive advantage. (Turhan et al. 2013, 403.) Even though pop-up stores are heterogeneous in terms of physical features, brand strategies and consumer experiences (Pomodoro 2012, 341, 350), some typical characteristics of the retailing format can be pointed out. Table 1 presents a summary of the key characteristics of pop-up stores by Picot-Coupey (2012, 6–7, 28).

Table 1   Key characteristics of pop-up stores (Picot-Coupey 2012, 6–7, 28)

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 and size	- Small compared to the permanent retail store format
Price positioning	- Premium price in comparison to the price structure of the retailer - Discount price when positioned as a discount or stock clearance store
Promotion	- Based on social networking and word-of-mouth
Store location	- Innovative location - High traffic shopping location - Fashionable and economically significant cities - Radical and little known location

As put together in table 1, the retail mix of pop-up stores consists of six core elements which are merchandise mix, store design and atmosphere, sale space and size, price positioning, promotion and store location. Pop-up retailing is not a fixed and rigid retailing format, but the key elements can be modified to be suitable for different contexts and target groups (Picot-Coupey 2014, 664). The totality of the selected key elements creates the unique experience to the customer (Pomodoro 2013, 344).

Compared to the traditional store format, the merchandise mix of pop-up stores in narrower and more focused on one product line (Picot-Coupey 2012, 6–7, 28). The selection of the merchandise mix depends on the objective of the pop-up store. Typically, the whole product range is only offered when the aim is to open a permanent store in a short time after operating a pop-up store. (Picot-Coupey 2014, 655.) In most of the cases, however, pop-up retailers tend to display latest collections, seasonal products or exclusive lines (Surchi 2011, 262; Pomodoro 2013, 345; Picot-Coupey 2014, 655). Offering limited editions of brands creates a feeling of exclusiveness in the customers (Marciniak & Budnarowska 2009, 4). Pomodoro (2013, 345) states that the successful pop-up merchandise is built around the customer; it is exclusive, selective, interesting and appealing to him. In relation to brands, there are examples of pop-up stores offering one single brand (Surchi 2011, 26; Klein et al. 2016, 5761) and multiple brands (Pomodoro 2013, 345). Also the range of brand longevity may vary from newcomers to prestigious well-known brands (Niehm et al. 2007, 2).

A pleasant store design, architecture and atmosphere are essential elements in pop-up stores that generate a favourable long-lasting experience to the customer (Picot-Coupey 2012, 6–7, 28). Especially the role of interior design and visual merchandising is highlighted in the in-store design (Picot-Coupey 2014, 655). Consequently, the store design of pop-up stores is typically aesthetic (Surchi 2011, 262) with a strong artistic "designer appearance" (Picot-Coupey 2014, 655). It is typical of pop-up retailers to hire architects to build up creative appearances for the stores (Surchi 2011, 262; Picot-Coupey 2014, 655). The layout, furniture, materials and colours are designed to communicate the brand's values, culture and style (Pomodoro 2013, 347; Picot-Coupey 2014, 655).

Besides the physical store design, the atmosphere of the pop-up store is also different than in the traditional stores. The atmosphere in pop-up stores in lighter than in flagship stores to lower the barriers to enter the store (Lassus & Freire 2014, 63; Klein et al. 2016, 5766). The store atmosphere is entertaining, exciting and pleasant (Klein et al. 2016, 5766). Pop-up stores also emphasize the social aspect of retailing and offer unique customer-brand interaction (Klein et al. 2016, 5761–5762). Customers are not only considered as the end agents of the retailing chain but they become part of the business processes by co-building and co-creating with the brand (Surchi 2011, 263; Russo-Spena et al. 2012, 35). Also, multisensory involvement is typical of pop-up stores (Russo-Spena et al. 2012, 35). The pleasant smells, touchable products lower the barrier to try the products on (Lassus & Freire 2014, 63).

Even though the sale space and size of pop-up stores may vary from modest to even rather large ones (Picot-Coupey 2014, 656), usually pop-up stores are smaller than flagship stores (Niehm et al. 2007, 8). According to Lassus and Freire (2014, 63), customers experience small retail spaces more intimate, informal, comfortable and less intimidating. A small store area is considered sufficient especially when the focus is on exposing the brand or creating an experience (Lassus & Freire 2014, 63; Picot-Coupey 2014, 656).

The price positioning of pop-up stores depends on their primary objective and strategy. In some cases, pop-up retailers set premium prices compared to the flagship stores due to the exclusivity of the product range or temporary opening time of the store. On the other hand, pop-up retailers may sell products with discounted prices if the objective is to clear stocks. (Picot-Coupey 2012, 6–7, 28.)

Promotion in pop-up retailing has a strong social dimension (Russo-Spena et al. 2012, 35; Pomodoro 2013, 345). In first place, the promotion of pop-up stores essentially happens through social networking sites, temporary websites, virtual communities and word-of-mouth (WOM) communication (Surchi 2011, 260, 263; Russo-Spena et al. 2012, 35; Picot-Coupey 2014, 656). The aim is to create early buzz and brand awareness to awaken the curiosity of consumers (Niehm et al. 2007, 25;

Surchi 2011, 260). Later, customers can be involved in the promotion through digital platforms where they can share their experiences online, providing also valuable feedback for the pop-up retailers of the newly tested concept (Pomodoro 2013, 348–349). Viral and WOM marketing techniques can create significant cost advantages for pop-up stores (Marciniak & Budnarowska 2009, 4).

As discussed above, the whole pop-up store may be considered as a promotional tool. According to Pomodoro (2013, 344, 347), sometimes pop-up stores may be experienced more as events than stores because they might appear in a form of themed nights, cocktail parties or exhibitions that are strictly built around the brand concept, for instance. Especially events organized together with celebrities, artists and community groups are appealing to the customers (Picot-Coupey 2014, 656). For example, the fashion brand Comme des Garconds opened its pop-up store in a form of launching event in cooperation with a popular German art director (Surchi 2011, 262). The events that arise a feeling of surprise are the ones that create long-lasting unique memories of the brand (Pomodoro 2013, 344).

Store location is also one of the key elements of pop-up stores. As put together by Picot-Coupey (2012, 6–7, 28), pop-up stores appear in high traffic shopping areas (Surchi 2011, 260), fashionable and economically important cities (Marciniak and Budnarowska, 2009; Russo-Spena et al., 2012), innovative locations (Niehm et al., 2007; Kim et al., 2010), or less-known and radical locations (Surchi 2011, 261). Store location, as being the point of interest in this study, will be discussed more in detail in the next section of this chapter.

2.3   Store location as an element of pop-up retailing

Retail store location is a widely discussed topic in academic research. The majority of store location literature focuses on large-scale and traditional retailing (see, for example, Clarkson et al. 1996; Pioch & Byrom 2004; González-Benito & González-Benito 2005; Wood & Browne 2007). Consequently, the research into this topic in the context of pop-up retailing is limited. Some academic publications narrowly discuss location-related issues (see, for example, Marciniak & Budnarowska 2009; Surchi 2011; Pomodoro 2013; Picot-Coupey 2014), however, the notions of store location remain rather occasional in these studies. The observations relate mainly to the identification of locations where pop-up stores have appeared (see, for example, Marciniak & Budnarowska 2009; Surchi 2011; Russo-Spena et al. 2012; Pomodoro 2013; Picot-Coupey 2014). Previous literature has not examined thoroughly other locational issues in pop-up retailing, such as locational planning and decision-making that is highly important for all retail organizations. The lack of research is contrasted by the

acknowledgement of retail location as a crucial success factor for pop-up stores (see, for example, Picot-Coupey 2014, 665). Table 2 provides a detailed summary about the locational issues that appear in the most important academic publications regarding pop-up retailing.

Table 2   A synthesis of academic literature on pop-up retailing from a locational perspective

Authors (Date)	Research purpose	Importance of location	Locational issues discussed
Niehm, Fiore, Jeong & Kim (2007)	To assess consumers' perceptions and receptivity to pop-up retailing according to their demographical characteristics	*Not applicable*	*Not applicable*
Marciniak & Budnarowska (2009)	To describe pop-up retailing, and its use for marketing via mobile technologies and Internet	Location as trend indicator, increases attraction towards the brand	Location communication via social media Identified locations: fashionable and economically important capital cities, also fashionable neighbourhoods
Kim, Fiore, Niehm & Jeong (2010)	To analyse how consumers' psychographic characteristics are linked to beliefs, attitude and patronage intentions in pop-up retailing	Location as a mean of consumer attraction	*Not applicable*
Surchi (2011)	Evaluation of the motivations of using pop-up store as a marketing tool, examining fashion retailing sector in Italy	Location as "part of packaging"	Identified locations: expensive high-traffic shopping areas but also less obvious places Pop-up retailing for conducting market research in a particular location
Russo-Spena, Caridà, Colurcio & Melia (2012)	To explore pop-up retailing and its co-creation potential on Italian markets	Location essential part of the experience that enhances brand awareness and consumer involvement	Identified locations: central and trendy locations
Pomodoro (2013)	To introduce a preliminary typology for pop-up retailing in the context of Italian fashion sector	Location as a key "weapon" of pop-up retailing, geographical location as a strategic decision	Identified locations: innovative, radical locations, mobile locations, central districts, fashionable areas privileged
Picot-Coupey (2014)	To describe pop-up retailing in an international context and its potential as a foreign operation mode	Location as key factor for pop-up retailers, right location critical for success	Unrestricted locations Foreign locations through international operations
Klein, Falk, Esch & Gloukhovtsev (2016)	To investigate how pop-up stores create brand experiences and word of mouth in the context of luxury car retail	*Not applicable*	*Not applicable*

As illustrated in table 2, locational issues in are brought up in many academic publications concerning pop-up retailing. The significance of store location is underlined in the majority of former research. On the one hand, store location is identified as a key success factor of pop-up retailing due to its influence on the store performance (Picot-Coupey 2014, 655). The right store location leads the brand to its target market (Surchi 2011, 262). On the other hand, store location is considered an essential part of the whole retail experience (Surchi 2011, 260; Russo-Spena et al. 2012, 26). Store location represents the context of the store and communicates the retailer's position on the market. For example, for a fashion brand the store location indicates the fashion trend it is representing. (Marciniak & Budnarowska 2009, 5.)

In relation to selected locations, Picot-Coupey (2014, 664) states that pop-up stores select retail locations unrestrictedly. Besides choosing the right city pop-up retailers pay a lot of attention to selecting the exactly right neighbourhood for their store (Marciniak & Budnarowska 2009, 5). In previous academic research, there are notions for two different types of store locations that pop-up retailers have selected. The majority of the research (see, for example, Marciniak & Budnarowska 2009, 5; Surchi 2011, 260–261; Russo-Spena et al. 2012, 26; Pomodoro 2013, 345; Lassus & Freire 2014, 63) propose that pop-up stores are without exception located in highly representative, economically significant capital cities. Pop-up stores are typically found in central and trendy areas of the city, such as fashionable shopping districts, or high-traffic urban shopping areas. For instance, well-known brands including Gucci, Under Armour, Yohji Yamamoto, Anna Sui and Paperline e Zimmermann have opened pop-up stores in New York, in the fashionable Soho district (Pomodoro 2013, 345). According to Surchi (2011, 266), especially in the fashion sector it is strategically important to locate the pop-up stores in large cities and on the right street. These propositions cohere with the idea that pop-up retailers can take advantage of their short-time leasing contracts and afford otherwise costly and prestigious central locations (Picot-Coupey 2014, 655).

In addition, it has been recognized that some pop-up stores prefer unfamiliar (Picot-Coupey 2014, 655), innovative and radical locations (Pomodoro 2013, 344–345). These locations are found in peripheral areas or less-known suburbs of capital cities. These less-obvious locations are not linked to the fashion world directly, but they are usually linked to a certain lifestyle that is seen congruent with the brand's values. The potential of these locations lies in the unordinary experience that awakens the interest of customers and enhances WOM-communication. (Surchi 2011, 261–262.) Instead of locating stores in traditional shopping malls, there are examples of pop-up stores creating innovative solutions from art galleries, churches and simple flats. For example, the Japanese fashion brand Comme des Garcons initiated the international pop-up trend in 2003 by opening a pop-up store in a warehouse in Eastern Berlin. (Pomodoro 2013, 343–345.) In 2008, Louis Vuitton operated a pop-up store at the Museum of

Contemporary Arts in Los Angeles (Picot-Coupey 2014, 643), and Fiorucci presented the Baby Angel Oviesse collection in a container ship (Pomodoro 2013, 343–345). However, Dabija and Băbuț (2012, 814) argue that it is mainly hypermarkets or DIY-units that decide to locate in the outskirts of the city. The locations outside the city centre are considered more inconvenient for the customers because they need good transportation means to be reached.

Some fashion brands have even decided to operate mobile pop-up stores moving from one location to another. For example, in 2009 Puma created a mobile pop-up store "Puma City". The solution consisted of three floors and 24-containers and it moved all over the world. (Surchi 2011, 262; Pomodoro 2013, 245.) Another example of a mobile pop-up solution is the Rock Color Bus by Gap that promoted their summer collection line moving around in a bus all over United States (Sekula 2006).

In relation to successful retail locations there are some indicators of important location factors for pop-up retailers. Russo-Spena et al. (2012, 31, 35) suggest that a successful location ensures high visibility to the pop-up retailer and is easily accessible to customers. This suggestion is coherent with the study of Dabija and Băbuț (2012, 814) that indicates that specialty, discount and proximity stores are typically located in densely-populated, crowded areas. In the vicinity of people's domiciles or public establishments such as hospitals, schools, or banks there is natural flow of people. (Dabija & Băbuț 2012, 814.) Picot-Coupey (2014, 656) mentions that a good location for a pop-up store is cost-effective but still easily accessible to consumers that are unfamiliar with the brand. In relation to other surroundings, Lassus and Freire (2012, 61) propose that pop-up retailers prefer locations that are nearby the flagship store.

To conclude, retail location is an intrinsic feature of pop-up stores. In order to fully take advantage of the experiential opportunities and avoid financial failures, there is a need for examining location decisions in the pop-up retailing context. As discussed in the above, the academic research on the topic remains narrow. The next chapter approaches the studied phenomenon by providing first an overview of retail location decisions in a more traditional retailing environment, and later suggesting a preliminary framework for location decisions in pop-up retailing.

3 LOCATION DECISIONS IN POP-UP RETAILING

3.1 Approaches to retail location

In order to explore the location decisions in pop-up retailing, it is essential to cover the concept of retail location. Research regarding retail location is extensive, deriving from a large number of traditions, approaches and disciplines that have all examined retail location from a different perspective. Nonetheless, the main fields contributing to the research of retail location originate in the geography and marketing traditions (Bennison et al. 1995, 8–13; Clarke et al. 1997, 59; Cresswell & Hoskins 2008; Arrigo 2015). Recent literature seems not to question this approach but suffice to adopt these traditions in their studies (see, for example, Johnstone 2012; Wood & Reynolds 2012; Arrigo 2015). In the following sections, both of the traditions, their features and focus of research are reviewed in order to demonstrate that the concept of retail location is not only restricted to the geographical spread of the retail organization but it also includes the idea of retail location as a tool of marketing.

The origin of retail location research is in retail geography, representing also the largest contributions to the field. In retail geography, retail location has been studied from temporal, spatial, natural and social dimensions (Johnstone 2012, 1399). From the geographical point of view, retail location is understood as the geographical position of the business premises (Clarke et al. 1997, 60). Retail location refers to the physical space where the business exists. Identifying geographical positions is important for retailers because all retail locations are characterized by particular location factors. Certain location factors are more appropriate for one type of business than for another. For example, in the case of distribution, it is essential to identify geographical retail locations with good transportation facilities. (Oxford Dictionary of Economics 2012.) González-Benito and González-Benito (2005, 298) share a similar view, suggesting that the selection of a retail location equals to the choice of geographical market. That is to say, a physical business premise that is a tool for delimiting a geographical market. Retail location spatially constrains where the customers meet with the retail supply (Graig et al. 1984, 5; Hernández 2007, 250).

The previous research on retail location from a geographical viewpoint can be roughly divided into three principal points of interest. At first, the focus was on understanding the spatial patterns of retailing (Clarke et al. 1997, 60; Hernández et al. 1998, 299; Birkin et al. 2002, 1; Arrigo 2015, 521). In the examination of spatial patterns, the spatial distribution of retail premises is compared with consumer behaviour and shopping patterns (Clarke et al. 1997, 60). The second discipline is store location research that aims at identifying an optimal retail location for a store. The development

of new techniques and the use of data for locational analysis are probably the most widely discussed themes in store location research. (Clarke et al. 1997, 60; Birkin et al. 2002, 2; Arrigo 2015, 251.) Due to the emergence of new retail geography and studies on spatial issues of retail development, there has been few emphasis on locational planning and decision-making research since the mid-1990s (Andrew et al. 2008, 537). The third area of research concerns the planning of the land use and public policy issues that relate to retail locations. In this research area, the early theories of retail location, especially the central place theory, form an important part of the discipline. (Clarke et al. 1997, 60.)

Already Clarke et al. (1997, 59–61) brings up that the field of marketing provides a divergent approach to retail location, albeit it has borrowed a lot of concepts from the geographical research. From a marketing point of view, retail location is considered a strategic and operational component of the marketing mix. Retail location is defined through the tradition of 4Ps; product, price, place and promotion, in which the term place refers to location. Instead of examining retail location in relation to its geographical market or spatial relationships, the marketing approach is interested what is the right place to approach target customers and how to make customers feel comfortable shopping in a particular place. (Bennison et al. 1995, 8–9; Clarke et al. 1997, 59–61.) All retail locations are characterized by particular features, for example natural, artificial, historical, aesthetic and spiritual attributes that communicate the values that the brand (Clarke et al. 1997, 61). These retail location attributes constitute the overall image of the store (Dabija & Băbut 2012, 813, 818) and therefore have an impact on the firm's profitability (Dictionary of Economics 2012). To create positive brand associations and make the customers return to the store, retailers need to understand what kind of store locations are appealing and convenient to their customers (Dabija & Băbut 2012, 813, 818).

Current place marketing and branding literature presents similar ideas to the above discussion. It is a relatively new academic discipline, since researchers started to examine place marketing and branding strategies only two decades ago (Gertner 2011, 114). Place-based studies focus on the relationship between people and place (Johnstone 2012, 1400). In contrast to the material understanding of place, these studies examine the meaning of location for people (Creswell & Hoskins 2008, 394). According to Holloway and Hubbard (2001, 69), the geographical understanding of place does not exist without the relationship of people and place. Therefore, people and place should not be studied independently. Moreover, Johnstone (2012, 1401–1402) proposes that besides the physical characteristics of the place, the examination of place needs to be extended to the social constructions of place. The social constructions matter because consumers always shape the place they occupy. Consequently, a retail manager cannot fully control a place because the consumer always assigns meaning to it.

Previous research has also examined sense of place. Sense of place consists of concepts such as place identity, place dependence and place attachment (Jorgensen & Stedman 2001, 233) and is interested in what customers experience there (Arrigo 2015, 522). People often develop attachment or sense of belonging to a physical location that makes the place meaningful to them. For example, people may get attached to places that link them together socially (Johnstone 2012, 1399–1402). Hede and Watne (2013, 208) suggest that sense of place generates and strengthens emotional consumer-brand attachment. Attachment is facilitated by sense of world around the brand that take shape through the place in which consumption occurs. Therefore, the consumption place is a mean for adding value and perceptions to the brand (Moye & Kincade 2003, 59). Place-related associations are indivisible from stores and therefore, customers evaluate products through them unconsciously (Arrigo 2015, 522). Positive place-based perceptions are valuable since they communicate the brands' excellence, quality, and innovation (Jansson and Power 2010, 892).

To summarize the discussion above, retail location is a complex and multifaceted concept that can be examined from various perspectives. Bringing the geographical and marketing traditions together, Cresswell and Hoskins (2008, 392–393) propose that place evokes two facets: materiality and meaning, which refer to the tangible geographical form of place and intangible customer perception of a location. Consequently, retail location decisions are not only limited to the decision-making relating to the geographical area of the store but they also include decision-making from the marketing perspective. In addition to the selection of the physical position of the business, retail location decisions create simultaneously particular perceptions of the brand. In the next section, retail locational planning and decision-making is explored in the light of both geographical and marketing perspectives.

3.2   Locational planning and decision-making

3.2.1   *Retail location decisions*

Location decisions are top level strategic decisions for retailers (see, for example, González-Benito & González-Benito 2005, 300; Parekh et al. 2011, 102; Zentes et al. 2011, 203; Erbıyık et al. 2012, 1405). Retail stores can prosper or fail solely because of the retail location (Mendes & Themido 2004, 1; Heizer & Render 2011, 346). On the one hand, retail location can be a source of competitive advantage because it is a unique element and hard to imitate (Parekh et al. 2011, 102; Zentes et al. 2011, 203; Erbıyık et al. 2012, 1405). On the other hand, retail location decisions require substantial financial

investments and long-term commitment in traditional retailing (Hernández et al. 1998, 300; Hernández & Biasiotto 2001, 401–404; Erbıyık et al. 2012, 1405). Once made, retail location decisions cannot be changed as easily as other elements of the retail mix, such as price, customer service, communication, store design or product assortment (Parekh et al. 2011, 102; Zentes et al. 2011, 203; Erbıyık et al. 2012, 1405). Locational failures appear as unprofitable stores or sites lost to competitors (Wood & Tasker 2008, 139), and they cause significant financial consequences to retailers (González-Benito & González-Benito 2005, 300).

According to the neo-classical location theory, the primary objective of location decisions is to take maximum economic advantage of a particular location. Maximum efficiency can be reached through the maximization of total revenues and minimizing operating costs. (Meester 2004, 22.) Heizer and Render (2011, 346) suggest that the optimal location decision depends on the type of business. They propose that the strategy of industrial organizations is to minimize costs, whereas retail and service organizations aim at maximizing revenue. The most typical examples of location decisions are setting up new business premises or relocating an existing establishment. However, location decisions are not always easy to recognize. For example, expansion in a current location is also a location decision. (Meester 2004, 1–2.)

From a geographical perspective, location decisions can be divided into different levels of geographic aggregation. Typically, three levels of location decisions are separated. Macro level decisions refer to the evaluation of a potential larger region for a retail store (Brown 1992, 16; Sullivan & Adcock 2002, 97; Eiselt & Sandblom 2004, 154–155). Typically, macro level decisions relate to the decision of the country (Heizer & Render 2011, 347). Once the optimal country is chosen, the micro level decision follows. The micro level corresponds to the analysis of a more specific area inside the country, such as region, community or town. (Brown 1992, 16; Sullivan & Adcock 2002, 97; Eiselt & Sandblom 2004, 154–155; Heizer & Render 2011, 347.) Site selection is considered as the third level decision. Site selection corresponds to the evaluation of a more detailed site inside the micro area, according to the location factors that are relevant to store performance. (Brown 1992, 16; Sullivan & Adcock 2002, 97; Eiselt & Sandblom 2004, 154–155; Heizer & Render 2011, 348.) As early as in the 1990s, Brown (1994, 543) proposed that location decisions of retailers mainly focus on micro-scale evaluation, and the appropriateness of the particular site. However, expansion to foreign markets and transnational location decisions have become more common in recent years due to the changes in the retailing environment (Heizer & Render 2011, 347). Therefore, also location decisions have become more complex and expansive from a geographical perspective.

Until relatively recently, opening new stores in a geographic area has been the main topic in location decision studies. It is reasonable because starting an activity in a

particular geographic area is considered the most complex type of location decision. (Zentes et al. 2011, 203–204.) Even though the geographical extension of an organization is a dominant feature in location decisions, it is important to acknowledge that other types of decisions are included in the comprehensive process of locational decision-making (Mendes and Themido 2004, 2–3; Rogers 2005, 202–203). For example, besides selecting the geographical market, selecting the store format that suits a particular location should be made in the first place (Clarke et al. 1997, 65–66; Rogers 2005, 202–203). Mendes and Themido (2004, 2) introduce a more comprehensive schema for retail location decisions (figure 3). In their framework, the different location decision levels do not solely focus on the geographical extension of a store.

	Problems	**Models**	**Decisions**
Level 1	How many stores to build, in what period of time and in what regions?	Integrated investment models of network expansion	Retail network expansion plan in the long range
Level 2	Of the potential location in a region, which to choose?	Models of sales assessment for each potential location	Site acquisition and development programs
Level 3	Which store characteristics for the chosen site?	Store division sales, share models, and customer segmentation models	Store size, layout, and implemented services

Figure 3   Location decision levels (Mendes & Themido 2004, 2–3)

In the example provided by Mendes and Themido (2004, 2–3) location decisions are divided into three levels (figure 3). These levels are not rigid but may interact with each other, particularly levels two and three. The first decision level focuses on the retail expansion plan in the long range. It deals with questions like selecting the larger region or zone for the store, number of outlets and timing of the decision implementation. On the second decision level, after the evaluation of alternative locations, the optimal site for the store is chosen. The third level is concerned with the optimal store characteristics and services in a particular site. The physical store characteristics, such as store size and layout are significant elements that are taken into account in the decision-making. These

characteristics are connected to the services quality and satisfaction that the customer perceives.

The recent growth and expansion of the retailing sector has forced the retailers to consider retail location comprehensively from a strategic perspective (Clarke et al. 1997, 61–62). Contemporary locational planning and management reaches the entire network of retail outlets, instead of focusing solely on one store. The objective is to balance the portfolio in order to maximize the returns of each individual store. (Bennison et al. 1995; 15.) As Currah and Wrigley (2004, 1) propose, successful store development bases on the rapid and flexible adaptation of the retailing format portfolio to the new business environment by combining knowledge from multiple locations.

To examine location decisions holistically, Hernández et al. (1998) propose a contemporary framework for strategic locational planning and decision-making (figure 4). Locational planning and decision-making is separated to three levels; strategic, monadic and tactical levels. The strategic level is the highest level of decisions-making that refers to the abstract planning and selection of a retail location. The strategic level conditions the monadic and tactical levels of decision-making that are considered as the management of locational issues after having selected a particular location. The borders of these decision-making levels are not rigid but they are interconnected, and can even be reversed.
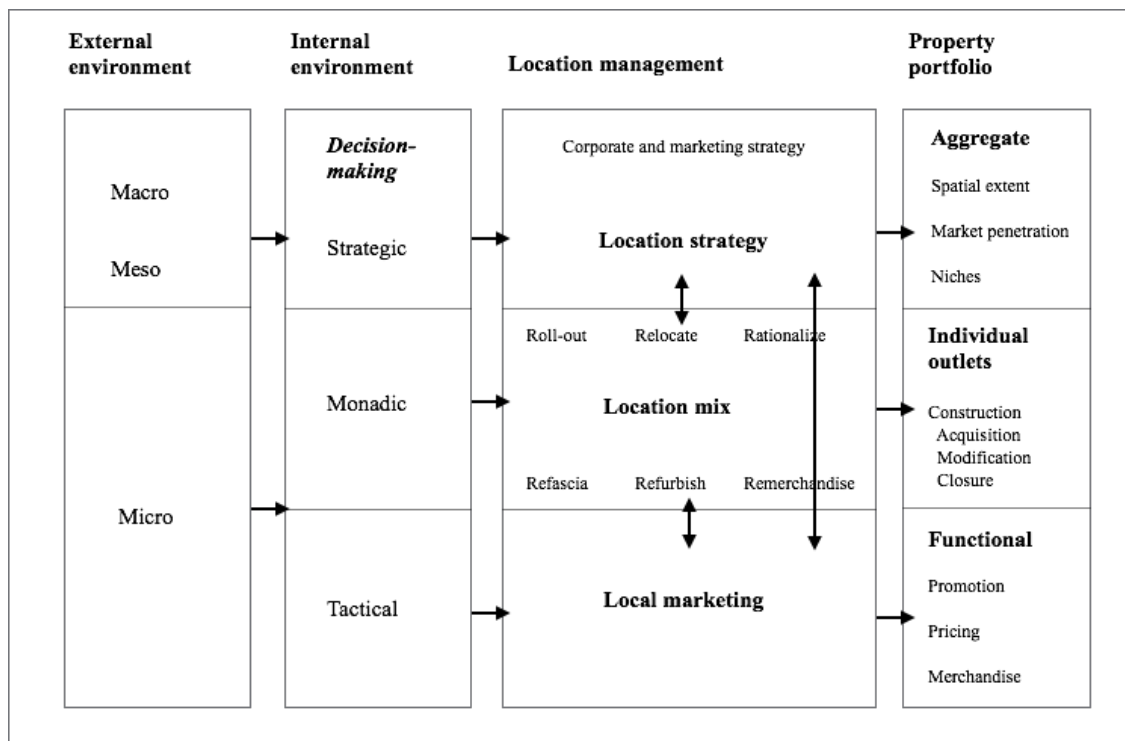

Figure 4   Retail locational planning and decision-making (Hernández et al. 1998, 301–304)

As illustrated in figure 4, the framework consists of four inter-related components; the external environment, internal environment, location management and property portfolio. Location management is influenced by the external and internal environments of the retail organization. The external environment is divided into macro, meso and micro levels. The macro environment is the broad societal environment where the company operates, including the political, economic, socio-cultural and technological factors (Clarke et al. 1997, 63; Hernández et al. 1998, 301–2), whereas the meso environment is a "filtered" version of broader societal trends that the organization creates for itself (Hernández et al. 1998, 301–302). Accordingly, the internal environment refers to the way how an organization perceives the external environment, or how it reacts to the changes in the external conditions (Clarke et al. 1997, 62–63; Hernández et al. 1998, 302). Property portfolio represents the outcome of the location decisions. As a result, location decisions are the outcome of the interplay of various multifaceted actors that are hard to control (Hernández et al. 1998, 299).

3.2.2   *Strategic locational planning and selection*

Hernandéz et al. (1998, 301–304) suggest that retail locational planning and decision-making starts on the strategic decision-making level. Location strategy refers to the abstract locational planning and decision-making before opening a store. Because opening a store requires a fixed investment, location strategy needs to be established at an early stage of the decision-making process (Bennison et al. 1995, 9). Strategic level decisions include the geographical extension of the store, as well as decisions related to market penetration on profitability targets and niches.

According to Hernandéz et al. (1998, 301–304) the internal environment of a retail organization shapes locational planning and decision-making. The internal environment refers to the inner factors that the retail organization possesses, such as structure, culture and finance. The first factor relates to the attitude towards profit, growth and risk; whether the organization prefers risk-cautious policies or has a culture of quick-acting entrepreneurial experientialism. The second factor is the style of decision-making, taking in consideration the flat or hierarchical structure of the organization. Third, profitability is taken into account, since highly profitable companies have better possibilities of evaluating and selecting locations than the ones with little capital to invest. The last factor is the technological culture of the organization, indicating the extent to which information technology is used in the locational decision-making process. (Clarke et al. 1997, 64; Hernández et al. 1998, 302.)

Due to the insufficiency of obvious retail locations, more objective and quantitative methods and techniques have been developed for locational planning and decision-

making (Pioch & Byrom 2004, 224). Nowadays retailers have a wide range of analytical methods and techniques to support managers in locational planning and decision-making (Hernández et al. 1998, 299; Hernández & Bennison 2000, 357; Pioch & Byrom 2004; 225; Reynolds & Wood 2010, 823). Effective site-screening methods have gained significance because sales forecasting techniques have become more time consuming and expensive (Rogers 205, 202–203). Locational planning techniques vary from simple evaluation checklists, analogue methods, statistical modelling and spatial interaction models (e.g. gravity modelling) to knowledge-based techniques, such as expert systems and neural networks (Hernández & Bennison 2000, 357–358).

Heizer and Render (2011, 351–358) propose that the four major methods to support location decisions are the factor rating-method, locational break-even analysis, the center-of-gravity method and the transportation model. In the factor-rating method, the key success factors are identified and later weighted against the objectives of the organization. Respectively, the locational break-even analysis compares location alternatives by analysing the costs and revenues and searching for the locations with the lowest cost. The center-of-gravity method is a mathematical technique to identify a location where the distribution costs are minimized. The transportation model aims at finding the optimal ways of shipments from the supplier to the end destinations, minimizing the total production and transportation costs. Because retail organizations seek to maximize revenues instead of minimizing costs, retailers use the factor-rating method, demographic analysis of drawing area, purchasing power analysis of area, traffic counts, center-of-gravity method and geographic information systems (GIS) in particular for locational decision-making support.

Hernández and Bennison (2000, 357) argue that the advances in decision-making support techniques have given a much more rational perspective to locational decision-making. They have improved the productivity and effectiveness of locational analysis processes (Reynolds & Wood 2010, 823). However, basic techniques have still maintained their power in locational planning and decision-making, especially amongst smaller retailers (Smith & Sanchez 2003, 38; Pioch & Byrom 2004, 225; Wood & Browne 2007, 250). This is reasonable because small retailers generally have inadequate financial and time-related resources to conduct comprehensive locational planning (Andrew et al. 2008, 539; Reynolds and Wood 2010, 840). Due to the limited financial resources, smaller retailers cannot acquire high-cost locational planning techniques or datasets (Andrew et al. 2008, 539).

Consequently, the role of subjective judgement in locational planning and decision-making has remained remarkable (Wood & Browne 2007, 250). Decision-makers still rely on personal instinct, experience and common sense (Hernández et al. 1998, 304–305; Hernández & Bennison 2000, 357, 360; Hernández & Biasiotto 2001, 417; Wood & Browne 2007, 250). Also, the role of physical site visit in locational planning is

remarkable (Byrom et al. 2001, 226; Wood & Browne 2007, 250; Reynolds & Wood 2010). The most effective locational forecasting combines quantitative modelling approaches with related qualitative information (Clarke et al. 2000, 282–283; Wood & Browne 2007, 250).

Turhan et al. (2013, 406) suggest that performance functions as the cornerstone for retail location selection because retailers always choose the best performing store from all alternatives. However, Mendes and Themido (2004, 2–3) argue that full understanding of store performance requires much information about location variables, including geographical, competitor and socio-economic factors. Many of these location factors are hard to quantify, nevertheless, they influence significantly sales performance (Rogers 2005, 207.) Figure 5 presents the key success factors of retail location strategy according to the performance of the store by González-Benito and González-Benito (2005, 297–300).
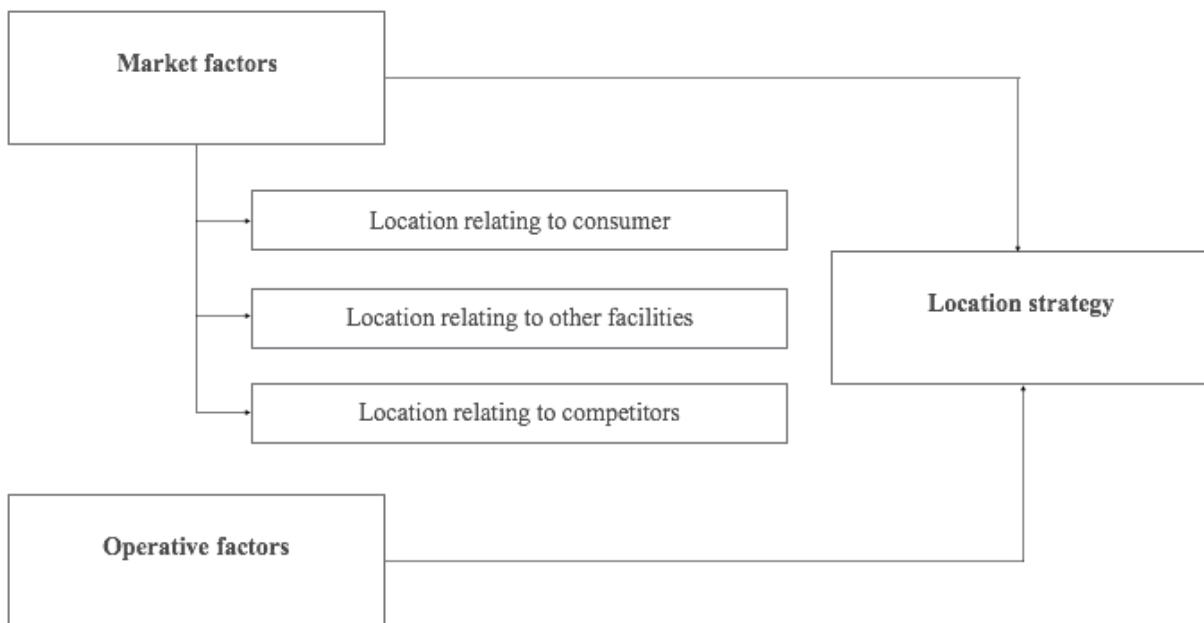
Figure 5   Key factors of location strategy (González-Benito & González-Benito 2005, 297–300)

As demonstrated in figure 5, market factors (created revenue) are weighted against operative factors (costs). Market factors refer to the elements that are capable of generating income. They reflect the potential of the location, how capable is it of attracting consumers and enhancing sales. On the contrary, operative factors stand for the costs caused by opening and operating a store in a particular location. The relationship of the market and operative factors equal to the profitability of the location.

González-Benito and González-Benito (2005, 297–300) divide market factors into three segments; consumers, complementary facilities and competition. According to

Heizer and Render (2011, 350), for service organizations proximity of customers is the primary location factor. Similarly, Popkowski-Leszczyc et al. (2004, 86) state that the store's distance from its customers is one of the most important locational factor. The location relating to consumers can be examined from quantity or quality point of view. The quantity of consumers refers to the population density of the area. (González-Benito & González-Benito 2005, 297–300.) Because retailing is highly dependent on traffic, a steady customer flow is important (Sullivan & Adcock 2002, 95). Measures for consumer quantity include for example population size and density, population growth rate and the number of households.

On the other hand, socio-economic and demographic features of the market area can explain the quality of consumers. Demographic features provide important information whether the customers' profile matches the positioning of the retail store. (Rogers 2005, 208; Turhan et al. 2013, 406–407.) Analysing other information like the purchasing habits of the consumer or the travel time or distance to the store is important because they increase the accuracy of prediction. Demographic features include for example age, gender, education, occupation, marital status, political attitude, social class and culture. Socio-economic factors are closely related to the demographic structure because they form a part of the latter. In brief, socio-economic factors relate to the elements that influence the consumers' disposable income and willingness to spend. These factors include for example household income, income distribution and mobility (cars-per-household). (Turhan et al. 2013, 406–407.) The recent fragmentation of consumer markets in terms of demographic characteristics increases the need for focusing on the quality of customers more and more, instead of solely concentrating on the quantity of customers (Rogers 2005, 201).

Complementary facilities are the second group of market factors (González-Benito & González-Benito 2005, 298; Rogers 2005, 208). Facilities in a certain market area, like complementary retail stores, workplaces or leisure activities may increase retailing operations because the stores are on the natural walking route of the customers (González-Benito & González-Benito 2005, 298). According to Turhan et al. (2013, 408), also magnet stores attract more customers to a certain area. In terms of multi-purpose shopping trips, customers explicitly search for shopping areas with several retail stores in the vicinity (González-Benito & González-Benito 2005, 298). According to Popkowski-Leszczyc et al. (2004, 86), the distance to competing and non-competing store is the most important location factor to be examined in addition to customers.

The third market factor is competition in a particular location (González-Benito & González-Benito 2005, 298; Rogers 2005, 208). Retailers should examine the size, location, sales, facilities and price positioning of competitors (Rogers 2005, 208). Traditionally, market areas with only few competitors present are considered optimal locations. For example, Turhan et al. (2013, 407–408) bring this up in their research

when examining retail saturation levels. Retail saturation level means the number of stores per households that has an influence on the demand for goods. According to their study, locating a store on an under-stored market generates profitability, whereas in the case of locating on saturated markets the result is the opposite. Both direct and indirect competition should be assessed in a specific location because in the end all businesses are competing for the consumers' disposable income. Locational factors that affect competition include for example the spatial distance between competitors, the size and number of rivals, shopping alternatives, competitors' sales volume, relative competitive strength, rigidity of competition and the degree of aggressiveness.

On the other hand, González-Benito & González-Benito (2005, 299) propose that companies may also benefit from locating near to competitive stores. In cases of multipurpose shopping trips when the customer wants to buy everything at once, a group of competitive stores attracts customers due to the diverse offering that the stores provide together. Heizer and Render (2011, 350) suggest correspondingly that the vicinity of competitors is positive for retailers due to the idea of clustering. According to them, retail organizations benefit from the mass of information, talent, capital ventures and natural resources.

To find an optimal location, the market factors are weighted against the operative location factors. Operative factors refer to the costs that are formed from the opening and operation of a store. (González-Benito & González-Benito 2005, 297.) Heizer and Render (2011, 349) divide these costs into tangible and intangible costs. Tangible costs include readily identifiable costs such as utilities, labour, taxes, material, depreciation, transportation and site construction. On the opposite, intangible costs are harder to quantify. For example, quality of education, public transportation facilities and attitudes of employees are intangible costs. Turhan et al. (2013, 408) suggest that building, renting, buying or renovating are the most important costs for a retail store. Other costs to name relate to land value across different areas, logistic factors and additional services, like parking of free transport (González-Benito & González-Benito 2005, 300).

3.2.3 Location management

To maintain and improve retail profitability in the long run, planning and managing the locational assets throughout the lifespan of the location decision is essential (Hernández et al. 1998, 300; Hernández & Biasiotto 2001, 406; Rogers 2005, 201). Locational planning and decision-making does not end at the opening of the store but evaluating performance continues with post opening accuracy assessments. Conducting post

opening accuracy assessments enhances future locational forecast processes. (Wood and Browne 2007, 249; Wood & Reynolds 2012, 1079)

Hernández et al. (1998, 303) introduce the concept of monadic level decision-making in locational planning and management of store-based retailers. Later literature accepts the idea and keeps repeating it (see, for example, Byrom et al. 2001; Pioch & Byrom 2004; Cliquet 2006; Wood & Reynolds 2012). The monadic level decision-making is a unique feature that differentiates store-based retailers from other retailers. Monadic decision-making means the location management of individual stores (Pioch & Byrom 2004, 225). They refer to the retailers' investment and divestment decisions in individual outlets on a store-by-store basis. In contrast to abstract decision-making, monadic levels decisions are fundamental actions that implement the location strategy in practice. (Cliquet 2006, 122.) Therefore, monadic level decisions are once made, hard to change (Clarke et al. 1997, 63).

Heizer and Render (2011, 346) identify three location decision options on the monadic decision-making level; expanding an existing facility, adding another facility to the network of stores and the closure or relocation of a store. Other studies (see, for example, Bennison et al. 1995, 2–5; Hernández et al. 1998, 303–304; Hernández & Bennison 2000, 359; Hernández & Biasiotto 2001, 406–410; Rogers 2005, 201; Cliquet 2006, 122) recognize similar decisions but examine the matter more in detail. There are six possible decision alternatives on the monadic decision-making level, referred to as location mix decisions. The location mix includes six activities starting the order from highest risk, investment and time:

1. Roll-out or extension: to gain more floor space by opening new stores (organic growth or acquisition) or to expand floor space in already existing stores.
2. Relocation: to change the location of an existing store. One option is to move two closely located stores into one larger one, or to move a store to a newly created shopping area.
3. Rationalisation: to decide whether close or sell a store.
4. Refascia: to modify the image of a store by changing the name and appearance.
5. Refurbishment: to modify the store more gently than in refascia, by changing the interior of the store or replacing outdated fittings.
6. Remerchandising: to change the merchandise or product range according to the local customer.

During introductory and growth phases, retail organizations gain market-share by establishing new units (organic growth or acquisitions). Organizations with defensive

strategies have the option of the closure or disposal of stores, as deleting unprofitable outlets may restore profitability. On the other hand, when an organization is in a mature state refurbishment and refascia are considered low-cost defensive actions in tight trading environments. (Bennison et al. 1995; 13–15.) For larger scale retailers, refurbishment, roll-out and rationalization are the most common location mix decisions that they undertake (Hernández et al. 1998, 305). However, Pioch and Byrom (2004, 224–225) suggest that in small retail organizations the decisions are not so breadth due to the relatively simple portfolio including one or two stores. Figure 6 illustrates the relationship of the risk and implementation time of these six alternatives.
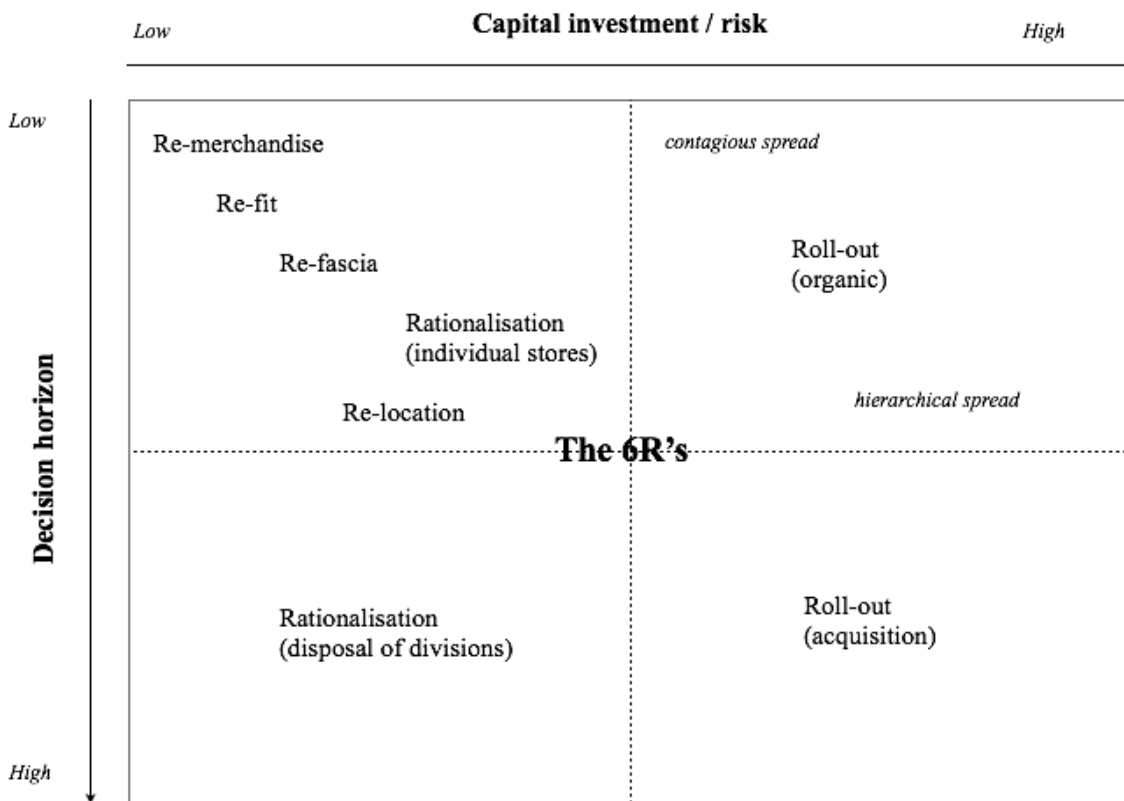
Figure 6   Location mix options: decision horizons and capital investment
(Hernández et al. 1998, 304–305)

Figure 6 explains the relationship between locational activity, capital investment (risk) and decision horizon (time). Figure 6 shows that roll-out decisions are considered the most time-consuming and risky decisions. Roll-out decisions are complex because they may include legal negotiations, management takeover planning or capital budgeting issues. A roll-out through acquisition takes the most time to implement and includes the highest risk of these options because the process can involve a large number of stores and the level of uncertainty is high. Organic growth includes less risk because the process is more gradual compared to acquisitions. In turn, remerchandising

decisions are relatively quick and low risk decisions that can be implemented in one single day. (Bennison et al. 1995, 13–15; Hernández et al. 1998, 304–305.)

In addition to the location decision alternatives on the monadic decision-making level, retail organizations manage locational issues on the tactical level. Tactical decisions refer to the management of locational issues in day-to-day operations in an individual store. They aim at maximizing profit from each individual store, and therefore contribute to the overall strategy of the retail organization. Tactical decisions are short-term decisions that enable quick reaction to the local circumstances and competitive actions. In comparison to monadic decisions, tactical decisions involve a relatively small level of risk and they allow more flexibility. (Clarke et al. 1997, 63; Hernández et al. 1998, 301–304.) Even though tactical decisions belong to the lowest level of locational decision-making, information (e.g. feedback) from the local customer can influence or even redirect the way of locational decision-making. (Hernández et al. 1998, 301–304.) Tactical decision-making level relates to the localization decisions of the retail store.

As response to rapid globalization of retailing, the discussion on localization strategies has emerged (see, for example, Coca-Stefaniak et al. 2010). To maintain or increase profitability, the retail stores need to be adapted to local catchment and customers. Understanding the local customer is especially important in new market entries to avoid substantial financial failures. Adapting the store to the local market and customers requires large-scale locational analysis. (Wood & Reynolds 2012, 1077–1078.)

Local marketing is a new shift in retail marketing (Ziliani & Bellini 2004, 7). It has been recognized as a part of location management only recently (Hernández et al. 1998, 304). Local marketing refers to understanding local customer behaviour (Johansson 2009, 209). In contrary to mainstream (macro) marketing, local marketing is also called customer-specific marketing (Ziliani & Bellini 2004, 7). Ziliani (2000, 358) defines local marketing as *"the orientation of retailers to measure and respond punctually to both the spatial and behavioural complexity of their market, facilitated by information technology"*. In local marketing, the competitive arena is reduced to the store's local market, to a restricted number of players and a to a particular target group. The potential of micro-marketing is in the collection of demographic and behavioural information that can be further used for customer segmentation, targeting and direct communication. (Ziliani & Bellini 2004, 8, 16.) Local marketing decisions lead to competitive advantage in terms of increased word-of-mouth promotion and enhanced place attractiveness on store and city level. For large and global retailers it is hard to establish genuine engagement with the local community. (Coca-Stefaniak et al. 2010, 689.) Wood and Reynolds (2012, 1085) propose that combining locational planning with marketing

activities creates advantages for both location and marketing departments in a retail organization.

The most common local marketing initiatives are the adaptation of promotional activities, product range and pricing to the local market (Hernández et al. 1998, 304; Johansson 2009, 209–210). The appropriateness of these activities can vary widely depending on a specific location (Byrom 2011, 335). Byrom (2001, 335) proposes that consumers have a tendency of reacting in a different way to offers and methods of advertising. Reasonably, Ziliani and Bellini (2004, 10–11) state that retailers focus especially on localizing promotional activities. Local promotional activities aim at targeting relevant offers at little incremental cost to a limited number of customers. Local promotional activities include for example marketing campaigns within a specific area (Hernández et al. 1998, 304), differentiated direct mailing and coupons (Ziliani & Bellini 2004, 10) or store-specific offers by leaflets (Byrom 2001, 336). In addition to the reactions towards advertising, also consumer taste varies regionally. Consequently, retailers can adapt also the merchandise according to a specific location. (Byrom 2001, 336.) Ziliani & Bellini (2004, 17) suggest that improving products and services according to local customers' needs leads to consumer value creation. Johansson (2009, 209) suggests that it is recommendable for retailers to offer products that hold local competitive advantage. Besides promotion and product, also pricing can be changed according to the local price level to respond to local competition (Hernández et al. 1998, 304). According to Johansson (2009, 241), local pricing is an important tool in highly competitive markets. In mature markets, after selecting the high-end or low-end pricing position, it is typical of retailers to fight competitors with temporary discounts, deals and offers.

In order to localize activities according to the local needs, the retailer needs information about the local customer. In large-scale retailing, a typical tool for collecting necessary customer-specific data is the loyalty card (Ziliani 2000, 359; Byrom 2001, 340; Wood & Browne 2007, 239). Loyalty card data provides information about individual shopping behaviour or spatial patterns of trade (Wood & Browne 2007, 239). This information can help the retailer to map consumer patterns and store linkages geographically, and later adapt it to operational practices. The significance of locally collected data is high because it has the potential to shape higher levels of decision-making, for example whether to extend a retail offer to another geographical market or not. (Byrom 2001, 335–337.) Wood and Reynolds (2012, 1085) found that localizing activities resulted in more efficient marketing campaigns and better utilisation of data collected with loyalty cards.

To conclude, the locational planning and decision-making is a multiphase process. It consists not only of the abstract decision-making but also of the management of locational issues after the location decision has been taken. To understand locational

planning and decision-making comprehensively, retail location is examined simultaneously from the geographical and marketing approaches. Because the studies on locational planning and decision-making focus mainly on traditional and large-scale retailing, the following section proposes a preliminary framework for location decisions in the pop-up retailing context.

3.3 Preliminary framework for location decisions in pop-up retailing

According to previous literature, location decisions are more complex and multifaceted than before (Meester 2004, 1–2). The need for thoughtful locational planning and decision-making has increased for all retail organizations. This derives from changes in the retailing environment such as market saturation and site availability issues. (See, for example, Byrom et al. 2001, 219; Birkin et al. 2002, 1–2). Location decisions are top level strategic decisions for retailers (see, for example, González-Benito & González-Benito 2005, 300; Parekh et al. 2011, 102; Zentes et al. 2011, 203; Erbıyık et al. 2012, 1405). Location decisions need to be understood comprehensively in order to gain competitive advantage or avoid financial failures.

The objective of the study is to examine location decisions in the pop-up retailing context. Examining location decisions in pop-up retailing is meaningful, since previous literature on the topic remains limited. The contribution is twofold: academic research on pop-up retailing remains narrow, and retail location decisions have been examined mainly in large-scale and traditional retailing contexts. To provide a comprehensive understanding of location decisions in pop-up retailing, the topic is approached through the following sub objectives, listed below:

1) What kind of retail locations are selected for pop-up stores?
2) How are retail locations selected for pop-up stores?
3) What kind of location-related decisions are made in pop-up stores after the retail location has been selected?

The first sub objective covers the topic of the outcomes of location decisions of pop-up retailers. Zentes et al. (2011, 10) argue that the appropriateness of a specific retail location is based on the retailer's strategy, such as retailing format. Therefore, pop-up retailers possibly end up in different kinds of locational outcomes than other traditional retailing formats. According to the literature review in Chapter 2.3, two kinds of locational outcomes of pop-up stores were identified from previous research. The majority of research (see, for example, Marciniak & Budnarowska 2009; Surchi 2011;

Russo-Spena et al. 2012; Pomodoro 2013; Lassus & Freire 2014) state that pop-up retailers locate in economically important capital cities or other large cities. The locations are described central, fashionable and high-traffic urban shopping areas. Some researchers (see, for example, Pomodoro 2013; Picot-Coupey 2014) suggest that pop-up retailers prefer innovative and radical locations in less-known suburbs. These locations are generally connected to a particular lifestyle that communicates the brand's values. The store sites are innovative and unusual enough to catch the attention of the customers (Surchi 2011, 261–262).

The first sub objective is answered through empirical examination of retailers' own experiences where they have located their pop-up stores. The examples of retail locations are comprehensively examined on the macro-, micro- and site selection levels, as discussed in Chapter 3.2.1. (see, for example, Brown 1992; Sullivan & Adcock 2002; Eiselt & Sandblom 2004). The accurate examination of locations that pop-up retailers have selected corresponds to the geographical and marketing traditions of retail location research because it provides information of the larger geographical area but also the place-based associations that special sites generate.

The second sub objective focuses on the strategic locational planning and decision-making of pop-up retailers. The objective is to examine locational planning and selection on the abstract level before the implementation phase of the location decision. This sub objective is approached first by examining the decision-making process through internal environment in pop-up stores as presented by Hernández et al. (1998). As discussed before, the internal environment includes the consideration of the attitude towards profit, growth and risk, the style of decision-making (structure of the pop-up store), access to capital and the technological culture that will be discussed with the pop-up retailers. Also the examination of methods and techniques that pop-up retailers use for the support of location decisions are included in the internal environment.

Because also location factors are taken into account in the location strategy of a retailer (see Chapter 3.2.2), the second sub objective covers the identification of the most significant location factors for pop-up retailers. The examination of locational factors follows the guidelines of the location strategy framework presented by González-Benito and González-Benito (2005) because it was found as the most diverse and complete existing framework in relation to location factors. According to their framework, the main location factors that are also discussed with the pop-up retailers are customers (quality and quantity), complementary facilities, competition and costs.

Finally, the third sub objective covers the examination of monadic and tactical levels of locational decision-making in the pop-up retailing context. This sub objective studies the location decisions in the implementation and operation phases of the pop-up store (see Chapter 3.2.3). First, it is explored whether the six location decision options on the monadic decision-making level are applicable also in the context of pop-up retailing.

The pop-up retailers are asked if they have experiences of roll-out, relocation, rationalisation, refascia, refurbishment or remerchandising decisions in a particular location. Respectively, on the tactical level of decision-making the focal point is on the local marketing decisions of pop-up retailers. The theme is approach through the experiences of pop-up retailers on the promotional, product and pricing decisions that they have made according to the local customer. The practices of obtaining customer-specific data in pop-up retailing is also included in the examination of tactical decision-making.

In order to visualize how the sub objectives are linked together, a preliminary framework for location decisions in pop-up retailing was created based on the study of Hernández et al. (1998) (figure 7). Because there is lack of research on location decisions in pop-up retailing, the aim is to explore whether location decisions in pop-up retailing are similar to the ones in traditional retailing. The framework was adapted from Hernández et al. (1998) because their study provides the most advanced and versatile framework in the field of contemporary location management in a traditional retailing environment. Even though the framework of Hernández et al. (1998) was created a while ago, the framework continues to be used in newer studies relating to location decisions (see, for example, Pioch & Byrom 2004; Wood & Reynolds 2012). As Andrew et al. (2008, 537) bring up, the academic contribution to retail locational planning and decision-making has been minor after the mid-1990s. The original framework of Hernández et al. (1998) was considered suitable for examining location decisions in pop-up retailing because it contemporarily combines the geographical and marketing traditions of retail location by connecting the abstract planning and decision-making with local marketing decisions. The study of Hernández et al. (1998) also recognizes the significance of the organizational context within the location decisions are made (Pioch & Byrom 2004, 225; Andrew et al. 2008, 538).

Pop-up retailing

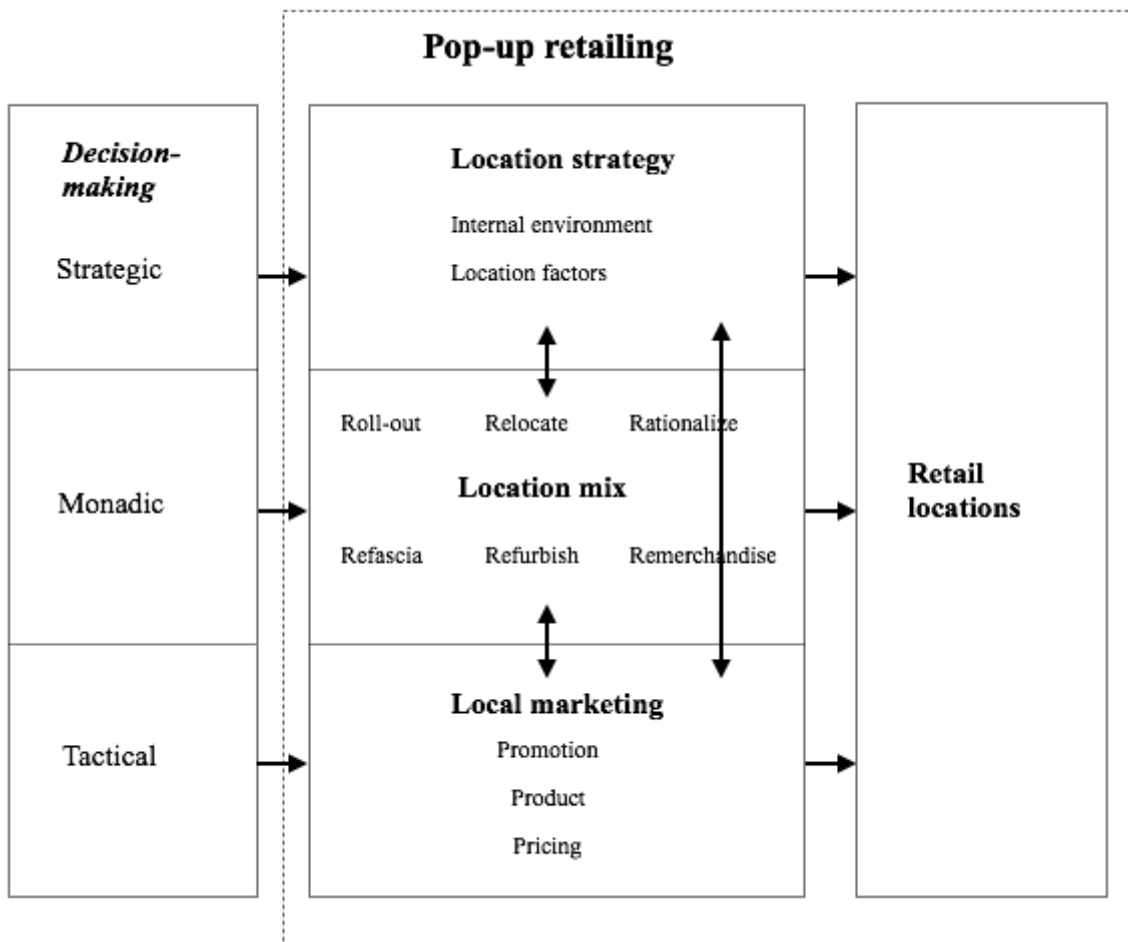| Decision-making		Retail locations
Strategic →	**Location strategy** Internal environment Location factors	→
Monadic →	Roll-out Relocate Rationalize **Location mix** Refascia Refurbish Remerchandise	→
Tactical →	**Local marketing** Promotion Product Pricing	→

Figure 7   Preliminary framework for location decisions in pop-up retailing
(Adapted from Hernández et al. 1998, 301–304)

Figure 7 illustrates a preliminary framework for location decisions in pop-up retailing. The original framework is modified so that the location decision options are placed inside the pop-up retailing box, which refers to the organisational context. The preliminary framework reflects all three sub objectives of the study. The retail location section refers to the outcomes of location decisions (first sub objective), whereas location strategy corresponds to the abstract planning and decision-making (second sub objective). Location mix and local marketing cover to the locational decision-making after the retail location has been selected (third sub objective). In contrast to the original framework of Hernández et al. (1998) the elements of external environment and property portfolio were left out of the preliminary framework. The reason for this was the focus of the study; the interest is in the characteristics and inner structure of the pop-up retailing format, and how the locational planning, decision-making and outcomes differ from traditional retailing formats.

Several preliminary indications can be pointed out from the previous literature, why locational decision-making of pop-up retailers may differ from traditional and large-scale retailing formats. First, the temporary characteristic of pop-up retailing may

influence location decisions. In temporary retailing the otherwise fixed and long-term retail location decisions convert to short-term and flexible decisions. The temporariness of the store also allows to take advantage of exclusive retail locations. On the other hand, retail location decisions may be restricted due to the limited availability of short-term contracts. Due to the temporary nature of pop-up stores locational decision-making could be more focused on consecutive decisions relating to each store instead of managing the whole retailing network. In relation to location management, the existence of six location decision options is uncertain on the monadic decision-making level because at least roll-out, relocation and rationalization decisions are considered rather time-consuming. On the tactical level, the temporariness of the pop-up store may decrease the significance of loyalty card data as a tool for obtaining customer-specific data due to the short life-cycle of the store.

Second, the strategic purposes of pop-up retailers may influence location decisions. Sales were considered a secondary purpose for pop-up stores. Especially pop-up stores with promotional purposes differ from traditional retailing because their locational decision-making and management does not completely base on performance and maximizing profits. As an example, pop-up retailers do not set clear sales objectives for pop-up stores that function as showrooms. Also the market investigation purpose influences location decisions. Pop-up retailers can test different markets more easily because location decisions are not fixed and require less investment than in traditional retailing. Wood and Reynolds (2012, 1078) suggest that in foreign market expansions locational data might be unavailable. Therefore, locational planning techniques on foreign markets may be simple and site visits become important.

Third, the fact that many pop-up retailers are relatively small retailers influences location decisions. In comparison to large-scale retailers, pop-up retailers may not have the adequate financial resources to invest in costly locational planning methods and techniques. In terms of geographical expansion, Pioch and Byrom (2004, 225) suggest that small retailers are rather inflexible in terms of geographical extension, and prefer to locate their stores next to the existing ones. Coca-Stefaniak et al. (2010, 689) suggest that localizing business and marketing practices results in competitive advantage for small retailers. It is through the empirical data that these thoughts are further explored.

4   RESEARCH DESIGN

4.1   Research approach

The objective of this chapter is to connect the conceptual research objective to the empirical research. Ghauri and Grønhaug (2002, 48–49) distinguish three kinds of research designs; exploratory, descriptive and causal design. Of these, exploration refers to a methodological approach that aims at observing and constructing a clearer understanding of the research topic. According to Stebbins (2001, 6), exploration allows the gathering of both quantitative and qualitative data. However, because the previous studies on the location decisions in pop-up retailing remain limited, a qualitative-explorative research approach is considered appropriate in this particular study.

According to a definition by Vogt (1999, 105), exploration in social sciences is a *"broad-ranging, purposive, systematic, prearranged undertaking designed to maximize the discovery of generalizations leading to description and understanding of an area of social or psychological life"*. Exploration is considered suitable for this research due to the limited knowledge of location decisions in pop-up retailing, and the objective of constructing deeper understanding of the given topic. Exploratory research is a desirable research design, when the research objective is not clearly understood, or the scientific knowledge of a group, activity, process or situation is still narrow (Stebbins 2001, 2).

The purpose of explorative research is to engender new concepts and empirical generalizations inductively (Stebbins 2001, 9). These generalizations emerging from explorative research are highly diverse, ranging from descriptive traits, cultural artefacts, and structural arrangements to social beliefs and processes (Vogt 1999, 105). In this study the empirical generalizations are considered desirable in order to clarify the yet rather understudied phenomenon. However, these generalizations are suggestive, so they have to be eventually confirmed in further research (Stebbins 2001, 9; Ghauri & Grønhaug, 2002, 48–49). Through the explorative research, this study is able to provide the needed start point to the topic, and can be easily further developed in later research.

Apart from being an exploratory research, this research is also qualitative by nature. The qualitative approach remains predominate in this study, because quantitative methods examine the studied phenomenon through mathematical models, theories and hypotheses (Kuckarzt 2014, 12) that may be difficult to apply to research that is rather interested in the in-depth understanding of the research objective (Ghauri and Grønhaug 2002, 87–88; Eriksson & Kovalainen 2008, 117). Albeit qualitative methods typically examine a more limited amount of observations than the quantitative one, qualitative research is capable of providing a thick description of the studied matter (Ghauri & Grønhaug 2002, 88). Also the structure of the research objective supports the selection

qualitative approach in this study. Through qualitative research explanations can be built on research objectives that have unstructured natures. Qualitative research is typically used for solving research objectives that aim at uncovering experiences and behaviour, or to understand limitedly studied phenomena. (Ghauri & Grønhaug 2002, 87.)

As discussed before, the aim of this research is to understand the location decisions in pop-up retailing by obtaining information about the structures and processes behind these decisions. This can be comprehensively approached through the examination of pop-up retailers' own perceptions, attitudes and experiences on retail location decisions and decision-making. The qualitative approach is also suitable to research, where it is necessary to understand reasons, attitudes or opinions behind informants' decisions (Saunders, Lewis & Thornhill 2009, 324). Examining these motivations, attitudes, beliefs and behaviour is essential in order to provide an in-depth understanding of the studied phenomenon (Barnham 2015, 837).

4.2   Data collection

The process of data collection is guided by the research approach and the preliminary framework of the study (Eskola & Suoranta 1998, 48). In qualitative research, data can be collected from various sources and using various methods, although these two variables are usually hard to separate from each other. In brief, the data source refers to the repository of relevant information or knowledge, whereas a data method is a technique for obtaining data from a particular source. (Mason 2002, 51.) In this study, the empirical data was collected through semi-structured expert interviews.

In qualitative business research interviews are not only considered as primary method for empirical data collection (Eriksson & Kovalainen 2008, 125) but they have also become the most common one (Mason 2002, 62; DiCicco & Crabtree 2006, 314). Therefore it was a logical decision to collect the empirical data in the form of interviews. Stebbins (2001, 22) also argues that exploration through interviews is more focused than through observations because the interview guide often employs topics that are previously observed in academic literature. When deciding about the interviewing method, it was taken into account that different types of interviews generate different kind of information, and that the method has to be selected carefully according to the research objective (Eskola & Suoranta 1998, 65).

In more detail, the interviews were chosen to be semi-structured since semi-structured interviews are considered useful when the studied phenomenon is relatively unknown (Merriam 2013, 91). The flexible nature of semi-structure interviews allows the emergence of new ideas during the interview, whereas the more structured parts

ensure comparable information (Eskola & Suoranta 1998, 64–65; Saunders, Lewis & Thornhill 2009, 324; Qu & Dumay 2011, 246; Merriam 2014, 88, 91). In the case of this research, one advantage of semi-structured interviews is that they are capable of exploring how the informant feels and perceives complex issues regarding organizational behaviour (Qu & Dumay 2011, 246), and they reveal better the informants' own prospects on the subject than completely structured interviews (Meuser & Nagel 2009, 31) In addition, Barriball and While (1994, 330) suggest that semi-structured interviews are favourable when examining heterogeneous groups. It is important in the case of this research because pop-up retailers may be very diverse in terms of size, brand longevity and recognition, for instance.

In this study, the themes for the semi-structured interviews arise from the sub objectives and background literature. The following six themes were found meaningful to discuss in the interview (1) the concept of pop-up retailing; (2) perception on alternative locations; (3) internal structure, locational planning and selection process; (4) location strategy; (5) location mix; and (6) local marketing. The division of the themes according to the research objective and sub objectives is illustrated in table 3.

Table 3   Operationalisation table

Research objective	Sub objectives	Background literature	Interview themes
To examine location decisions in the pop-up retailing context.	What kind of retail locations are selected for pop-up stores?	Store location as an element of pop-up retailing (2.3)	Concept of pop-up retailing (1)
			Perception on alternative locations (2)
	How are retail locations selected for pop-up stores?	Strategic locational planning and selection (3.2.2)	Internal structure, locational planning and selection process (3)
			Location strategy (4)
	What kind of location-related decisions are made in pop-up stores after the retail location has been selected?	Location management (3.2.3)	Location mix (5)
			Local marketing (6)

Table 3 demonstrates how the research objective, background literature and the empirical research are connected to each other. As presented in table 3, all of the sub

objectives correspond to the background literature and two interview themes each. The first two interview themes relate to the first sub question, and correspondingly themes three and four to the second sub question and five and six to the third one. Throughout the whole research, retail location functions as the unifying key word of the research. The translated interview themes and questions are attached in Appendix 1.

Because the number of informants is limited in qualitative research, it is desirable to select a well-represented informant of the studied phenomenon (Eskola & Suoranta 1998, 15; Barnham 2015, 839) that holds relevant knowledge about the topic in order to solve the research objective (Eskola & Suoranta 1998, 48–49). Because in qualitative interviews the informants can be selected according to their knowledge and experience in the field (Tuomi & Sarajärvi 2009, 74), a decision to use experts as data sources was made. Expert interviews are reasonable when an expert possesses or has privileged access to particular knowledge (Meuser & Nagel 2009, 18, 29). Expert knowledge can be defined as professional knowledge, or alternatively, special knowledge acquired through active participation in the field or being part of the phenomenon (Meuser & Nagel 2009, 24). Therefore, seven experts in total were selected for the interviews due to the active participation in the pop-up retailing field. Six of the experts were actual pop-up retailers, whereas one of the informants was a Project Manager who worked as an intermediate between pop-up retailers and retail space leasers in a city revitalization project. All of the experts were engaged in the locational decision-making of the pop-up stores. Because all of the experts were actively participating in the pop-up retailing phenomenon, this study provides valuable first-hand information about the studied topic. Table 4 provides a more detailed overview of the selected experts' experience and the process of the interviews.

Table 4   Informants' experience and the interview process

Reference	Post	Experience (years)	Experience (no. of pop-up stores)	Date and place	Duration (mins)
Expert A	CEO	4	One physical pop-up store for own brand, also popping up several times in different companies to present their products	9.2.2016 Cafeteria	44
Expert B	CEO	5	Five physical pop-up stores for own brand, several pop-up stores in cooperation with other brands	15.2.2016 Own store	57
Expert C	CEO	More than 5	Five pop-up stores for own brand	16.2.2016 Own stock	33
Expert D	Founder, Project Manager	2–3	Coordinating retail spaces for more than 70 pop-up retailers in a city revitalizing project	17.2.2016 Cafeteria	52
Expert E	Co-founder, Project Manager	Several years	One pop-up store for own brand, several pop-up stores in cooperation with other brands	23.2.2016 Skype	50
Expert F	CEO	3	More than ten pop-up stores for own brand	9.3.2016 Skype	59
Expert G	CEO	2	Two pop-up stores	18.3.2016 Own stock	50

As presented in table 4, all of the informants had at least two years of experience in pop-up retailing and were involved in minimum two pop-up projects recently. The interviews were conducted in February and March in 2016, with a duration between 32 to 59 minutes. All of the interviews followed the same structure except in the case of Expert D, where only the first two interview themes were discussed due to his divergent role compared to the actual pop-up retailers. The preliminary interview questions were sent to the informants a couple of days before the interview, so that the informant had time to process the interview themes and provide in-depth answers (see, for example, Tuomi and Sarajärvi 2009, 73). The informants reacted positively to the opportunity to read through the questions before the interview, and consequently five of them had

prepared themselves to the interview precisely. The majority of the informants felt that the topic was current and meaningful, and felt enthusiastic to discuss the topic.

Five of the interviews comprised of individual face-to-face interviews (A–D, F). Most of the informants were interviewed in their own stores or stocks because it is recommendable to organize the interviews in places where the informants feel calm and safe (see, for example, Hirsijärvi and Hurme 2000, 74). Two of the pop-up retailers did not have permanent offices, so the interviews were conducted in quiet cafeterias at calm hours. Two of the informants were interviewed via Skype because they had permanently moved aboard (E and F). All of the interviews were conducted successfully without any disturbances.

Because the informants were all native Finnish speakers, it was considered essential to conduct the interviews in Finnish language. Native language instead of English was seen more appropriate for obtaining richer and deeper level information about the studied phenomenon. In consequence, the interview questions were first translated to Finnish language, and the given responses were translated later to English by the researcher. The issue of translation has been noted in the evaluation of trustworthiness.

4.3   Description of informants

The empirical data collection was conducted through seven semi-structured expert interviews. Six of the informants (A-C, E-G) represented actual pop-up retailers. To enrich the data, a decision to interview an expert from another perspective was made. Informant D represented a manager for a city revitalizing project, where the objective was to enhance city attractiveness trough pop-up retailing. His role was to be an intermediate between pop-up retailers and the retail space leasers. Because these experts were able to approach some of the interview questions by providing practical examples location decisions that they had taken, a more detailed description of the informants is considered essential for the research.

All of the pop-up retailers operated in the Finnish fashion sector. Their business concept was based on offering creatively designed, high-quality clothing and accessories, such as bags, shoes and jewellery. All of the companies represented small-sized companies employing less than 50 people. Four of the pop-up retailers (B, E, F and G) represented micro-sized companies in particular, employing less than ten people. According to informant D, there is a current trend for micro-entrepreneurship in Finland, to which pop-up retailing contributes largely. In the Finnish pop-up retailing scene, both new-comer brands and more prestigious brands operate through pop-up retailing (D). The selected pop-up retailers' brand longevity varied from two years (E) up to more than ten years (C).

Coming out from the interviews, all of the pop-up retailers had created hybrid business models combining different kinds of retailing channels. In addition to the pop-up stores, all of the retailers operated more or less actively through online stores or portals. Retailers A, C and G ran simultaneously a permanent brick-and-mortar store in Helsinki. In the case of informants B, E and F, the business model was mainly based on pop-up retailing solely. The amount of pop-up projects varied from two (G) up to more than ten (F). All of the informants reported positive experiences on the retailing format. They found that pop-up retailing complemented well other retailing channels. It brought visibility to the brand, directed the customers to the online store (C) and helped to reach particular target groups or markets (E). Pop-up stores were also found more customer friendly in comparison to online stores due to the multisensory platform they create for unique customer experiences (F).

Amongst all of the informants, the concept of pop-up retailing was considered rather wide-ranging, partly due to the diverse appearances and characteristics of the retailing format. All of the pop-up retailers had set up at least one physical pop-up store, but the retailers also showed a large scale of options for other innovative manifestations inside the fashion sector. For example, informant A introduced the "company pop-up" concept that referred to actions where the company popped up in particular offices to display and sell their products. Other suggestions for examples of pop-up retailing were late night shopping events (B), shop-in-shops (B), stock sales (C) and fairs (B and E).

An essential observation that emerged from the interviews was the theme of co-branding, collaboration and partnerships in pop-up retailing. Although some of the informants reported of experiences on single-brand pop-up retailing (A and D), five of the informants (B, D, E, F and G) brought up that the pop-up stores operated in collaboration with similar brands. The scale of the collaboration projects varied between three designers (F) up to 16 business partners (F and G). Typically, the different brands do not stand out separately in a collaborated pop-up store, but represent one coherent unity (B).

4.4   Data analysis

The purpose of qualitative data analysis is to simplify the collected data in order to provide a rich interpretation and conclusions about the examined matter (Eskola & Suoranta 1998, 100; Puusa 2011, 116). Qualitative data analysis can be roughly divided into three approaches. Tuomi and Sarajärvi (2002, 97–99) suggest theory-driven, data-driven and theory-bound analysis for qualitative data analysis. In a theory-driven analysis a specific model, framework or theory operates in the core of the research, whereas in data-driven analysis former observations, knowledge or theories are not

taken into account. In theory-bound analysis, the interpretation derives straight from the data but inside the guidelines obtained from previous observations and knowledge. (Tuomi & Sarajärvi 2002, 97–99; Puusa 2011, 120.)

Theory-driven content analysis was used to analyse the collected empirical data in this study. Content analysis is considered suitable for diverse types of qualitative research (see, for example, Puusa 2011, 117), and it aims at leading the empirical data towards a more conceptualized understanding of the phenomenon by analysing the collected data systematically and objectively (Tuomi & Sarajärvi 2002, 105). Miles and Huberman (1994, 10–12) suggest that data analysis comprises of three concurrent processes; reduction of data, displaying of data and drawing conclusions. Data reduction refers to a the action when the empirical data is selected, simplified and transformed. The reduction process clarifies the data without losing any important piece of information (Eskola & Suoranta 1998, 137). In turn, data display refers to the congregation of organized information, in a way that the information is immediately accessible. Displaying the data in a clear, compact form helps to move to the third activity of data analysis that is conclusion drawing and verification. (Miles & Huberman 1994, 11.)

In this study, data reduction was carried out using MS Excel. The collected data that appeared in the form of transcribed expert interviews, were copied to a MS Excel sheet in short parts. All of the informants were marked with different colour codes in order to know which expression referred to which informant. Underlining was used for separating the main idea from the transcribed text. After that a summarized but descriptive expression was formed of the original expression and placed next to it. Regarding the display of data, Tuomi and Sarajärvi (2002, 110–11) suggest the categorization and conceptualization of data. Table 5 presents an example of the data reduction and categorization activities.

Table 5   Data reduction and categorization

Original expression	Reduced expression	Sub category
For example, the airport only offers pop-up spaces for three months. We would have preferred to continue longer but they only offer the contract once for one retail space.	Different preferences (leaser-lessee) and rigid contracts	Challenges
I would say that other stores clearly, restaurants and workplaces and public transportation have an influence on people flow. It was an interesting notion that when the weather is bad, people wait for the tram near the pop-up store...	Other stores, restaurants, workplaces and public transportation create foot flow	Complementary facilities
Another restaurant that attracts customers at a quick pace, or that there is a cafeteria, it affects your business in a completely different way.	Restaurants and cafeterias influence business	Complementary facilities
That the prices are reasonable for the environment, the style is right for the local taste, how do you promote your store in that particular area, what are the channels that people use, where do the people get information.	Adaptation of prices, product and promotion	Local marketing

Table 5 illustrates, how the collected data was first reduced into shorter expressions, and then coded into descriptive sub categories. The original expressions were first summarized in order to remove the irrelevant information. Next, in the categorization phase, the expressions that had similar content were clustered into sub categories with descriptive names. Because the amount of original expressions was more than 400 lines in Excel, table 5 provides only an example of the data reduction and categorization process. In total, the created sub categories were reduced into thirteen main categories that are key characteristics, strategic purposes, selected locations, successful locations, future locations, selection process, decision-making power, techniques and methods, challenges, location factors, store-level decisions, local adaptation and customer specific data. After categorization, the data can be conceptualized, that is to say organized according to the research objective and sub objectives. Because the analysis was done in a theory-driven manner, the empirical data was connected with the existing theoretical concepts. Table 6 demonstrates the conceptualization process, how the main categories are placed under the sub objective and research objective.

Table 6   Data conceptualization

Research objective	Sub objectives	Interview themes	Main category
To examine location decisions in the pop-up retailing context.	What kind of retail locations are selected for pop-up stores?	Concept of pop-up retailing	Key characteristics
			Strategic purposes
		Perception on alternative locations	Selected locations
			Successful locations
			Future locations
	How are retail locations selected for pop-up stores?	Internal structure, locational planning and selection process	Selection process
			Decision-making power
			Techniques & methods
			Challenges
		Location strategy	Location factors
	What kind of location-related decisions are made in pop-up stores after the retail location has been selected?	Location mix	Store-level decisions
		Local marketing	Local adaptation
			Customer-specific data

Table 6 shows the link between the main categories, interview themes, sub objectives and research objective. The categories were placed on the right side of the table according to each corresponding interview theme. In the end, there were five categories relating to the first and second sub objectives, and three categories were placed under the third sub objectives. The connection between the categories and interview themes forms a clear structure for reporting the empirical findings.

After conceptualizing the empirical data, the last phase of the data analysis consisted of conclusion drawing. In order to deepen understanding and explanation of the studied matter, a cross-case analysis is applied to the study (see, for example, Eisenhardt 1989, 540–541; Miles & Huberman 1994, 172–177). The cross-case analysis was considered desirable because it enhances the probability to encounter new findings from the existing data as it forces the researcher to surpass initial impressions when searching for cross-case patterns (Eisenhardt 1989, 540–541; Huberman & Miles 1994, 435–436). In the case of this research, the cross-case analysis started with examining every interview

individually. All of the structured interview themes were selected and examined for similarities or differences across the interviews. Summarizing the empirical findings in a table helped to visualize the repeated topics in the interviews.

4.5   Trustworthiness of the study

The underlying meaning for the evaluation trustworthiness of a research is to convince the audience that the assertions and the findings of the study are truthful and worth acknowledging (Lincoln & Guba 1985, 290; Eskola & Suoranta 1998, 153). Traditionally, trustworthiness has been evaluated with the criteria of internal validity, external validity, reliability and objectivity (Lincoln & Guba 1985, 290). These criteria, however, are strongly linked to quantitative research, so they do not provide the best alternative for evaluating qualitative research (Lincoln & Guba 1985, 290; Leininger 1994, 95; Eskola & Suoranta 1998, 152; Aaltio & Puusa 2011, 155; Merriam 2014, 209–210). The evaluation of trustworthiness in this study is based on a criteria suggested by Lincoln and Guba (1985, 300), that comprises of the examination of credibility, transferability, dependability and confirmability of the research, due to its better correspondence with qualitative research.

Credibility refers to the level to which findings are congruent with reality (Lincoln & Guba 1985, 301; Leininger 1994, 105; Eskola & Suoranta 1998, 154; Merriam 2014, 213). Credibility indicates how well the findings bind together with the original constructions of the study and insights of informants (Eskola & Suoranta 1998, 152–154). To enhance the credibility of this study, several actions were taken. First of all, the operationalisation table was created to demonstrate the clear congruency of the preliminary framework and the empirical findings (table 3). The preliminary framework of the research was comprised of various concepts and approaches, diversely selected from previous literature, indicating that triangulation of references is used to increase credibility in this study (see, for example, Aaltio & Puusa 2011, 160). Besides triangulation, attention was paid to adequate engagement of empirical data collection. Regarding the fact that there is no unambiguous standard for adequate amount of data in qualitative research (Eskola & Suoranta 1998, 155), the technique of saturation was applied in the study. Saturation means that data is collected until the same ideas start to repeat over and over again (Leininger 1994, 106; Merriam 2014, 219).

Nevertheless, there were some implications that may reduce the credibility of this research. First of all, according to Eskola and Suoranta (1998, 63) the interviewing method always includes certain limitations, for example the close interaction between the interviewer and informant may influence the quality of data. In this study, seven qualitative expert interviews were conducted. A larger number of interviews would

have perhaps provided more profound understanding of the location decisions in pop-up retailing. However, as mentioned before, during the seven interviews some of the themes were constantly repeated, and the data sources were selected carefully. During the research process, member checking was used to increase credibility, as the research was constantly reviewed by both experts and novices in the research field (see, for example, Aaltio & Puusa 2011, 164).

Transferability is a measure for the ability of transferring the findings of the research to other specific contexts (Lincoln & Guba 1985, 290; Merriam 2014, 226). One way to improve the transferability of the research is to provide a thick, detailed description of the research setting and findings to help the readers to understand the research process clearly (Lincoln & Guba 1985, 316; Aaltio & Puusa 2011, 164–165; Merriam 2014, 226–227; Kuckartzt 2015, 12). To increase the transferability of this study, a detailed description of informants, data collection process and data analysis is provided in the earlier sections (4.2. and 4.3.) Merriam (2014, 227) also suggests that transferability of the study can be increased by the careful selection of the study sample. In this study, the following criteria was set to ensure that the informants represented an up-to-date sample of the studied phenomena: (1) the informant was actively engaged in the location decision of the pop-up store; (2) the pop-up store sold fashion products; (3) the pop-up store had made a location decision within one year. Also the application of cross-case analysis increases the transferability to other setting, as the phenomenon is diversely examined from many different perspectives (see, for example, Eisenhardt 1989, 541; Miles & Huberman 1994, 173). Even so, it has to be noted that the exploratory nature of the research influences the transferability of the study. As discussed before, the objective of explorative research is to provide preliminary understanding of the phenomenon, but the findings of the study have to be confirmed by further research (Stebbins 2001, 9; Ghauri and Grønhaug, 2002, 48–49). The fact that retail location decisions are fairly context specific and that the field of pop-up retailing is rather heterogeneous has to be taken into account when dealing with transferability issues.

Dependability refers to the extent to which the collected data and findings are consistent with each other (Merriam 2014, 222). Aaltio and Puusa (2011, 160) argue that an accurate description of the interviews, data collection, data analysis and decision-making throughout the inquiry enhances the dependability of a study, and actions should be explained as unambiguously as possible. A logical step-by-step description of data collection and data analysis is provided in chapters 4.2. and 4.3. In addition to the detailed descriptions, the conducted interviews were recorded and transcribed word by word, so that the collected data was easily accessible for various analyses. Nonetheless, it has to be noted that the interviews were conducted in Finnish language and the responses were later translated to English. To some extent, it may affect the dependability because translations are always subjective by nature.

Confirmability means how well the findings are congruent with reality, in other words, it is the degree to which results can be confirmed by the audience (Lincoln & Guba 1985, 290; Leininger 1994, 105). In qualitative research, the researcher has a central instrumental position, meaning that the researcher needs to take into account possible biases, shortcomings, motivations and interests according to the research. The researcher has to clarify, how the particular interpretations of data were created. (Merriam 2014, 15, 219.) To enhance the confirmability of this research, strategies such as audit trail and feedback were applied. In order to clarify the findings to the audience, the linkage from data collection and analysis to interpretation was documented and explained clearly. During the whole research process, feedback was received diversely from different parties. In addition, even though the studied subject is fairly new, some of the findings are coherent with the arguments introduced in the literature review. On the opposite, it has to be remembered that the conclusions are a subjective interpretation of the researcher based on the collected data (Eriksson & Kovalainen 2008, 120). As Aaltio and Puusa (2011, 160) also bring up, using less structured interviews always increases the role and subjectivity of the researcher.

5 LOCATION DECISIONS OF FINNISH POP-UP RETAILERS IN THE FASHION SECTOR

5.1 Pop-up store as a retailing format

The first theme discussed in the interviews was the informants' perception of the pop-up retailing format. In terms of the key characteristics of the pop-up stores, all of the informants thought unambiguously that the key attribute that differentiates pop-up retailing from traditional retailing formats is the temporariness of the store (A, B, C, D, E, F and G). A common view amongst the informants was that temporary presence leads to maximum performance because it allows to reach maximum audience in a short time interval (B, C, E and G). The experiences on the opening times of the informants' pop-up stores varied widely, from one day (E) up to five months (C). Informant B suggested that the factors that influence the opening time of the pop-up store are the length of the season, available resources and the balance between profitability and risk. Nonetheless, brought up by informant C, sometimes the opening time frame is not set up by the pop-up retailers themselves, but eventually by the retail space leasers that may offer rigid time frames for leasing contracts.

The connection between the temporary opening time interval and seasonality was highlighted in all interviews. All of the informants mentioned that their projects popped up simultaneously with a particular season or event. As an example, informants A, C, D, F and G targeted the Christmas season, whereas informants B and E had operated the pop-up store during Fashion week. Similarly, informant D's pop-up projects were organized in collaboration with the summer festivals in the city. The motivation behind linking the pop-up store with a particular season lies in the idea of maximizing the benefit of the season (C and G). Seasons and events also guarantee maximum customer presence in a particular area (A and B). From the customer point of view, the seamless linkage between the pop-up store and the season creates an appealing experiential totality to the customer (B). On the other hand, the temporary character of the pop-up store creates an opportunity for the retailers to avoid quiet seasons. As an example, informant C told that because fashion sales are low in the beginning of spring, they decided not to operate a pop-up store at that time.

A variety of perspectives were expressed when describing the strategic purposes of the pop-up stores. The two most common strategic purposes reported by the informants were sales (A, B, C, D, E, F and G) and brand promotion (A, B, C, E and F). Some of the informants recognized the opportunity of using pop-up retailing for market investigation (B, C, D and E). Most of the informants found that the pop-up retailing format is suitable for several strategic purposes simultaneously (A, B, C, E and F). In

effect, sometimes sales and promotional functions are hard to separate because it is the actual sales event where some of the marketing happens (F). However, the sales function of the pop-up store was emphasized throughout the interviews (A, B, C, E, F and G). In the case of informants B and F, pop-up retailing was the core of their business operations. A common view amongst the informants was that there is no point in pop-up retailing if it does not result in increased sales. Through increased sales the brand is able to grow (C) and increase visibility (A).

In addition to the sales function, the majority of the informants agreed that pop-up stores also function as a marketing tool. Informants A, B, C, E and F had personal experience of operating pop-up stores for brand promotional purposes. According to informant B, the eventual nature of pop-up stores makes them visible, and it is the visibility that enhances word-of-mouth communication amongst the consumers. In informant E's case, the whole business concept was based on visible showrooming. The mission of her pop-up store was to introduce and expose Finnish fashion on foreign markets. Informant C commented that the visibility that pop-up stores bring to the brand, helps to communicate the whole brand story and increase brand recognition more efficiently than other retailing channels. Informant B also pondered that pop-up stores are effective promotional tools because they are able to create a sense of urgency in consumers. When a particular selection of goods is not available always, the consumers experience more pressure to visit the store quickly, as long as it is open. However, in order to be an efficient marketing tool, the pop-up store has to be opened for at least for a month. Shorter periods of time are not enough to reach the promotional benefits of word-of-mouth communication because it needs time to spread amongst consumers.

Three of the pop-up retailers (B, C and E) had used pop-up retailing for market investigation. New markets were tested both in home country (B and C) as well as abroad (B, C and E). For example, informant E narrated that the aim of their pop-up store in St. Petersburg was to explore whether the local customers had interest in the brand and what were the best-seller products in that area before committing to a permanent store. A common belief expressed was that a pop-up store is a less risky option to try out the market than committing to a new market for various years through a permanent store (C, E and F). Nonetheless, the same informants also highlighted the complexity of using the pop-up store for market investigation. For example, informant C commented on it:

> *"A pop-up store certainly needs a lot of effort, almost as much as a permanent store, because you have to produce the interior design, products and market it, you have to hire the personnel. For example, in the case of Levi because it is far away in Lapland, you have to arrange*

own contracts with the bank and industrial health, so it is honestly a big job.”

Informant C also added her experience on the foreign markets:

“The amount of work in that [pop-up store in foreign market] is completely on a different level, and for example in the case of Germany, we didn't find an own company but almost. You have to register the company there, find an accounting company, open all the bank accounts and credit card connections, so the work lasted for months.”

As shown in the citations of informant, informants E and F also felt that investigating the market through pop-up stores is a large-scale project, requiring a lot of effort and resources compared to the short opening time.

5.2   Perception on alternative locations for pop-up stores

In order to identify what kind of locations pop-up retailers choose, the retailers were asked to tell about their personal experiences on the selected locations. The informants demonstrated examples of location decisions in home country (A, B, C, F and G) and host country (B, C and E). Table 7 presents a more detailed overview of the selected locations for pop-up stores. The locations marked in italic refer to the unsuccessful location decisions.

Table 7   Selected locations for pop-up stores

	Country	City	Site	Description
A	Finland	Helsinki	Galleria Esplanad	- Central and fashionable location - Shopping mall with similar high-end brands - First floor, near to the entrance - Right below the permanent store
B	Finland	Turku	Kristiinankatu-street	- Central location
		Jyväskylä	Handicrafts Museum	Not available
		Savonlinna	Puistokatu-street	- Central location, next to market square
	U.S.	New York	Lower Manhattan, Ivana Helsinki store	- Central business and culture area
C	Finland	Helsinki	Unioninkatu-street	- Central shopping street - Near to permanent store
			Galleria Esplanad	- Central and fashionable location - Near to permanent store
			Helsinki-Vantaa Airport	- Airport shopping area
		Levi	Store in ski resort	- Main shopping street
	Germany	*Berlin*	*Berlin West, Bikini Berlin Concept Mall*	- *Near shopping streets and department stores*
E	Germany	Berlin	Berlin Mitte, Brunnenstrasse-street	- Central, fashionable district
	Russia	St. Petersburg	Nevskiy Prospekt, Biblioteka-restaurant	- Central district
F	Finland	Helsinki	Own atelier, Punavuorenkatu-street	- Design district - Further from city centre
			Culture hall Korjaamo	- Further from city centre - Cultural environment - Shared space with a bookstore
			Unioninkatu-street	- *Central shopping street* - *Shared space with radio station*
G	Finland	Helsinki	Aleksanterinkatu-street	- Central shopping street - Next to permanent store

As table 7 illustrates, the informants demonstrated diverse experiences on the selected locations for pop-up stores. In terms of home market in Finland, the majority of the locations selected were in the capital city Helsinki (A, C, F and G). In addition, two

of the informants had set up a pop-up store outside of the capital city, including both smaller and bigger cities on the Finnish scale, such as Turku, Jyväskylä, Savonlinna and Levi (B and C). In reference to the sites selected, the majority of them were stores in central locations (A, B, C, F and G) and main shopping streets (informants C, E and F). Some of the locations were identified as fashionable design districts (A, C and F), surrounded by similar high-end fashion brands (A and C). In Helsinki, two of the informants (C and F) had selected locations outside the main city centre. Informant C had operated a pop-up store in the Helsinki-Vantaa Airport. In case of informant F, one of the pop-up stores was located in a culture hall that was characterized by cultural atmosphere and surroundings. In addition to that, she had set up pop-up stores in her own atelier in a design district. However, she commented that the pop-up stores in the atelier functioned mainly to support the business. Informants having permanent stores (A, C and F) reported that their pop-up store was located relatively near to the permanent stores. Informant G thought that it was useful that the ready infrastructure and stocks of the permanent store were near the pop-up store.

Three of the informants (B, C and E) had selected foreign locations for their pop-up stores. Informant B explained that in order to promote her brand in foreign markets, she set up a shop-in-shop pop-up in New York, Lower Manhattan. The pop-up store operated inside a Finnish fashion brand's store. Informant C's pop-up store was located in West Berlin, in the site of Bikini Berlin Concept Mall. The mall was originally an old railway station that was renovated for both permanent and temporary retailers, being in the vicinity of shopping streets and department stores. Informant E's pop-up stores were all located abroad, because the aim of the pop-up concept was to expose Finnish fashion aboard. One of the locations selected was in Berlin Mitte on Brunnenstrasse-street. The site was described as central and high traffic area. Similarly, the pop-up store in St. Petersburg was also located in the central area of Nevskiy Prospekt, in a retail space together with a cafeteria-restaurant. In general, the attitude towards using pop-up retailing in foreign operations was positive (A, B, C, E, F and G). Informants A, F and G that did not use pop-up retailing for foreign operations, had planned to open a pop-up store on a foreign market in the future. The planned locations were Tallinn (A), Stockholm (F and G) and Copenhagen (G). According to informant F, setting up a pop-up store in close locations, such as Nordic countries, is easier due to the similar business culture and sensation of smaller risk. The reasons mentioned for not operating pop-up stores internationally yet were limited resources, such as time (A, B, and F), personnel (A and G) and capital investment (A).

Further, the informants were asked to evaluate whether the selected locations were considered successful. All of the pop-up retailers were more or less satisfied with their decisions, with a couple of exceptions discussed later. All of the pop-up retailers indicated that in the future they would select similar locations than before, particularly

central ones. According to all of the informants, the appropriateness of a location was influenced by the primary strategic purpose of the pop-up store. For sales purposes, central locations were considered essential. All of the informants opined that the adequate amount of customer flow is the key element that central locations possess. Central locations were also considered visible and easily accessible to people because they are on the customers' natural walking route (B and C). Customer flow, visibility and accessibility were the main attributes mentioned to enhance the sales of a pop-up store (A, B, C, E and F). Central locations were also considered suitable for promotional purposes, since they are able to create positive associations about the brand (E and F). According to informant E, central locations contribute to the credibility of the brand, whereas locating on side streets creates a cheaper image of the brand. Informant D felt similarly that the businesses located in small retail spaces in the city centre create an image that the brand is professional and specialized.

In reference to informants B and E, it is expressly the temporary characteristic why pop-up stores locate in central locations. The temporariness of the pop-up store provides an opportunity to take advantage of expensive central locations that small retailers could not normally afford (F and G). If the pop-up store is open for a longer time, it is possible to select locations outside the city centre because there is more time for marketing operations (E). The problem relating to central locations is that the area that is considered central is generally very restricted, for example in the case of Finland, the areas considered central can be limited to the two main shopping streets (C, D and G). Informant D expressed the belief that in general retail spaces that offer short-term contracts tend to exist in the centre of the city.

Only a minority of the informants showed willingness to consider peripheral areas and less obvious retail sites for pop-up stores (B and F). According to informant B, peripheral locations may be successful for pop-up stores, albeit only for promotional purposes. Promotional benefits can be reached in locations that interest the media. As informant B explained:

> *"The pop-up store has to provide something extremely interesting to be able to be in a peripheral location. In the current state of economy, interesting could be a discounted stock-sale of international fashion brands, where you sell well-known brands with a great discount. When it interest customers or a target group that is big enough, the message becomes interesting and the people are willing to travel somewhere far away to some stock hall to rummage through the boxes. But if the product is normally priced, the central location is essential." (Informant B)*

When discussing the sales and profitability in peripheral locations, informant B brought up, that sometimes it can be profitable to locate pop-up stores in less obvious cities, because generally there is a lack of special offerings. Therefore, pop-up stores are able to cause enough sensation to create word-of-mouth communication and attract the local customers. In contrast, informant C told that she had previous experience about operating a permanent store further away from the city centre, a so-called destination store, but because the sales figures were not comparable with the ones in the city centre, she did not consider it for the pop-up store. She found that if the customers had to leave the city centre for some particular location the number of customers decreased significantly. On the other hand, informant B suggested that the use of innovative and unique retail locations will emerge in the future. As an example she told about an experimental project, where pop-up stores were organized in private homes. Using homes as spaces for pop-up stores was an interesting experiment, since the threshold of entering a random individual's home is high, yet the experience is more unique and intimate for customers.

In addition to the strategic purpose of the pop-up store, it is important to know where the target customers move daily, since different types of customers are reached in different locations (D, E and F). New customers are best reached in busy locations (E and F). Similarly, if the aim is to target tourists, central areas are the places where they are mostly moving (B and C). On the contrary, B-2-B customers (E) and regular customers (F) are more willing to travel to peripheral locations. Informant F found that in peripheral locations, there is not enough demand for alternative fashion.

When discussing unsuccessful locations, informants C and F reported of encountering disappointments. Informant C felt that the Bikini Berlin Concept mall didn't work out as planned. She felt that locating a pop-up store in a mall is challenging because of the rigidness of the shopping mall – in their case they had to commit to the marketing budget and the opening hours that were same for all of the stores in the mall. In this case, the pop-up store was not able to take advantage of its flexibility, and the customer flow depended only on the regular customer flow of the mall. Informant C found it surprising that even though it was near to the shopping streets, hotels and department stores, the shopping mall was quiet. Informant F was the only informant who had negative experiences about locating the pop-up store in a central location on a shopping street. However, she commented that location was not the only element that caused the low sales figures.

In general, there were diverse opinions when describing unsuccessful locations; they are quiet (A and C), hard to find (B) and far away from business areas and similar stores (A). The common belief amongst the informants was that quiet places do not provide enough customer flow in order to reach sales targets. In addition, some of the informants suggested that in unsuccessful locations the surrounding environment is not

coherent with the brand (informants A, B and C). To be successful, the selected location should represent the same values as the brand. Informant C found that she would avoid locations that are surrounded by cheaply-priced mass brands or alternatively cheap copies. These kinds of surroundings bring the image of their brand down, and also the customers do not understand the high-end value of their brand.

Also the future of pop-up stores was discussed in relation to location. Informants B and D pondered that due to the digitalization and online retailing channels the role of retail space is subject to change. Informants A and B suggested that the significance of a physical retail space will decrease. For example, informant A told about his experiment with the so-called "company pop-ups". These company pop-ups were designed to be set up in different office environments for several hours in order to display and sell products, so they did not need an actual retail space. However, informants B and D found that the need for trying out products and human interaction is not going to disappear. Retail spaces will function more and more as showrooms (D), aiming at creating memorable experiences and emotional ties to the brand (B).

5.3   Locational planning and selection in pop-up retailing

All of the informants found that retail location is a remarkable element of pop-up stores. Informants E and G commented that they would not set up a pop-up store, if they did not find a good location. Even though the importance of retail location was acknowledged, the internal locational decision-making was described as a simple, fast-tempo, unstructured process. As informant F described it:

> *"The decisions in Helsinki are quite fast-tempo because I have lived there for so long that I think I have a good picture about the locations, location factors, style and customers… Then I just read the skit that tells where, when and how much money, and then I quickly with a gut feeling just decide depending on how I feel, of course check the planner if I'm free then."*

In all of the cases the locational decision-making was not a clear process that followed particular rules or guidelines. To illustrate with examples, informant A told that their locational decision-making process consisted of a discussion with executives about what they wanted to achieve, whether operating a pop-up store is profitable and if they are able to find a retail space with a good quality-price ratio. Informant C's process started with a search for potential locations, or alternatively receiving offers from retail space leasers, later listing the pros and cons of the location and in the end, visiting the

site. In informant F's case, other pop-up retailers contacted her if she wanted to join a co-branded pop-up store. She reviewed the place, timing and price of the suggested project, and the coherence of her and the other brands. Informant G's decision-making process consisted of screening free retail spaces on central shopping streets, contacting the leasers and negotiating with them.

The search for potential locations happened through a two-way information transfer. Whereas the majority of informants reported that they had searched for the potential locations themselves (A, B, C, E and G), some of them brought up that they did not always need to search for them (A, C and F). Informant A told that leaser of the retail space contacted him directly, and the decision of operating a pop-up store arose from the offered free retail space. Similarly, informant F commented that she did not search for potential retail sites herself because she always operated together with other brands, so the business partners had already arranged a retail space before suggesting the project for her. In her case, the only decision according to location was whether she wanted to join the pop-up project in the selected location or not. Informant C commented that because retail spaces are usually taken with dispatch, there needs to be constant interaction with the real estate intermediaries and business partners, so that they know that the search for a retail space is on.

In terms of the internal structure of the informants' pop-up stores, the decision-making power had a centralized nature in all of the cases. All of the pop-up retailers reported that the decision-making power was in hand of one or two persons, usually the CEO, owners or executive group. None of the informants reported of particular teams being responsible location decisions, nonetheless, informants A and G mentioned that they did discuss locational issues briefly with the employees. Two of the informants (A and E) mentioned that the decision-making power was delegated to the person who is actually operating the pop-up store. For example, informant E explained that she is in charge of locational decision-making in Berlin because she lives there, whereas her partner is in charge of the decisions concerning Finland.

Examining the internal level of technology, the informants on the whole demonstrated that complex techniques or methods were not used for locational planning and decision-making amongst pop-up retailers. The most common techniques supporting locational decision-making were the examination of location factors (A, B, C, E, F and G) and break-even analysis (A, B, C, E and G). Instead of complex techniques or methods, the nature of decision-making was described as rather intuitive, relying mostly on former experience on particular locations (A, B, C, E, F and G). For example, informants E and F suggested that they considered particular locations because they had lived there, and had a feeling they know the city, style and customers well. Similarly, informants A and G felt that they had gained adequate knowledge about the customer flow and sales figures of a particular location through operating a

permanent store there before. Informant G opined that the experience in locational decision-making appears as a higher willingness to take risks and invest in expensive locations that were previously found successful.

> *"The reason why I first went to Savonlinna, even though I'm not originally from there and I don't know the city so well, is that I got hints and knowledge from acquaintances and own customers. For example, what are the good locations and the streets where the tourists move. So a market research done in my own networks provided information about what are good business locations." (Informant B)*

As demonstrated in the citation, besides own experience, the support for locational decision-making derives also from networking. Especially opinions and recommendations of business contacts and related parties were valued in the decision-making (A, B, C, E, F and G). Information was not shared only about the location factors in the area, but also the experiences on how a particular retail space worked for a pop-up store. For example, informant G mentioned that they had discussed the cost of electricity with the former lessee of the retail space. Especially in the case of foreign operations, market knowledge through local networks was appreciated (A, E, F and G).

Throughout the locational decision-making process, the informants reported encountering various challenges. The challenges that emerged during the interviews included uncertainty (A, E and F), limited resources (A, D, F and G), communication (A and D) and negotiating short term contracts (B and G). Informants A and F found that location decisions always included some uncertainty; whether location factors such as season, opening hours, merchandise and customers match with the pop-up store. Uncertainty was also present in foreign locations, where the different business culture caused misunderstandings (E). Informant E told that in Berlin she experienced that only written leasing contracts were binding agreements instead of spoken ones. The foreign retail spaces also involved surprising bureaucratic practices that differed from the ones in the home country. For example, in Berlin informant E needed to apply for several permissions for running a pop-up store and pay extra costs for them that she did not expect. According to informant D, the pop-up industry still lacks portals and forums that would help finding retail spaces and business partners on foreign markets.

Also limited resources, mostly regarding time and finance caused challenges for pop-up retailers (A, D, F and G). Informant D commented that many of the big real estate owners want to have the expensive rent paid beforehand, and it is always a big burden for small pop-up retailers. Limited resources may appear as a decision not to engage in international operations, for instance like in the case of informants A and G. Informant F also indicated that the limited resources restrict the locational selection to the near-by

locations of permanent business premises in order to avoid additional transportation and warehouse costs.

The third challenge that came up was the rapid communication to the customers that the pop-up store opens in a particular location (A and D). The communication has to be effective due to the temporariness of the store. According to informant D, the pop-up retailers still lack professional marketing and communication skills, and do not invest enough in these operations. He opined that it is relatively easy to find retail spaces for a pop-up store, but it is rather difficult to inform about its existence to customers. In the pop-up projects he managed, the pop-up retailers that invested sufficiently in marketing and communication skills performed remarkably better than the ones lacking them. He highlighted that one of the key actions is to proactively communicate about the pop-up store before setting it up.

The fourth challenge mentioned was the different preferences of retail space leasers and lessees. Informants B, D and G reported that real estate owners typically prefer long-term contracts over short-term. According to informant G, due to these preferences the decisions of short-term contracts tend to prolong until the last minute, causing uncertainty to the pop-up operations. Informant D commented that large corporations that own real estate do not even have flexible mechanisms to offer short term contracts. There is a lack of portals for short-term retail space contracts. Sometimes there are no available retail spaces for shorter periods at all, or the leaser does not commit to short contracts to the wanted retail space (B, C, D and G). Some retail spaces might also have long waiting lists (C). Informant B told that sometimes the only option is to hope that a particular retail space remains free at the time wanted because it is not affordable to pay rent for the whole year.

A recurrent theme in the interviews was the importance of location factors in the decision-making. Location factors that emerged from the interviews were customers (A, B, C, E, F and G), complementary facilities (A, B, C, E and F), costs (A, B, C, D, E and F) and retail space (A, B, C, E, F and G). In relation to the customers of the pop-up store, the majority of the informants found that the customers are occasional passers-by that end up in the store accidentally (A, E, F and G). Some of the customers found the pop-up store as a result of PR-activities, social media marketing (C, F and G) and word-of-mouth (C and F). In addition to local customers, tourists were considered as important target customers for pop-up stores (B, C and E). In all of the interviews, the informants emphasized the significance of the quantity of customers, in other words, the amount of customer flow in the area. According to informants A and F, high customer flow is best reached in central locations. Central locations are also the locations where tourists move (B and C). Besides the location, linking the pop-up store to a season or event ensures customer flow (A, B and E). Most of the informants also found the quality of customers important (A, B, C, E and F). The informants reported of a

heterogeneous group of target customers, nevertheless, all of them were characterized by a desire for high-quality design products.

> *"There is a lot of convergence with the opera festival's and the pop-up store X's customers. It is about having the same values. They are people, who are interested in culture, and want to invest in high quality cultural experiences. High quality experiences in the first place. And they value professional skills. They are also the same people who value quality in other things, so they value high quality in consumer goods, too."*
> *(Informant B)*

As informant B commented, a seasonal event in a particular location is considered important for attracting the right type of customer. The right kind of customer can be found in locations that represent the same values as the brand, such as culture and art (F), or in environments with congenial brands (A and E). For example, informant E reported that even though her aim in Berlin was to test the local market with the pop-up store, it was mainly Finnish people who came to the pop-up store in Berlin.

Also complementary facilities in the neighbourhood were considered an important location factor. The complementary facilities are linked to the customer factor, because they generate foot flow in the area and attract the right kind of customer (A, D, E, F and F). The most common complementary facility mentioned was similar brands and stores (A, B, C, D, E, F and G). A cluster of pop-up stores functions as a magnet for attracting customers (A), especially the right type of customer (E, F and G). Informant G told that when pop-up stores started to operate, the other stores near them quadrupled their sales due to increased customer flow. However, the successful operations may also lead to the increase of retail space rental prices due to the revitalization of the area. Pop-up stores also benefit from the vicinity of restaurants, cafeterias, bars (A, B, D, E and F), workplaces (A and D) and events (F) for the same reason. Informants A, D and F also proposed that the vicinity of public transportation is a desirable locational factor. For example, informant A had noted that in case of bad weather the people waiting for the tram ended up in their pop-up store. Informants B and D found that the experiences that the customers gained in the complementary facilities, such as in a cafeteria in the same building, formed an important part of the overall pop-up experience as well.

The informants who had also operated a permanent store (A, C and G) felt that locating the pop-up store near the permanent store was desirable. Informant A explained that many of the customers who visited the pop-up store came to check out the permanent store afterwards. Informant C felt that brand image can be strengthened when the same brand is offered in many high-quality stores at the same time. In turn, informant G found that the operation of pop-up stores is facilitated when the permanent

infrastructure is near. However, it is essential that the permanent store and pop-up store offer different products in order to avoid market cannibalization (A, B, D and G).

All of the informants considered the costs relating to a particular location significant for pop-up retailers. In the informants' opinion rental costs (A, B, C, D, E, F and G) and personnel (A, B, C and G) were the biggest cost items for pop-up retailers. Informant D opined that the cost-factor is remarkable for the starting pop-up retailers in particular. Rental prices were considered higher in central locations than less obvious locations, thus the high price was also seen as a sign for high customer flow (A, D and F). Also a particular season may increase the rental costs of a retail space (B and E). For example, informant E reported that during fashion week, the rental costs were four times more than normally. However, some of the informants felt that they would be willing to pay a little bit extra for particular locations, if they consider them successful (B, E and G). Informant B added that besides rental costs and personnel other fixed costs such as accounting, auditing and payment terminals have to be paid for the whole year, even though the business would only operate for a temporary time. Some of the informants (A, B and C) indicated that the costs can be influenced by comparing alternatives and negotiating the rental prices. Informants D, E and F mentioned that collaboration with other partners is an effective way of diminishing the costs of the retail space. For example, informant D suggested renting part of the retail space for a partner in order to decrease the risk related to cost and enhance the overall customer experience. Informants E and F had collaborated with furniture designers, resulting in not having to invest in the interior design or displays of the pop-up store. Informant F also divided the advertising costs with the brands she collaborated with.

In addition to the location factors mentioned above, the informants found that the right type of retail space in a particular location is an essential location factor (A, B, C, E, F and G). For example, in the case of informant A, the selected retail space influenced the business so much that it even determined the product range that was offered in the pop-up store. Because the rented retail space was relatively small, they ended up selling accessories instead of offering the whole product range in the pop-up store.

> *"What we learned was that you can't or it is not worth renovating the pop-up retail space because you are present only for a short time. You have to think whether the space is already suitable for your concept and does it fit the purpose… So preferably [a retail space] as ready to use as possible, which is of course not easy." (Informant A)*

As commented in the citation, the retailers prefer spaces that are as ready to use as possible for the pop-up store (A and E) because it is not worth to invest in the

construction of the space for a short time (B and F). Informant G found that a good retail space for a pop-up retailer is similar to the ones that permanent stores look for. The store features and the working infrastructure of the retail space are examined in detail. It has to have the right size (B and G) and right floor plan (B and E), big shop windows (B, C and G), good electricity and illumination (B, G and F) and a warehouse (B and G). It is essential that the retail space is visible to the customers and that they find it easily (A, F and G). Informant B felt that the retail space has to be easily convertible so that it is coherent with the concept store. That is how the retail space represents the brand in a professional way and does not look like a temporary solution.

In the interviews diverse opinions were expressed about competition as a locational factor. Some of the informants felt that pop-up stores do not experience direct competition because of their uniqueness (A, B and F). Informants A, B, F and G found that pop-up stores experience indirect competition, and the question is more about the overall disposable income that customers spend on other stores, restaurants and cafeterias. The majority of the informants felt that competition had a minor influence as a locational factor due to its self-evident existence on the market.

5.4   Location management in pop-up retailing

Issues related to location mix were not particularly prominent in the interview data. All of the pop-up retailers had experienced roll-out and rationalisation decisions, in other words the opening and closure decisions of the pop-up store. The majority of informants had experienced relocation decisions (B, C, E, F and G). Informants A, C, F and G suggested that the style and design of the new pop-up store is similar to the original one. However, the informants found that these decisions were not done according to the location, but they related rather to the temporary characteristic of the retailing format.

Due to the temporariness of the pop-up store, refascia decisions were not considered desirable for pop-up stores (A, E and F). For example, informant A's pop-up store followed strictly the same concept as their permanent store. Informants E and F opined that because the concept of the temporary pop-up store is planned beforehand, there is no point in changing the image of the store in a short time interval. In contrast, refurbishment decisions were recognized by all of the pop-up retailers. Typically, most of the refurbishment decisions related to the reconstruction of the retail space and creating the displays (A, B and F). Also all of the pop-up retailers found remerchandising decisions possible. Informants B and E gave some examples of remerchandising decisions in practice: when informant B organized an event for Finnish customers in New York, she focused on offering the most typical Finnish products according to Finnish taste. Similarly, informant E noted on the spot in Berlin that the

demand for men's clothing was bigger than imagined, so the merchandise mix was changed according to the local customers' needs.

When discussing the issue of local marketing, the majority of informants agreed that adaptation to the local customer is an important marketing strategy for pop-up retailers. Adapting the pop-up store to the local customer enhances the stores attractiveness (A). The informants identified promotion (C and F), merchandise (A, B, C, E, F and G) and price (A) as sensible elements that pop-up retailers can localize according to the local customers' needs. In case of promotion, informants A and B emphasized the importance of finding the right marketing channels in the selected location. However, both of the informants opined that because the most common marketing channels for pop-up stores are based on social networking such as social media and online newsletters, the most efficient marketing channels are similar in different locations. Informant B also brought up that networking and word-of-mouth are effective marketing tools, when applied to the local environment. To demonstrate practical issues of local marketing, informants C and E told that they had worked closely with local bloggers, whereas informant E had collaborated with local PR-companies to reach the local customers effectively. Also mentioned by informant G, informant D commented that the pop-up stores involved in his project collaborated with local media and newspapers. The collaboration ensured media space for the pop-up retailers and also offered advertisement space on a discount price. In informant D's case, he made media releases about interesting pop-up retailers, wrote a story about the entrepreneur in a blog before opening the pop-up store and communicated actively with the public in social media such as Twitter, Instagram and Facebook.

The opinions towards adapting the merchandise according to the local customer were rather positive (A, B, C, E, F and G). Informant A found that it is important that the merchandise fits the local customers' style and taste. Informants B and E had personal experience of remerchandising decisions. In relation to adapting the price to the local environment, distinctive opinions arose amongst the informants. Whereas one of the informants found that products can be priced according to the local price level (A), some other informants did not recommend it (C and F). Informant A suggested that in case of foreign operations, the price could be adjusted to fit the local price level. On the other hand, informants C and F brought up that nowadays the information about prices is so easily accessible that selling the same product at different prices is harmful to the reputation of the brand.

> *"We did some sniffing around the situation, and if we felt that some products are not selling, just standing in the store, we made the changes in the store according to that, and always change the windows and the displays in the windows according to that." (Informant E)*

There were several opinions about how to obtain information of the local customer effectively. As mentioned in the citation, the information about the customers can be received by observing the customers on the spot (E and F). Informant F found that it is hard to get information about the customers before the actual operation of the pop-up stores. In addition to observation, informant B suggested that customer-specific data is best obtained from networks. Hints of customers can be received from business partners, friends or customers themselves. Informant F said that information about the customers can be received through social media.

5.5   Summary of main empirical findings

To examine location decisions in pop-up retailing, seven experts in the pop-up retailing field were interviewed. According to the first sub objective of this study, the pop-up retailers' opinions of the pop-up retailing concept were discussed, and they gave examples of selected locations for pop-up stores. In relation to the second sub objective, the internal environment of pop-up retailing was examined. Also, the most important location factors for pop-up retailers were discussed. To answer the third sub objective of this study, pop-up retailers told about the location-related decisions they made after selecting the store. Table 8 presents an overview of the main empirical findings regarding the location decisions from the pop-up retailers' perspective.

Table 8   Summary of main findings from the pop-up retailers' perspective

	A	B	C	E	F	G
Pop-up store	Temporary Sales Brand promotion	Temporary Sales Brand promotion	Temporary Sales Brand promotion Market investigation	Temporary Brand promotion Market investigation	Temporary Sales Brand promotion	Temporary Sales
Selected locations Home country	- Capital city - Central location	- Smaller cities - Central location	- Capital city and holiday resort - Central location		- Capital city - Central location and peripheral location	- Capital city - Central location
Host country		- New York (U.S.) - Central location	- Berlin (Germany) - Central location	- Berlin (Germany) and St. Petersburg (Russia) - Central location		
Planning and decision-making Process	- Discussion with executives - Finding retail space	*Not available*	- Searching for site - Listing pros and cons - Site visit	*Not available*	- Receiving project suggestion - Checking time, place, price and partner brands	- Checking available retail spaces - Contacting real estate owners
Power	Small executive group	CEO (1)	CEO/owners (2)	Owners/founders (2)	CEO (1)	CEO (1)

Methods & Techniques	Breakeven analysis	Breakeven analysis	Breakeven analysis	Breakeven analysis	Breakeven analysis	Breakeven analysis
	Location factors	Location factors	Location factors	Location factors	Location factors	Location factors
	Experience		Experience	Experience	Experience	Experience
	Network	Network	Network	Network	Network	
			Budgeting	Budgeting		
Location strategy	Customer flow	Customer flow	Customer flow	Customer flow	Customer flow	Customer flow
	Complementary facilities	Complementary facilities	Complementary facilities	Complementary facilities	Complementary facilities	Complementary facilities
	Costs	Costs	Costs	Costs	Costs	Costs
	Retail space	Retail space	Retail space	Retail space		Retail space
Location mix	Roll-out	Roll-out	Roll-out	Roll-out	Roll-out	Roll-out
	Relocation	Relocation	Relocation	Relocation	Relocation	Relocation
	Rationalisation	Rationalisation	Rationalisation	Rationalisation	Rationalisation	Rationalisation
	Refurbishment	Refurbishment	Refurbishment	Refurbishment	Refurbishment	Refurbishment
	Remerchandising	Remerchandising	Remerchandising	Remerchandising		
Local marketing	Promotion	Promotion	Promotion	Promotion	Promotion	
	Product	Product		Product	Product	Product
	Price					
	Network	Network				Network
				Observation	Observation	
					Social media	

Table 8 summarizes the main empirical findings from the pop-up retailers´ perspective. Even though the collected data was rich and diverse, some similar patterns across the examples could be found as the same themes repeated constantly in the interviews. In relation to the concept of pop-up store, the temporariness was found as the key characteristic of the pop-up retailing format. In almost all of the examples, pop-up stores were found effective for sales and marketing purposes, and two of the examples also indicated that pop-up stores are suitable for market investigation purposes.

The pop-up retailers showed examples of location decisions in both home and host countries. In Finland, majority of the experiences of selected locations were in the capital city Helsinki. In foreign countries, the pop-up stores were also located in capital cities or other largely populated cities. In terms of selected locations, all of the pop-up retailers had experiences of locating a pop-up store in a central location. With one exception, all of the pop-up retailers also found central locations successful. Central locations were considered to possess attributes such as adequate customer flow and visibility that positively influenced the sales of pop-up retailers. A minority of the pop-up retailers had also selected less-obvious innovative locations for their pop-up stores, with rather positive experiences especially in terms of brand promotion. However, the general opinion towards selecting remote locations was doubtful and rather negative amongst the pop-up retailers who had only experiences in locating stores in central areas.

The pop-up retailers reported very diverse and company-specific locational planning and decision-making processes. Nonetheless, the common pattern noted was that the processes were rather unstructured and unsystematic by nature. In all of the interviews, the decision-making power turned out to be centralized. In every pop-up retailer's case it was in the hands of few people, mostly the CEO and founders of the pop-up store. The techniques and methods used for locational planning and decision-making were simple and did not include a high level of technology. All of the pop-up retailers mentioned the examination of location factors before the actual decision, and the majority reported of making a break-even analysis. The support for locational decision-making relied strongly on a gut feeling, own and business partners' experience and recommendations from networks.

On the strategic decision-making level, customers, complementary facilities, costs and retail space were considered important location factors for pop-up retailers. The emphasis was on the adequate customer flow in the area, though attracting the right kind of customer was considered important as well. The most commonly mentioned complementary facilities were similar brands and stores, since they contribute to the customer factor by generating foot flow and attracting a particular target group. In terms of costs, retail space and personnel were found as the biggest cost items for pop-up

retailers. Finding the right type of retail space was considered important because the temporariness of the store does not motivate the pop-up retailers to invest resources in construction. Competition was not considered a significant location factor for pop-up stores because the retailers found that they do not experience direct competition due to the uniqueness of the store.

On the monadic decision-making level, experiences of five location mix decisions were brought up in the majority of interviews; roll-out, relocation, rationalisation, refurbishment and remerchandising. However, roll-out, relocation and rationalisation decisions were rather considered to proceed from the temporary characteristic of the retailing format instead of locational issues. Some of the pop-up retailers had experiences of refurbishment and remerchandising decisions while operating a pop-up store. However, neither refurbishment decisions related to location but creating the displays was considered an essential activity before opening the store. On the opposite, tactical level decisions were considered important for pop-up stores in order to enhance the attractiveness of the store. Two of the most prominent local marketing decisions were the adaptation of promotion and merchandise according to the local customers' needs. The local adaptation of price encountered contradictory opinions during the interviews. The information of local customer was obtained through observation, social media and networks.

6 CONCLUSIONS

6.1 Theoretical contribution

This study examined location decisions in pop-up retailing. A preliminary framework of location decisions on pop-up retailing was created (chapter 3.3) based on previous research on pop-up retailing and retail locational planning and decision-making in a traditional retailing environment. The findings of the study demonstrate that there are points in common in the preliminary framework and the empirically collected data. Both indicate that retail location is a significant element for all retail organizations but particularly to pop-up retailers due to the temporary characteristic of the retailing format. On the one hand, retail location is one of the biggest cost item for pop-up retailers and therefore influences the profitability of the store. On the other hand, a retail location creates place-based associations that are linked to the brand and contribute to the overall brand experience.

Correspondingly to the previous research, the temporary nature of the pop-up store is the key attribute that distinguishes pop-up retailing from other retailing formats. In contrast to the ideas of previous research (see, for example, Marciniak & Budnarowska 2009; Surchi 2011; Russo-Spena et al. 2012), the sales function is not a secondary but a primary objective of pop-up retailers. In effect, many pop-up retailers find sales objectives more important than brand promotion or market investigation. However, both brand promotion and market research were identified as possible objectives for pop-up stores as in previous literature. The strategic purpose of the pop-up store influences locational decision-making in pop-up retailing.

The first sub objective of the study examined what kind of locations pop-up retailers select. In terms of the outcomes of retail location decisions from a geographical perspective, pop-up retailers select both central and less-obvious locations. On macro level examination, pop-up retailers select locations both in home and host countries. Further on the micro-level, pop-up retailers usually locate their stores in capital cities and larger cities. However, in contrast to the assertion of Surchi (2011, 261–262), also smaller cities are an option for pop-up stores. From the site selection perspective, pop-up retailers show a preference towards central locations, for example fashionable shopping streets or central shopping malls. Successful central sites were described as busy, visible and easily accessible. These empirical findings are compatible with the notions in previous academic research that suggesting that pop-up retailers are found in expensive high-traffic shopping areas (Surchi 2011, 261), in central districts and fashionable zones (Pomodoro 2013, 245). Temporary leasing contracts allow pop-up retailers to take advantage of otherwise unaffordable central locations. Pop-up retailers

consider central locations appropriate especially for sales and promotional purposes because they are characterized by a high customer-flow, and they also communicate a positive and professional image of the brand. This indicates that place-based associations become important especially on the site-level examination of a retail location.

Similarly, as remarked in earlier literature (see, for example, Pomodoro 2013, 344–345; Picot-Coupey 2014, 655;), pop-up retailers also select less-obvious and innovative locations for their stores. For example, some pop-up stores were located in design districts or cultural halls further away from the city centre. For pop-up retailers, less-obvious locations match in particular with brand promotional purposes because unique locations form a part of the memorable customer experience. However, contradicting with the suggestion of Pomodoro (2013, 344–345), the selection of less-obvious and innovative locations was modest and the retailers' attitudes towards radical locations were rather doubtful. Nonetheless, in the dynamic retailing environment the role of retail location is constantly subject to change, and there is a possible trend for selecting radical locations for pop-up stores in the future. In line with the idea of Picot-Coupey (2014, 664) it can be concluded for the first sub objective that pop-up retailers select locations unrestrictedly from a geographical perspective, albeit with a preference towards central locations. Place-based associations contribute to the image of the pop-up store.

The second sub objective approached the abstract locational planning and decision-making in pop-up retailing. First, the internal environment of the retail organization was examined as proposed in previous academic literature (see, for example, Clarke et al. 1997; Hernández et al. 1998). The pop-up retailers' attitude towards risk and growth is two-sided. On the one hand, pop-up retailers demonstrate a strong entrepreneurial mind-set in some operations, for example by changing the product assortment solely after observing the customers. On the other hand, they try to avoid risks to a high extent, for example by selecting locations they already have experience of. The empirical findings demonstrated that the locational decision-making in pop- up retailing is centralized and hierarchical. The decision-making power is in the hands of few people, generally the CEO or founders of the pop-up store. According to previous literature, this setting is rather typical for small retailers. It has to be noted that the decision-makers were not solely dedicated to locational planning and decision-making but had many other important tasks running simultaneously.

As suggested in precious research, basic techniques and methods for locational planning and decision-making maintain their power in pop-up retailing. Pop-up retailers do not show use of high level technology or complex planning methods that is typical of small retailers. (See, for example, Smith & Sanchez 2003, 38; Pioch & Byrom 2004, 225; Wood & Browne 2007, 250.) Examining location factors and break-even analysis

are the two most common methods pop-up retailers apply in locational planning. In turn, site visits were not emphasized in pop-up retailing, contradicting the ideas of previous studies (see, for example, Byrom et al. 2001, 226; Wood & Browne 2007, 250; Reynolds & Wood 2010). In conclusion, even though pop-up retailers recognize the significance of retail location in pop-up retailing, the actual locational planning and decision-making remains somewhat intuitive, subjective and unstructured in practice, as previous research indicates (Hernández & Bennison 2000, 357, 360; Hernández & Biasiotto 2001, 417; Wood & Browne 2007, 250). There are no clear locational planning and decision-making processes established in pop-up retailing. The support for locational decision-making proceeds mainly from own experience and information received from networks.

In relation to location factors, pop-up retailers consider customers, complementary facilities, costs and retail space as most important elements. This finding is mostly in line with the study of González-Benito and González-Benito (2005), in which they propose a framework of location strategy in a more traditional retailing environment. Their model identifies customers, complementary facilities, competition and costs as key success location factors. According to the framework, also pop-up retailers find the quantity and quality of customers important. Pop-up retailers especially emphasize the quantity of customers, in other words customer flow because the store is only opened for short time interval. Linking the timing of the pop-up store with a local season or event was considered as one potential way of ensuring customer flow in the area.

Correspondingly to the framework of González-Benito and González-Benito (2005) pop-up retailers also consider complementary facilities as important location factors. Pop-up retailers recognize that the vicinity of similar brands and stores positively influences the performance of the store because clusters of coherent stores attract a large number of customers. Pop-up retailers reckon that complementary facilities do not only increase the quantity of customers in the area, but facilities that are coherent with the brand attract the right type of customer. In alignment with Lassus and Freire (2012, 61), pop-up retailers prefer to locate near to the permanent business premises to avoid additional costs, for example relating to transportation and warehousing. Pop-up retailers also consider costs as a remarkable location factor as discussed in the framework. The rent of the retail space, renovating and personnel generate most of the cost for pop-up retailers, as also Turhan et al. (2013, 408) suggested.

In contrast to the framework of González-Benito and González-Benito (2005), the significance of competition as a location factor is minor amongst the pop-up retailers. Pop-up retailers seldom encounter direct competition due to the uniqueness of the pop-up stores. Pop-up retailers experience indirect competition that is present everywhere regardless of retail location. Retail space was a new location factor that emerged from the empirical data, outside of the framework. As the study of Brown (1994, 543) noted,

micro-scale considerations are still important for retailers. Pop-up retailers highlighted the importance of finding the right kind of retail space in the location for two reasons. First, it is one of the biggest cost items for pop-up retailers as discussed above. Second, pop-up retailers do not want to waste unnecessary time or financial resources on temporary solutions.

The focus of the third sub objective was on the location management in pop-up retailing. It examined the location-related decisions after the selection of the retail location. First, the empirical data indicated that location management on the monadic level is not quite applicable in the pop-up retailing context. When looking at the six location mix options on the monadic decision-making level, pop-up retailers had experienced roll-out, relocation and rationalisation decisions. However, these decisions were considered as normal actions due to the short lifecycle of the pop-up store and the decisions were not made according to the location. Also refurbishment decisions, such as small-scale renovation of the retail space and display set up, were not made due to the retail location but related to the opening process of the pop-up stores. Pop-up retailers did not recognize refascia decisions. According to the empirical data, this was due to the temporariness of the pop-up store. Even when opening a pop-up store in a new location, the image and the appearance of the store was similar to the first pop-up store. In contrast, pop-up retailers showed some evidence of making remerchandising decisions. For example, some of the pop-up retailers changed the product range according to the local customers' need. However, remerchandising decisions were found overlapping with tactical decision-making and local marketing activities. The main reason for little evidence on monadic location decisions was the temporariness of the pop-ups store. Due to the temporary nature of the retailing format, pop-up retailers do not have adequate time and willingness to invest in temporary solutions.

In contrast, pop-up retailers find tactical level decisions important. Adapting the pop-up store according to the local customer's needs was found to increase the attractiveness of the store. Pop-up retailers make local marketing decisions mainly relating to promotion and products. Local promotion is done by finding the most efficient marketing channels in the area, whereas the merchandise of the store can be adapted according to the local customers' taste and style. The question of adapting the price level to the local standards received contradictory opinions. In a traditional retail environment, Ziliani (2000, 359) and Byrom (2011, 340) propose that information about customers and their consumption patterns is usually collected through loyalty cards. In contrast, pop-up retailers rather obtain information of customers through observation on the spot and knowledge of networks due to a shortage of time and capital. To summarize the findings of the study, the preliminary framework is modified according to the empirical data. The modified framework demonstrates location decisions in pop-up retailing context more in detail (figure 8).
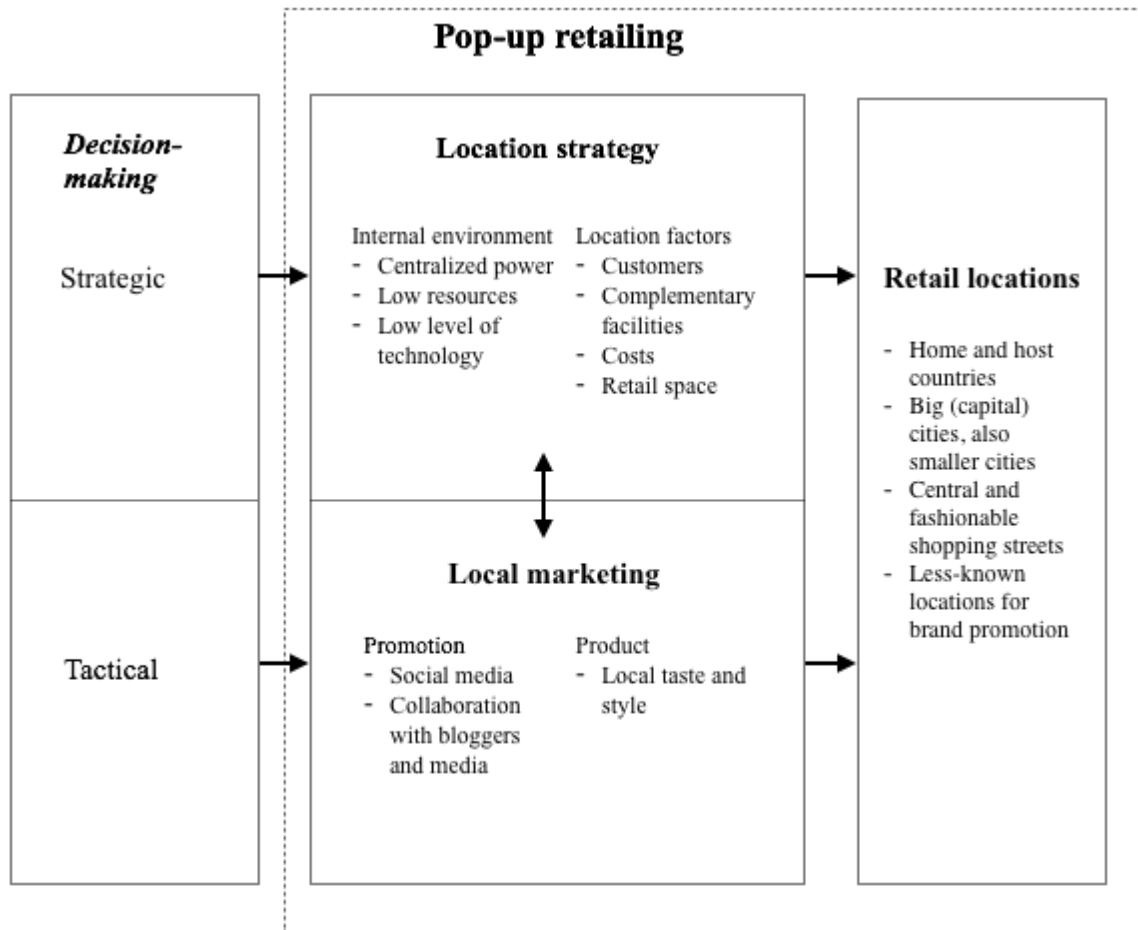
Figure 8   Modified framework for location decisions in pop-up retailing (Adapted from Hernández et al. 1998, 301–304)

As illustrated in figure 8, the modified framework for locational planning and decision-making in pop-up retailing corresponds with the preliminary framework in most parts. Even though locational planning and decision-making cannot be strictly divided to different decision-making levels in pop-up retailing, pop-up retailers mostly encounter similar types of location decisions than traditional retail organizations. However, several modifications were made to the preliminary framework (chapter 3.3). The monadic decision-making level proposed in the preliminary framework was left out from the modified framework due to its minor importance for pop-up retailers. The temporary characteristic is the reason why pop-up retailers do not have time or resources to make monadic level decisions. On the strategic decision-making level, the factors of the internal environment that shape the decision-making were added to the framework. Similarly, the most important location factors were added next to them. According to the empirical findings, competition was left out from the location factors due to its minor significance for pop-up retailers. In turn, retail space factor was added to the location factors. On the tactical decision-making level, only promotion and product-related decisions are left in the framework because they are the most common

local marketing decisions in pop-up retailing. The selected locations for pop-up stores are listed in the framework.

In conclusion, the empirical findings partially support the original framework by Hernández et al. (1998). Based on the findings in the present study, the modified framework provides a more applicable approach for locational planning and decision-making in a modern and innovative retailing format. The need for updating the original framework, however, may be also due to the dynamic nature of retailing in general. For example, Jansson and Power (280, 890) suggest that globalization and industrial restructuring has affected cultural industries such as companies in the fashion sector.

The empirical findings reveal that the nature of location decisions in pop-up retailing has several points in common with another ongoing academic discussion. Many of the findings are congruent with the effectuation principle introduced by Sarasvathy (2001, 245–252). According to her research, effectuation is an integral part of human reasoning and decision-making in addition to causation. In contrast to causation, effectuation refers to the action when entrepreneurs determine goals according to the resources they already have access to. Sarasvathy (2001, 250–252) states that causality is typically utilized in predictable environments, whereas effectuation is used in situations of uncertainty, particularly in cases of radical innovations, to which pop-up retailing can be linked. In unpredictable environments investing effort in gathering and analysing information is not considered worthwhile. Instead, information is obtained through experimental and iterative learning. Coherently with the ideas presented by Read and Sarasvathy (2005, 53), the decision-making process of pop-up retailers does not start with setting a clear goal. Pop-up retailers rather examine, what they already know about retail locations and where their supportive networks are already established. As concluded in this study, the locational planning and decision-making processes are versatile and do not have a clear structure. There are no high amounts of resources invested in the locational planning and decision-making in pop-up retailing but the decisions rather rely on intuition, experience and information from networks.

In the effectuation discussion Sarasvathy (2001, 252, 259) introduces four principles that also match with the findings of this study to some extent. The principle of affordable loss proposes that instead of maximizing revenues, effectuators aim at minimizing costs. Although the majority of pop-up retailers emphasized the sales purpose of the pop-up store, costs were one of the most important location factor for pop-up retailers. The retail space in a particular location is one of the biggest cost item. Therefore, pop-up retailers search for innovative solution to reduce costs in a particular location, for example, collaborating with other brands. Especially for pop-up retailers with solely promotional or market investigation purposes, reducing costs remain an important factor when no sales objectives are set. The second principle suggests that effectuators prefer strategic alliances instead of competitive analyses to reduce

uncertainty. The findings of this study demonstrate that pop-up retailers do not use complex techniques or high-technology for locational planning and decision-making but they rather rely on the support from networks and partners. For example, pop-up retailers obtain information of available retail spaces and recommendations of retail locations from their networks and partners. Pop-up retailers also collaborate with other brands to reduce costs of a retail space.

The third principle suggests that effectuators prefer to grab contingencies rather than utilize existing knowledge. For example, using pop-up stores for market research reflects this purpose. Instead of planning carefully location decisions, the temporary nature of the store allows pop-up retailers to spontaneously start operating in a location. The findings of this study also show that local marketing decisions are made usually without existing knowledge. Pop-up retailers rather observe on the spot to find out the most appropriate marketing channels and products for a particular location. The fourth principle proposes that effectuators prefer to control the unpredictable future rather than predict the uncertain environment. In line with this principle, the findings of the study demonstrate that pop-up retailers do not invest in complex locational planning and decision-making techniques or forecasting models. Instead of investing in the prediction of the environment, pop-up retailers prefer innovating and developing for the future. For example, pop-up retailers think about new innovative retail locations that appeal to customers.

Overall, the findings of this study have demonstrated that even though some cross-case patterns can be found in the location decisions of pop-up stores, the practices are versatile within the pop-up retailing context. The findings indicate that in terms of processes and outcomes, location decisions are relatively company-specific and influenced by the internal environment of the store. Factors such as the size of the pop-up retailer, access to resources, strategic purpose and brand recognition are all elements that shape the locational decision-making of the pop-up retailer. The suggestions certainly require further investigation, but the findings provide preliminary information about the versatile location decisions, and planning and decision-making within an innovative retailing format.

6.2   Managerial implications

In addition to the theoretical contributions discussed above, the study provides some practical insights that are useful for actual pop-up retailers. Four managerial recommendations can be drawn from the empirical findings of the study: (1) paying attention towards networking and collaboration; (2) adequate investment in communication and marketing skills; (3) a careful examination of important location

factors before location selection; and (4) adapting promotion and merchandise to local needs.

The findings of this study demonstrate that networking and collaboration is beneficial to pop-up retailers in many ways. Pop-up retailers should pay attention towards creating and maintaining a large network. Networks are a cost-effective source of knowledge to support locational planning and decision-making. Pop-up retailers may receive hints, recommendations or experiences of available retail locations through their networks. Cost-effective solutions are especially important for pop-up retailers with small access to capital. Networks are important especially when obtaining information of foreign locations.

Pop-up retailers find costs as important location factor, and the retail space is typically the biggest cost item for them. Collaboration with other brands is common in pop-up retailing, and it enables the retailers to share costs and enhance customer experience through a better offering. In reference to the empirical data, there is an emerging trend towards retail space sharing amongst pop-up retailers. Collaboration should not be limited only to pop-up retailers that offer similar merchandise but can be extended to other business sectors. Collaboration with media and marketing representatives also reduces costs effectively. From the customer point of view, the more unique combinations pop-up retailers create the more attractive the store is.

Inadequate marketing and communication skills is one of the biggest challenge for pop-up retailers. In general, pop-up retailers do not invest a lot of money in marketing and communication. However, transferring knowledge about the pop-up store effectively is crucial. The customers need to be informed immediately about the pop-up store due to its temporary existence. The findings of this study indicate that pop-up retailers that invest adequately in marketing and communication generate significantly higher revenues than the pop-up retailers who do not. The better marketing and communication are managed in pop-up retailing, the more customers find their way to the store. When planned and managed effectively, pop-up retailers can easier take advantage of cost-effective marketing and communication methods such as social media marketing and collaboration with media partners.

The third managerial implication focuses on the careful examination of location factors. The examination of location factors is a common and cost-effective technique for locational planning and decision-making in pop-up retailing. According to the empirical findings, the four most important location factors for pop-up retailers are customers, complementary facilities, costs and retail space. Before selecting the retail location for a pop-up store, elements such as high level of foot traffic, right target customers in the area, similar brands and stores located nearby, the retail space and personnel costs and the suitability of the retail space should be examined carefully.

Finally, pop-up retailers should aim at adapting promotion and merchandise according to the local customer's needs. The adaptation to local need increases the attractiveness of the store and therefore lead to better performance. Locational decision-making in pop-up retailing is unstructured and centralized that allows retailers to react quickly to the changes in the environment. The flexibility of the retailing format allows pop-up retailers to change the promotion and merchandise mix relatively easily.

6.3   Limitations and suggestions for further research

Like all research, this study encounters certain limitations that influence the scope and depth of the study. First, it has to be emphasized that due to limited academic research, this study should be considered predominantly exploratory in scope. Due to the exploratory nature of the study, the empirically collected data was rich and versatile. This means that the findings of the research cannot be fully generalized to other contexts. Second, the data was collected from pop-up retailers of Finnish origin and from the fashion sector. Since retail location management is a highly context specific practice influenced by external and internal factors, it has to be noted that examining pop-up retailers solely in one particular business sector may provide results that may be different in other organizational contexts. Nevertheless, this study provides a base for future studies that examine location decisions in pop-up retailing. It offers a good starting point to further examine the topic by increasing the number of interviews, verifying the findings quantitatively, or expanding the research to other business sectors or geographical markets.

Because pop-up retailing is an increasing trend on the global market, it is recommendable to continue research on this phenomenon. This study offers many interesting ideas for future investigation. First, pop-up retailing has lately expanded to many other sectors outside fashion, for example restaurants, bars and libraries. An interesting option would be to observe locational decision-making in other business sectors and compare whether and how they differ from the fashion sector. Second, in this study the selected pop-up retailers were rather similar in terms of origin, size and brand longevity. Since pop-up retailing is a global phenomenon, it is recommendable to study location decisions in a more heterogeneous group of pop-up retailers. Third, because this study focused on the examination of the external retail store environment, a more detailed examination of the in-store environment of a pop-up stores is suggested. The importance of the retail space for pop-up retailers was emphasized in the interviews.

SUMMARY

Due to the large-scale changes in the society and consumer behaviour, there is a trend for experiential retail. Retailers need to adapt to the needs of the modern customer and innovate to respond to competition. Pop-up retailing is an emblematic expression of experiential consumption, since the key distinguishing feature of pop-up stores is the creation of novel brand experiences. Pop-up stores open temporarily in a location and then quickly disappear. Pop-up retailing has rapidly become a significant global phenomenon. The number of pop-up stores increases on a daily basis, and they have widely spread to diverse geographical markets and business fields.

Selecting a retail location is a priority strategic decision to any retail organization. In a traditional retailing environment, retail location decisions are costly and long-term investments. On the other hand, a retail location can create competitive advantage because it is a unique element that is hard to replicate. Retail location is also one of the key elements of pop-up retailing because it contributes to the performance of the store as well as to the overall brand experience. Examining location decisions is important to every retail organization in order to avoid locational failures and financial consequences.

The identified research gap is twofold; the research contributes to both pop-up retailing and retail location literature. Despite the vast media buzz around pop-up retailing, the amount of academic research on the phenomenon remains rather narrow. Previous research makes some remarks on the importance of retail location for pop-up retailers but otherwise locational topics have not been covered thoroughly in the academic literature. In addition, previous research on retail location and locational decision-making focuses on traditional and large-scale retailing formats. Consequently, this study endeavours to fill in the research gap and form preliminary understanding on the location decisions in pop-up retailing through the following research objective:

To examine location decisions in the pop-up retailing context.

To keep the study more structured, the research objective is further divided into three sub objectives

1) What kind of retail locations are selected for pop-up stores?
2) How are retail locations selected for pop-up stores?
3) What kind of location-related decisions are made in pop-up stores after the retail location has been selected?

The study includes a review of pop-up retailing phenomenon and retail location research in order to form the theoretical framework of the study. Pop-up stores are defined as a temporary retailing format that aims at creating novel brand experiences. The key distinguishing feature is the temporariness of the store. The primary strategic purposes of pop-up stores are brand promotion and market investigation, while sales are considered secondary purpose. Despite the previous research identifies retail location as one of the key elements of pop-up stores, pop-up up retailing has been examined relatively little from the locational point of view. Previous research remarks that pop-up stores appear in central and fashionable capital cities, or less-known and radical locations.

In contrast, studies on retail location are extensive and rich. Even though retailers have focused largely on studying retail location from a geographical perspective, newer publications are interested in the marketing perspective of retail location. The focus is not only the spatial dimension of location but also on the sense of place, making shopping comfortable for customers. To examine thoroughly location decisions from both perspectives, a framework of retail locational planning and decision-making by Hernández et al. (1998) was applied to the study. The framework was selected because it demonstrates clearly, how abstract strategic thinking is connected with lower level tactical decisions. A preliminary framework was created by modifying the original framework more suitable for the pop-up retailing context. Because the framework of locational planning and decision-making by Hernández et al. (1998) is created for a more traditional retailing environment, this study examines whether the same framework is also applicable in the pop-up retailing context.

The preliminary framework examines the location decisions in pop-up retailing according to the sub objectives. The first sub objective aims at studying what are the outcomes of location decisions in pop-up retailing. The second sub objective examines the abstract locational planning and decision-making. Elements such as internal environment and location factors are included in the second sub objective. The third sub objective focuses on the locational decision-making after the retail location has been selected. This sub objective is interested in the store-level decision alternatives and everyday local marketing decisions.

This study is qualitative-explorative by nature. Correspondingly to previous academic research, this study continues examining pop-up retailers in the fashion sector. The focus is on the pop-up retailers' perspective on the topic. The empirical data collection was conducted through seven expert interviews. Six of the informants represented Finnish pop-up retailers, and one was a project manager for a pop-up retailing city revitalizing project. This study provides valuable first-hand information of the studied phenomenon, since the experts took actively part in the locational planning and decision-making of the pop-up stores. The findings of the study were themed and

organized according to the topics covered in the preliminary framework. The aim of this explorative research was to create preliminary concepts and understanding of location decisions in pop-up retailing that can further be examined in future research.

The main conclusion of the research is that pop-up retailers recognize the significance of retail location, nevertheless, locational planning and decision-making practices remain simple, unstructured and intuitive in practice. In terms of selected locations, the majority of pop-up retailers prefer central, high-traffic shopping areas in large cities for their stores. A minority of pop-up retailers also selected innovative and less-obvious locations for their stores, considering them a prospective future trend. The temporary characteristic of the pop-up store as well as the primary strategic purpose influence location selection. Central locations are considered appropriate for sales and brand promotional purposes, whereas innovative locations are more suitable for brand promotional purposes.

In relation to retail locational planning and decision-making, location decisions in pop-up retailing are unstructured and centralized by nature. The decision-making processes are relatively company-specific, and the decision-making power is in hands of few people. Pop-up retailers have limited resources related to time, personnel and finance. The methods and techniques for locational planning and decision-making are simple and they do not include high level of technology. Breakeven analysis and examining location factors are the most common techniques for locational planning and decision-making for pop-up retailers. Customers, complementary facilities, costs and retail space are the most important location factors for pop-up retailers. The support for decision-making relies strongly on own experience and information from networks.

In contrast to the original framework, the store-level decisions are not notable for pop-up retailers. The reason for that is the temporary operation time of the pop-up store. Pop-up retailers may not have the time or capital to invest in temporary solutions as much as it would be required on the store-level decisions. On the other hand, regarding everyday tactical decisions, pop-up retailers find local marketing decisions important. Pop-up retailers find that adapting the product and promotion to the local customers increase the attractiveness of the pop-up store. Due to the temporariness of the store, pop-up retailers obtain information of local customers by observing them on the spot and by acquiring information from networks. The findings of the research encourage future research on the location decisions in pop-up retailing in different business sectors and organisational contexts, as well as a further exploration of in-store retail environment in pop-up stores.

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APPENDIX 1 TRANSLATED THEMES AND INTERVIEW QUESTIONS

Background questions
- Please tell your name and describe your position at X.
- Please tell about your experience in pop-up retailing (in years and number of stores).
- Please tell about company X and its latest pop-up store.

Theme 1. Concept of pop-up retailing
- Please explain briefly what is a pop-up store.
- How did you get to know pop-up retailing? Why did you choose pop-up retailing amongst different retailing formats?
- What additional value does pop-up retailing offer in comparison with traditional retailing or e-commerce?
- In how many pop-up projects were you involved? Why were there many? Why were there only a few?
- When were the pop-up stores open and for how long?
- Why were they open that time?
- In what form did the pop-up stores appear?
- What is the primary purpose of your pop-up store? Are there any other purposes?
- Does the primary purpose have an influence on location? If yes, what kind of?

Theme 2. Perception on alternative locations
- Please describe the significance of location for pop-up retailers.
- What kind of domestic and foreign locations have you chosen so far? How would you describe these locations? What kind of image do these locations evoke?
- Which locations do you consider successful? Why?
- Which locations do you consider unsuccessful? Why?
- What kind of locations could you consider in the future? Why?
- How do you feel about operating a pop-up store on foreign markets?
- What is your attitude towards alternative locations? How does locating in the city centre differ from suburb areas?
- How could you describe an ideal retail space?
- What reasons do you have for rejecting a potential retail space?

Theme 3. Internal structure, locational planning and selection process
- Please describe the locational decision-making of your pop-up store.
- How does the temporariness of the pop-up store influence location decisions?
- How do you find out about potential retail spaces?
- Who is in charge of the decision-making?
- What kind of techniques or tools do you use for locational decision-making?
- What kind of challenges have you met in locational decision-making?
- What kind of surprises have you encountered in locational decision-making?

Theme 4. Location strategy (Strategic level decisions)
- What location factors do you take into account when deciding about locations?
- Who are your customers? How do they end up in a pop-up store? How do they affect location decisions?
- What kind of services, organisations etc. are complementary facilities to pop-up stores? How do the complementary facilities affect location decisions?
- Who are your competitors? How does competition affect location decisions?
- What are the biggest costs for pop-up retailers? How do they affect location decisions?
- How does the location of the permanent store influence the location of pop-up store? (If applicable)

Theme 5. Location mix (Store-level decisions)
- Please describe the life cycle of a pop-up store in a selected location.
- Please imagine a situation where you have already selected a location for your pop-up store. What kind of decisions can be made according to the particular location?

Theme 6. Local marketing (Tactical level decisions)
- Please comment, whether the pop-up store concept is always the same in different locations.
- How can pop-up stores be adapted to a particular location? How do you feel about adapting the store locally?
- How are pop-up stores promoted? What marketing channels are effective? Can the promotion of a pop-up store be locally adapted?
- Can the prices be locally adapted?
- Can the product be locally adapted?
- How does the pop-up retailer receive information about the local customers?