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Pop-up shops in the Hamptons

By Jim Shi

If new products can come and go, why not shops? That seems to be the mantra this summer in the Hamptons, the oceanfront community on Long Island, where the pop-up shop – the temporary storefront that has previously been the domain of indie labels and cool high-street brands – has become both high-end and ubiquitous.

In large part it's been a response to the pummeled economy. "This summer has definitely been the apex of pop-ups: they'll still be around in 2010 but there'll be fewer and fewer each year until we go back to where we were," says Hal Zwick, director of the commercial division of Devlin McNiff Real Estate.

Zwick attributes the phenomenon partially to the willingness of landlords, crippled by retail vacancies that remained unfilled through May (a situation unseen since immediately after 9/11), to accept short-term leases with a view towards possible extension.

"It's kind of an in-thing now and they [the luxury brands] all want the prestige but it's not a money-maker," says Ron Curtis, chief executive of wife Jill Stuart's eponymous label, which occupies a long-term lease in East Hampton.

Joel Isaacs, president of Isaacs and Company, a Manhattan-based commercial brokerage specialising in fashion, believes it was Hermès' decision to test the market by opening a 2,000 sq ft pop-up in East Hampton during the May holiday weekend that sparked the onslaught of temporary retail manifestations ranging from La Perla to Pucci.

"If you're a good consumer and you know something's going to be there for a short amount of time, you're going to go out of your way to go there during that period of time," he says.

Think of it as sugar-coated guerrilla marketing, where size and simplicity are key. Pop-up shops aren't architectural wonders; rather, they're mostly embellished racks of clothing and merchandise in a space that remains relatively unchanged.

According to one estate agent, Jimmy Choo, Ferragamo, and St John, lured by rent that plunged from \$200 to approximately \$100 to \$125 per sq ft, were all rumoured to be scouting for store locations this summer. None of them has so far turned up.

Brooks Brothers is, however, sub-leasing its pop-up on Main Street from previous tenant, Tumi. According to a sales assistant at the new pop-up, it is "less stuffy" than its permanent Southampton store. The pop-up, however, did not receive as much foot traffic as its permanent -relative, a finding also reported at Michael Kors' pop-up. Rather, shopping occurred in waves – indeed, in some cases, according to the rhythm of the waves.

At Kors and Temperley London, set back from the main East Hampton shopping drag, traffic grew after beach hours and the stores adapted by staying open an hour later on weekends. "It seems to be very weather-driven," said a Temperley sales assistant, who described business overall as "inconsistent".

To try to boost sales, the London-based label, whose pop-up lease expires in December, is handing out \$250 gift vouchers to every 50th shopper and enlisted Christy Turlington, a fan of the brand, to create buzz by hosting a charity cocktail party in store. "It's more a discovery for the customer because we're hidden," the Temperley sales assistant said. "There are the women who come after dropping their kids off at camp. We see more traffic during the week, with the women who have packed up their city place and moved out here for the summer."

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Across the street at Hermés' whitewashed temporary boutique open through September, hordes of visitors flock, mostly ogling coveted bags such as a bi-colour Birkin or a shiny crocodile Kelly (\$35,000). "It's a different clientele," said one salesperson.

In neighbouring Wainscott, Tomas Maier's pop-up occupies a former diner on Montauk Highway. Open through October, it boasts ample parking, which salespeople say translates into sales: "One couple was stopped in traffic, came in for a break, and spent \$2,000."

In Southampton, Diane von Furstenberg has taken over a prime spot formerly occupied by Earnest Sewn, and while many of the \$2,500 embellished dresses, along with the leather and fur-trimmed pieces, seem untouched by the groups of women who strolled into the store, the kaftans, bikinis, and cover-ups are ringing brisk sales. "We're busiest between 4pm and 6pm," a DVF shop assistant said. "It's partly an exercise in brand awareness for the Meatpacking District store, which many didn't know existed."

Fendi, similarly, set out with a pop-up at the Tanger Outlet Center in outlying Riverhead for what was to be just two weeks. "We're not in the Hamptons, because rent would be higher and we wouldn't be able to discount this much," said one staffer of the 75-per-cent-off prices.

The strategy appears to be working: the original closing date of July 12, extended to July 31, has now been extended until August 31.

Still, says Michael Stone, a senior director at Cushman & Wakefield who has brokered many retail deals in the Hamptons, "it remains to be seen whether tenants are going to try to negotiate long-term deals or whether they'll want that short-term deal going forward. Next year, pop-ups will be much harder to get, because -everyone saw how quickly the stores leased up this year."