



# Pop-Up Retail and Instant Networks

Innovative Merchandising  
Driven by Flexible, Dependable,  
Secure Connectivity

## WHAT YOU'LL GET:

- + A business case for pursuing a pop-up or instant network.
- + Practical applications for pop-up retail.
- + Jackson-Hewitt customer success story.
- + Retail pop-up technology cheat sheet.

## OVERVIEW

Currently an eight-billion dollar industry,<sup>1</sup> pop-up retail and instant networks have become established retail strategies for testing products, generating buzz, building brand awareness, maximizing customer engagement, and driving sales for big-name retailers and ambitious upstarts alike. Growth in wireless LTE technology has expanded the possibilities for a diverse array of applications for pop-up retail and instant networks. In addition, omnichannel retail, or the coordination of the online and in-store retail experiences, is gaining popularity. This is due to increasing consumer expectations of a brick-and-mortar experience that's as interactive as online shopping. To meet consumer interactivity demands, retailers require dependable, secure infrastructure solutions that put temporary network solutions on par with their more permanent counterparts.

This white paper explores pop-up retail and instant networks, outlines the challenges and obstacles for successful implementation, and discusses existing rapid-deployment solutions for connecting pop-up locations with mission-critical applications and the cloud. The first part of the white paper will address the business case for pursuing a pop-up strategy; the second part will consider technology implementation strategies that enable a rich and secure instant network experience.

## A BRIEF HISTORY OF POP-UP RETAIL

Pop-up stores, also referred to as "flash retail," began sprouting up in cities in Europe and the U.S. circa 2003. The first generation of stores took on a consciously makeshift quality, often occupying vacant mall spaces and abandoned storefronts. A tumbling commercial real estate market, and soaring vacancy rates, accelerated the trend as accommodating landlords became more willing to negotiate short-term leases to help cover their mortgages. Having discovered that consumers flock to and embrace the various manifestations of pop-up spaces, retailers have come to view the strategy as a legitimate and innovative means of connecting with customers and extending their brands. Pop-up retail setups have taken on various manifestations, from mobile stores that travel the country to temporary outdoor



**POP-UP STORES CAN  
COST 80% LESS TO  
OPEN AND OPERATE  
THAN BRICK-AND-  
MORTAR STORES,  
OFFERING THE  
PERFECT WAY  
TO TEST A  
PRODUCT OR DRIVE  
SEASONAL SALES.<sup>2</sup>**

setups, in-store gift card kiosks brought out during peak seasons, or store-in-a-store concepts for line busting and creating a better customer experience.

Some of the most innovative pop-up concepts include:

- + **Gap** furnished a school bus with 60's themed apparel and accessories, utilizing the bus as a traveling pop-up store.
- + **Bluefly.com**, an online retailer, opened a brick-and-mortar store in New York, clearing out old stock in a temporary boutique.
- + **MTV** partnered with Adidas, Levi's, and Sony Ericsson, taking their pop-up stores all over Germany, stopping at cities for a week at a time and purveying limited edition apparel and high-tech items.
- + **Nike's** Runner's Lounge in Vancouver lured runners with free massages, snacks, drinks, and the opportunity to test-drive a new line of running shoes.
- + **Macy's** has implemented multiple store-in-a-store concepts in hundreds of locations nationwide, including permanent fixtures like "Destination Maternity" and seasonal shops such as "Holiday Lane," an ornament and décor store.

The latest iterations of pop-up reveal more elaborate displays, high-end signage, more sophisticated POS, advanced mobile commerce capabilities, and meaningful interactive experiences that enable useful conversations with customers.

Just how widespread is a pop-up as an element of the marketing mix? Consider the blue-chip retailers that have integrated pop-up into their marketing and sales strategies: Toys "R" Us, American Eagle, Jack-in-the-Box's Munchie Mobile, Ebay, Walmart, J.C. Penney, Gucci, Ann Taylor, Lexus, and Proctor & Gamble, to name a few.

Since the pop-up retail concept has reached maturation, customer expectations for pop-up stores have grown. The novelty of the pop-up concept isn't necessarily going to drive traffic on its own; consumers' affection for mobile devices and m-commerce means that they are demanding enhanced experiences and multiple modes of engagement in the context of a shopping environment, even if it's temporary.



**61% OF GIFT CARD  
HOLDERS SPEND  
MORE THAN THE  
AMOUNT OF THEIR  
GIFT CARD.<sup>3</sup>**



## 10 PLACES YOU MIGHT FIND A POP-UP STORE

Retailers and entrepreneurs are constantly coming up with novel ways of transforming temporary or mobile spaces into attention-getting retail locations.

1. Vacant space in malls or other commercial storefronts
2. Buses or other vehicles touring through various target or test markets
3. Farmer's markets
4. Charity events
5. Music and arts festivals and concerts
6. Sporting events, races, and fitness expos
7. Any highly trafficked area where passersby might notice a unique display
8. Recycled shipping containers (a practical and lockable pop-up)
9. Store-in-a-store
10. Kiosk deployments for holidays or special events



## POP-UP RETAIL: NO LONGER A TREND BUT A STRATEGY

Pop-up continues to drive innovation in the retail space and shows no signs of abating as a unique platform for both iconic brands and daring start-ups. There are several key strategic opportunities that pop-up affords retailers. Here are the top ten:

1. Target a niche audience
2. Test new products, concepts, and markets and gain valuable consumer insights with relatively little investment
3. Tap into “massclusivity” and pique consumer curiosity with elements of surprise, trendiness, and “get it while it lasts” urgency
4. Generate buzz and create a memorable visual spectacle
5. Utilize an economic alternative to full-scale retail set up
6. Unload old inventory
7. Create a learning center for customers
8. Aggressively market merchandise around a finite period of time, season, or holiday with a store-within-a-store concept
9. Set up extra Point-of-Sale stations for line busting during peak seasons
10. Generate extra revenue with gift card kiosks



## THE CHALLENGES OF POP-UP RETAIL AND INSTANT NETWORKS

Given the fleeting nature of these mobile retail outlets, it isn't realistic or practical to invest anywhere near the same amount of IT resources or energy in setting up a pop-up store as one would with a primary or central retail location. In fact, given that most pop-ups, by their very nature, plan to "go out of business" almost as soon as they get up and running, speed and simplicity are of the essence when it comes to deploying the technology infrastructure necessary to power such a store's operations.

Even a temporary network outage and suspension of POS service at a pop-up location could represent significant losses in revenue and customer retention due to frustration and abandonment. Such sales, in a temporary location and as part of a short-term exclusive offer, are unlikely to be recovered.

In a traditional retail environment, risks can be mitigated by substantial investments in IT infrastructure, yet such expenses can be cost-prohibitive for a pop-up site. Nevertheless, cutting corners or trading reliability and advanced capabilities for affordability and rapid deployment is fraught with risks. Namely, pop-ups typically drive high-volume bursts of demand and purchasing activity over short periods of time. They often spearhead customer engagement and represent the first impression of the overall brand.

Expenses can escalate in a hurry when providers charge a premium for short-term (month-to-month) service contracts, if they're even available at all. Costly hardware may not always be justified if the store's closure is imminent. Some pop-up operations may attempt to piggyback off of any Internet connection they can find, giving up control of a key element of a successful retail operation—security. In addition to relinquishing any control over security and reliability, such an approach forecloses the opportunity to provide both a public WiFi network and a secure internal network for the store.

Retailers must consider the potential costs of retraining employees on a sales system that is not replicated from the primary retail presence. New configurations of POS, voice, and data systems in a pop-up site can require additional training

## SUCCESS STORY: JACKSON HEWITT

During tax season, Jackson-Hewitt offers tax preparation services in temporary kiosks inside retail locations like Walmart and K-Mart.

"Have you ever tried to get a DSL line into a Walmart?" asks franchise owner John Beazle with a laugh. Beazle faced difficulty at each stage of deployment, beginning with a five to ten day wait for phone companies to send field technicians to the retail sites. Other complications included coordinating with each store manager to prevent interference with existing IT infrastructure, installation costs, and monthly fees (usually higher for Beazle's short-term contracts). Each year, the new phone numbers of the pop-ups had to be communicated throughout his organization and at the end of tax season, service at each site was cancelled and disconnected.

John purchased a Cradlepoint 3G/4G LTE router for each location. Because the Cradlepoint device uses LTE technology to connect to the Internet, it provides the connectivity his employees' computers need, without the installation hassles of wired lines.

**"I walk in with everything I need. In less than an hour, the kiosk is up, running and ready to go. No waiting. No relying on anyone but me."**

— JOHN BEAZLE, JACKSON-HEWITT  
FRANCHISE OWNER

and support for existing employees who may be temporarily redeployed from the primary store location.

## CRADLEPOINT: POP-UP RETAIL CONNECTIVITY SOLUTIONS

Integrated with a 3G/4G modem, Cradlepoint products enable retailers to set up shop anywhere a wireless signal is available, providing the most connectivity options and bandwidth for a broad array of retail application needs.

### THE CRADLEPOINT ADVANTAGE

Cradlepoint is the leading provider of 3G/4G/LTE network router solutions, providing business-grade, secure connectivity from 3G and 4G networks to distributed enterprise, small business, and mobile customers. Cradlepoint solutions provide uncompromised performance while delivering proven network system interoperability. Cradlepoint's broad family of high-performance routers are designed for deployment in mission-critical applications that require 24/7 connectivity. With both integrated wireless WAN and non-integrated versions, the solutions are ideal for distributed operations and emerging industries that require either remote connectivity or multi-WAN redundancy.

Additionally, Cradlepoint's powerful Enterprise Cloud Manager network management and application platform allows enterprises the ability to easily monitor, manage, and maintain all endpoints in their distributed system running on different networks from a single location.

TO TAKE THE FIRST STEP IN LEARNING MORE ABOUT HIGHLY RELIABLE, VERSATILE, AND SECURE CONNECTIVITY FOR POP-UP RETAIL AND INSTANT NETWORKS, CONTACT **+1.855.813.3385** OR **SALES@CRADLEPOINT.COM.**



**52% OF CUSTOMERS WILL TAKE THEIR BUSINESS TO A COMPETITOR IF FORCED TO WAIT IN LINE MORE THAN FIVE MINUTES.<sup>4</sup>**

### Sources

- <sup>1</sup>Subramanian, Courtney, "5 Ways Companies Can Leverage Pop Up Retail." Fortune. May 20, 2014.
- <sup>2</sup>Nicasio, Francesca. "The Meteoric Rise of Pop-up Retail: A look at significant facts and stats around pop-up stores." Vend.com, April 24, 2014.
- <sup>3</sup><http://www.giftcardgranny.com/statistics/>
- <sup>4</sup>Perry Kuklin, "How long will customers wait for service?" Business To Community. February 20, 2013.

# Retail Pop-Up Technology Cheat Sheet

## A Pop-Up Checklist

**Due to the diverse range of pop-up options and objectives, there is no single, prototypical pop-up site. The following is a checklist for a more technologically advanced site. These items are guidelines to think about for deploying a pop-up site.**

### 1) ROUTER, PUBLIC AND PRIVATE WIFI NETWORKS

Ideally, the router will provide strong security measures that allow it to be part of a PCI compliant solution. It should be able to provide WiFi security, VPN endpoint connectivity, and network segmentation to protect credit card data going across the network while providing connectivity for multiple applications including POS devices, public and private WiFi, web cameras, VoIP phones, printers, and more. Having employees and credit card transactions operate securely on a separate, parallel (or air-gapped) network from the public network that customers use is critical for security and PCI compliance, and will require another routing device.

### 2) POS AND INVENTORY MANAGEMENT

Mobile and tablet devices are an ideal solution for POS transactions (as a replacement for a cash register) as well as for enabling salespeople or self-serve kiosks to look up answers to customer questions. Mobile device management (MDM) platforms allow central management of device security, in addition to geo-tracking and remote wipe functionality in case of lost or stolen devices. Numerous web-based point of sale solutions are available currently, including the free entry-level Square application or Intuit's business-grade GoPayment.

### 3) IP WEB CAMERA

Surveillance and loss protection can be performed on the spot or remotely at a central head-quarters over the Internet. Cisco offers an enterprise-grade wireless IP Camera with two way audio and the ability to pan and tilt the camera. The Keebox IPC1000WI Wireless N Day/Night Internet Camera enables night vision surveillance.

#### 4) VOIP PHONE

With the exception of having employees use their own or company-provided mobile phones, this is the only phone option that makes sense for a short term retail outlet, allowing a phone number and IP phone to be instantaneously ported and installed from one pop-up site to the next, without switching or installation costs.

#### 5) RECEIPT PRINTER

Although most mobile commerce POS applications can deliver receipts via email, some customers will want a paper copy at the time of purchase. The WiFi enabled Star TSP 650 Series: TSP651 Receipt Printer is one such example.

#### 6) FAILOVER AND BACKUP

Because every minute counts in pop-up retail, if a piece of hardware breaks or your Internet connection fails, you won't want to wait hours or days for a replacement. It is highly recommended to keep spare hardware in case of malfunction or breakage. For a cost-effective failover solution, consider combining primary and failover connections on one device with dual modems and redundant service.

## LAUNCHING YOUR POP-UP STORE

**With Cradlepoint routers, a fully equipped and secure mobile pop-up outlet can tap into adequate bandwidth to be used for multiple purposes relatively quickly, following three easy set-up procedures.**



### NETWORK SEGMENTATION

To serve the wide variety of needs and applications even within a small pop-up location, Cradlepoint's Series 3 routers provide advanced and flexible functionality, including the ability to divide the router network into a number of segments. Through network segmentation, you can specify the individual networks each router interface is part of with no communication between each of those networks.



## PARALLEL NETWORKS

In light of recent incidents in which hackers have used mis-configurations in segmented networks or used pivot attacks in monolithic networks to gain access to sensitive data, many enterprises have transitioned to parallel networks (known as air-gapping), finding that situating different applications on their own completely separate respective networks using 4G LTE networking solutions enables simpler, safer, and more cost-effective network segmentation for primary and failover solutions.



## VPN SET-UP

For larger retailers, the interface between a pop-up POS transaction and your corporate network will need to be locked down with a VPN connection.

There are several ways to establish a secure VPN connection between the pop-up site and the corporate network. Using two devices, one at the pop-up location and the other within your company's primary site, you can quickly and easily configure a secure tunnel between the two sites using a static IP address and a private network address range for each. Alternately, you can configure a secure tunnel using dynamic IPs and a dynamic domain service. Finally, VPNs can also be configured with existing infrastructure at the company's primary site and a Cradlepoint device at the pop-up location.



## PHYSICAL SECURITY

Payment Card Industry Data Security Standards (PCI DSS) 3.0 require that servers and payment card system components be kept in a locked, access-controlled room to limit the risk of an unauthorized individual stealing a device with access to the network used for processing customer data.<sup>1</sup>

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### Sources

<sup>1</sup>PCI Security Standards Data Storage Dos and Don'ts,  
[https://www.pcisecuritystandards.org/pdfs/pci\\_fs\\_data\\_storage.pdf](https://www.pcisecuritystandards.org/pdfs/pci_fs_data_storage.pdf)