

SHOPPER ENGAGEMENT

POP STARS

THERE HAS BEEN A LOT OF ACTIVITY IN THE FRAGRANCES CATEGORY OF LATE BUT WHAT'S BEHIND IT ALL?

Pop-up shops are becoming bigger and bolder than ever before in travel retail. These stores incorporate key elements to engage with shoppers, incorporating digital, social media, retailtainment and experiential zones.

Pop-ups can also be used to test the viability of a brand before embarking on a permanent contract. The sensory element is crucial in the fragrance category and pop-ups can connect physically with consumers, particularly with samples. However, the investment to create them is immense and the timescales are sometimes short-lived, so what is the payback for industry players?

DFS Group Senior Vice President Beauty Christophe Marque tells *DFNI*: "Pop-ups are a great opportunity for brands to engage with customers about their new fragrance launch at an emotional level,

connecting all five senses with an element of surprise. By definition, fragrances are not as Instagrammable as make-up products because the scent cannot be captured in the same way as an image. However, the nuances of fragrance are fully maximised in a pop-up environment. Also, brands can try new services, while gathering valuable information about their customers that can help further elevate the brand experience."

The return on investment can be hard to define as it depends on the objective of the pop-up. Pragma Senior Consultant Christina Roseler states: "Depending on the brand and the operator, pop-ups might sit under 'shops' or 'marketing' on the P&L and both means would have different KPIs. We consider pop-ups to be a form of marketing, generating social engagement and interaction with the brand. This is often used as a KPI beyond the sales generated from the pop-up."

Finding alternative ways to engage with consumers outside the in-store limi-



tations is essential. Blackjack Promotions Senior Account Manager Sarah Cowen remarks: "The number of fragrance launches that take place throughout a year has increased considerably and continues to grow. The range of fragrances listed in travel retail has also evolved with fewer mass market brands and more niche fragrances, which traditionally have beautiful boutique retail space in the local market. Competitive advantage can be achieved through additional space and raising awareness outside the sales environment allows a brand to tell their story and concept to a somewhat captive audience."

For Shiseido Travel Retail, emotional impressions and memorable experiences

REPORT TINA MILTON



to create more impactful, yet practical animations.”

Pop-ups are fuelling a competitive retail landscape. Beauty brands in particular are making a greater commitment in the pop-up environment to keep up with competitors across an increasingly crowded landscape. “Differentiation and the need to raise the customer experience further, is the name of the game,” insists Marque. “In a highly-competitive environment, brands must find ways to stand out and capture customers’ attention outside their regular spaces. The unexpected, now-days, is the expected.”

Indeed, the upsurge in the use of pop-ups relates to beauty houses maintaining market share and keeping up with rivals as travel retail is a highly sought after and growing channel.

“However, they are also being used to introduce customers to the brand and experience-based pop-up shops offer the opportunity to test new products in a fun, leisurely way, often without the hard sell,” states Roseler. “Consumers walk away with a positive impression of the brand, so they’ll be more likely to make a purchase in the future.”

Pop-ups can also be used to generate

brand awareness and word-of-mouth through social engagement, and because by their very nature they only run for a limited time (sometimes including limited editions) they can create a sense of urgency.

Shiseido Travel Retail’s Jouguelet notes that via social media engagement, pop-ups can drive footfall to the store and increase spend. The additional retail space allows another opportunity for travellers to have contact with the products. They can then either purchase the products onsite or even online post-visit, adding to the sales generated from existing shops.

“In fact, in Dubai International Airport, pop-ups outside the traditional P&C shops are, more often than not, a great business booster,” says Jouguelet. “For example, the Narciso Rouge activation in Dubai International Airport resulted in the perfume being ranked number one in the Top 100 women’s perfumes in Dubai Duty Free over the launch period and the Dolce & Gabbana Light Blue pop-up resulted in the brand doubling in sales in April 2018, compared to April 2017.”

Bulgari Parfums began investing in pop-ups at key airports a few years

for travellers are the driving force behind all its executions. This means engaging global shoppers, allowing them to enjoy their experience with its brands, and ideally making a purchase on the spot.

Not only is the beauty group engaging loyal shoppers but also engaging new consumers for future purchases.

Shiseido Travel Retail Vice President of Marketing and Innovation Elisabeth Jouguelet explains: “We measure our return on investment (ROI) against a specific set of criteria, which includes both financial and non-financial elements.

“With every completed project, we gain new knowledge, which helps refine our methodology and approach. This creates a virtuous cycle that enables us



↑ **The Elizabeth Arden White Tea House pop-up at Singapore Changi T1, a collaboration with CAG and Shilla, marked the travel-retail exclusive pre-launch of White Tea Wild Rose and White Tea Vanilla Orchid fragrances in April, where travellers could enjoy samples of tea inspired by the White Tea fragrance collection**



↑ Narciso Rodriguez's Narciso Rouge activation in Dubai International Airport had an engraving atelier and a gift-wrapping counter



↑ Dior utilised virtual reality technology for its pop-up in The Shilla Duty Free's Beauty&You store at Hong Kong International Airport



↑ Hermès used a screen with tactile infrared technology - the first use of the technology in the Asia Pacific travel retail market

ago, featuring the high-end Le Gemme collection and more recently Man Wood Essence, together with women's mainstream collections at Paris Charles de Gaulle Airport.

It reports that the impact of pop-ups in a core airport is huge, both in terms of image and sales, as investment is considered a valid alternative to a media campaign with a measurable ROI. Bulgari maintains pop-ups are a real statement for the brand and a true traffic stopper, they attract client curiosity, enlarge shopper experience and generate impulse purchases.

"We can measure the impact on sell-out and in the last few years, we have proven our ability to improve our performance going beyond our expectations, improving market share," says a Bulgari spokesperson.

"Image wise, as we offer a slice of Italian joy and excitement to our clients, by sharing with them our Italian passion, we can make them embrace the epicurean Italian way of life and, by doing so, become faithful followers of the brand.

"Additionally, we collaborate with international influencers, spreading notion of 'the Italian grand good life' on social channels."

The Bulgari spokesperson adds: "The

selection of the airport and terminal together with the right passenger mix is crucial to our strategy of pop-up investment. Having an exclusive collection like Le Gemme during the pop-up, enables us to catch further clients whom we would never attract in a generic space within the beauty area."

The brand can measure an immediate positive effect on spend in-store. Overall, it has been able to more than double sell-out during the month of the pop-up with a positive halo effect on the following months.

Technology can also up the spec at fragrance pop-ups. Collaborating with French high fashion label Hermès, The Shilla Duty Free's Beauty&You Curated Zone in the East Hall South store of Hong Kong International Airport launched a showcase for the Terre d'Hermès Eau Intense Vetiver fragrance in September, featuring a tactile infrared technology new to the region. Merging the digital display with fragrance testers, the experience allowed customers to generate striking visual and sound effects on moving images by swiping the Hermès perfume bottle across a specially-programmed LED screen.

Highlighting Parfums Christian Di-

or's fragrance Joy by Dior, Beauty&You's East Hall North store also featured a virtual reality experience among other elements. The use of Dior's virtual reality headset, Dior Eyes, invited customers to embark on a visual tour into the brand's perfume making craftsmanship and a 360-degree experience.

Future-thinking airports are increasingly designing space to accommodate pop-ups so the format will only become more relevant. "From an airport perspective, there is a challenge of frequently leasing pop-up space, which puts pressure on airport management resources, when space needs to be regularly churned versus longer-term contracts," states Roseler.

"When airports do not have suitable pop-up locations designed into the departure lounge, there can be a challenge of finding appropriate space that has good visibility but does not obstruct footfall, flows or operations."

For fragrance in particular, pop-ups allow the product to be presented on its own, rather than surrounded by others in a tight walk-through duty-free environment, which can contaminate the scent notes of the fragrance. "This will likely lead to more competition for



↑ Bulgari Parfums began investing in pop-ups at key airports a few years ago. The Paris Charles de Gaulle site showcased the high-end Le Gemme collection and more recently Man Wood Essence



↑ Atelier Cologne has rolled out its retail concept at airports across the world, including this showing at Los Angeles International Airport, as well as airports in Paris, Munich, Beijing and New York

pop-up spaces, with brands competing for the flagship opportunity at key moments in the event calendar such as Chinese New Year," remarks Roseler.

In the future, Shiseido plans for its fragrance pop-ups to be just as impactful and engaging as those the company implements across the skincare and make-up categories.

"We have accomplished the impressive staging aspect and we will now look forward to incorporating more O2O [online-to-offline and offline-to-online] experiences," notes Jouguelet.

"Some of the challenges include being relevant and eye-catching for consumers, especially the younger generation, who have become more knowledgeable and demanding, always on the lookout for something different and exciting.

"Building brand equity is key when it comes to attracting millennials and gaining their loyalty, and to do so requires a deep understanding of their needs and a proposition that stands out from the competition.

"This is the focus of Shiseido Group's Consumer and Market Intelligence team, which allows us to gain better insights into consumer behaviour and patterns, and to therefore stay ahead of trends."

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BETWEEN RETAILERS,
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Through pop-ups, brands can give out testers or coupons to be transacted online, pushing O2O. Roseler points to The Shilla Duty Free with \$3bn sales in 2017 (+20% year-on-year increase), where P&C drives 50% of sales.

"Online sales are growing double digits and expected to reach 50% of total sales," she remarks. "The sales journey begins at the downtown shop where shoppers receive coupons to spend online. They then make a purchase online, which then gives them coupons to spend in the airport."

The ability of pop-ups to capture data, providing an immersive customer experience and disrupt the travel retail environment is set to evolve.

They will develop with larger, multi-brand spaces; cross-category elements (such as the Elizabeth Arden's White Tea House pop-up) personalised and exclusive products and gamification to name but a few components.

While pop-ups won't be feasible everywhere due to space limitations, often where there is a will, there is a way. Ultimately, it is the strength of the collaboration between retailers, brands and airport authorities that will be crucial to ensure pop-up work, with execution as the key.