

Exploring the location decisions of pop-up fashion retailers in Amsterdam

A thesis

submitted in fulfillment

of the requirements for the degree

of

MSc Urban Geography

at

Utrecht University

by

ROGIER KNOOPS



Universiteit Utrecht

2015

Abstract

In an era of ever-accelerating societal and economic changes, chances for temporary use of the existing building stock are ample. Particularly, significant changes occurring in Amsterdam's fashion retail landscape have opened the door for a new phenomenon: pop-up fashion stores. This thesis explored the location decisions of starting pop-up fashion retailers, and specifically the manner in which those decisions can be explained according to neo-classical, behavioral and institutional theory. While the existing body of work regarding retail location theory is expansive and rich, it tends to focus on more traditional forms of retail and larger scales than the single-store retailer; research into the location decisions of pop-up retailers has, until now, been left wanting. Additionally, existing research has tended to shy away from holistic, multi-disciplinary approaches with regards to any number of combinations of neo-classical, behavioral and institutional theory.

Taking the fully-rational entrepreneur as its theoretical starting point, the research first dealt with the extent to which pop-up fashion retailers make location decisions in accordance with neo-classical location theory. Next, it considered the extent to which, on the one hand, the endogenous cognitive limitations of human decision-makers and, on the other hand, exogenous limitations imposed by property market institutions inevitably lead to sub-optimal location decisions. The results indicate that the respondents' decision-making processes can be placed firmly within behavioral theory. While generally acknowledging the value of engaging in detailed market research as the fully-rational, neo-classical entrepreneur would, pop-up fashion retailers portray limited knowledge of the property market as well as a rejection the notion of finding the 'perfect' location. This lack of knowledge and interest in objective-maximization, however, can partly be attributed to the constraining effects of the third piece of the puzzle: institutional control. Disappointingly, retail space suppliers still appear to be clinging to the high rents and long-term contracts of yesteryear, unable or unwilling to adapt to needs of the modern retail market.

The data was collected via semi-structured in-depth interviews with three retail experts and thirteen pop-up fashion retailers between October and December, 2014.

Keywords: retail; pop-up stores; temporary use; location decisions; neo-classical theory; behavioral theory; institutional theory.

Acknowledgements

I would like to express my gratitude to a number of people who supported me during the challenging process of writing a Master's thesis. First of all, I would like to thank the interview respondents who, despite having little to gain, took time out of their busy schedules to contribute to my research. Without their participation this thesis would never have seen the light of day. I would also like to thank my supervisor, Brian Doucet, for his high expectations. Where other supervisors may have settled for less, Brian implored me to continue to take my thesis to the next level. Last but not least, I also want to thank my family and friends. Despite often being unable to give concrete advice relating specifically to the content of my thesis, they always provided a listening ear and, where possible, helped me overcome the obstacles I had managed to construct for myself.

Table of Contents

Abstract	i
Acknowledgements	ii
Chapter 1 : Introduction	1
1.1 Background	1
1.1.1 Postmodern consumption.....	2
1.1.2 The postmodern city	3
1.1.3 The Creative Class	4
1.1.4 Fashion retail developments	5
1.1.5 Neo-classical location theory.....	6
1.1.6 Behavioral theory.....	7
1.1.7 Institutional theory	8
1.2 Research aim and research questions.....	9
1.3 Methodology	10
1.4 Thesis structure	10
Chapter 2 : Theoretical framework	11
2.1 Introduction.....	11
2.2 Defining pop-up fashion retail	11
2.3 Neo-classical location theory	13
2.3.1 Market factors relating to consumers.....	14
2.3.2 Market factors relating to complementary facilities	15
2.3.3 Market factors relating to competitors.....	16
2.3.4 Operative factors.....	17
2.3.5 Preliminary conceptual model	18
2.4 Behavioral theory.....	20
2.4.1 Bounded rationality and satisficing behavior	20
2.4.2 Applying behavioral theory to pop-up fashion retail.....	22
2.5 Institutional theory	24

2.5.1	The property market.....	25
2.5.2	Institutional politics	26
2.6	Conceptual model	27
2.6.1	Neo-classical factors	28
2.6.2	Behavioral factors	29
2.6.3	Institutional factors	29
Chapter 3 : Methodology.....		31
3.1	Introduction.....	31
3.2	Methodology and research design	31
3.3	Operationalization of research questions	31
3.3.1	Sub-question One.....	31
3.3.2	Sub-question Two	33
3.3.3	Sub-question Three	34
3.4	Respondents	34
3.4.1	Retail experts	34
3.4.2	Pop-up fashion retailers	35
3.5	Data collection	36
3.6	Analysis.....	37
Chapter 4 : Results.....		38
4.1	Introduction.....	38
4.2	Market factors	38
4.2.1	Market factors relating to consumers.....	38
4.2.2	Market factors relating to complementary facilities	45
4.2.3	Market factors relating to competitors.....	51
4.3	Operative factors.....	53
4.3.1	Opening costs.....	56
4.3.2	Operating costs.....	56
4.3.3	Extent of influence of operative factors.....	57
4.4	Behavioral theory.....	59

4.4.1	Heuristics	59
4.4.2	Non-optimizing serial cognitive processes	62
4.5	Institutional control	63
4.6	Conclusion	65
Chapter 5 : Conclusion		66
5.1	Introduction	66
5.2	Conclusions and discussion	67
5.3	Recommendations for future research	69
5.4	Reflection	70
References		72
Appendices		80
Appendix A: List of interview respondents		80
Appendix B: Respondents' pop-up store locations		81
Appendix C: Interview questions – experts		82
Appendix D: Interview questions – retailers		84

List of Figures

Figure 2.1: Key factors in location strategy.....	14
Figure 2.2: Preliminary conceptual model of the neo-classical influence of market factors and operative factors on the location decisions of pop-up fashion retailers in Amsterdam. ...	18
Figure 2.3: Pred’s behavioral matrix	21
Figure 2.4: The institutionalist action-information loop.....	25
Figure 2.5: Institutional politics – the interplay of institutional control, agency and resistance.....	26
Figure 2.6: Conceptual model of the relationship between the influence of neo-classical location factors, behavioral theory and institutional theory on the location decision-making process of pop-up fashion retailers in Amsterdam.	28

“Social scientific research is and always will be tentative and imperfect. It does not claim to transform economics, sociology, and history into exact sciences. But by patiently searching for facts and patterns and calmly analyzing the economic, social, and political mechanisms that might explain them, it can inform democratic debate and focus attention on the right questions. It can help to redefine the terms of debate, unmask certain preconceived or fraudulent notions, and subject all positions to constant critical scrutiny (Piketty, 2014, p.2).”

Chapter 1 : Introduction

1.1 Background

The current period of financial recession provides an ideal opportunity to reflect on existing plans and visions. The Dutch have always yearned for permanence in planning; it's in our blood. The idea that one can consciously design something for temporary use is not inherent to our system. Fundamental to this way of viewing the world is a desire for certainty and control, the idea being that the more detailed the plan, the higher the quality, and thus the more certain its long-term stability. While for a long time this seemed to be the best way to go, times are now changing at an ever-accelerating rate. Increasing uncertainty with regards to the economy, demographics, the environment, the property market, and so forth, means that traditional views of space and place are falling short; ready-made solutions can no longer be pulled out of a desk-drawer. The old way of thinking is a breeding ground for structures, rules and subsidies that encourage unsustainable land uses and eventually conflict with the public interest and the environment. In other words, new worlds are simply incompatible with old laws and rules (Derix, 2012).

With cities now growing and changing faster and more drastically than ever before, the urban fabric must be able to adapt to unexpected needs, “in order to better weather the winds of change (Beekmans and de Boer, 2014, p.13).” To this end ‘temporality’ has never been a hotter topic, as temporary use, temporary programming, and temporary rental have become the new buzzwords (ProjectManagement Bureau, 2012, p.4). The source of this urgency is clear, as retail vacancy rates in the Netherlands reached 7.5 percent (roughly 2.1 million square meters) in 2014; in Amsterdam, approximately 4.4 percent of retail space was vacant (O+S Research and Statistics, 2014). Plans for temporary use of vacant retail space are clearly more than welcome and entrepreneurs are taking heed (ProjectManagement Bureau, 2012, p.5). Successful concepts generate interest and excitement, attracting visitors and filling vacant spaces, which in turn is advantageous for surrounding stores. Additionally, a filled space is easier to rent out and therefore contributes to real estate value retention and/or -creation; temporality can also transition into long-term use if the concept manages to gain traction (Chamber of Commerce, 2012).

One of the ways in which temporary use is manifesting itself in Amsterdam is in the form of pop-up fashion stores, or temporary retail spaces that sell women's, men's, and/or children's clothing, shoes, and/or accessories. Pop-up stores appear to provide advantages for numerous stakeholders: property owners receive rent to cover some of their costs, the municipality

receives property taxes, residents enjoy a more vibrant streetscape, and retailers benefit from the opportunities that pop-up stores provide for flexible and affordable accommodation, generating buzz, or extending the reach of online businesses (also known as ‘clicks and bricks’) (Loggers, 2013).

A key starting point in the examination of pop-up fashion stores is their situation within the concept of temporary (land) use and wider urban development processes shaped by economic and sociological forces (Mell et al., 2013). While the causes that can be listed for the proliferation of temporary uses are too numerous to list here, Sections 1.1.1 to 1.1.5 will discuss several main themes that can be distinguished.

1.1.1 Postmodern consumption

To begin with, contemporary cities have shifted from Fordist mass production regimes, or landscapes of production, toward post-Fordist landscapes of consumption based on service economies that revolve around, “more flexible forms of production and individualized consumption (Crewe and Beaverstock, 1998, p.289).” Modern society can thus be seen as being characterized by ‘postmodern consumption’, which entails an emphasis on the social aspect of consumption as human beings now buy, “objects not only to consume them but also to establish and reproduce status and identity (Spierings and van Houtum, 2007, p.901).” Consumers have become much more interested in an object’s symbolic value at the expense of its functional use; an object’s utility is now also derived from what it symbolizes about the person consuming it (e.g., wealth) (Todd, 2012). Put simply, people don’t buy a Prada handbag because of the outstanding production quality, for instance, but because of the Prada logo; all that matters is portraying the *image* of being able to afford a Prada bag: “...the symbolic value of products has become at least as important as their practical uses... Products have to express the image of companies and match increasingly individualistic lifestyles (Musterd, Bontje, Chapain, Kovács, and Murie, 2007, p.18).”

Contemporary Western society is characterized by fragmentation, or, “differentiated structures, globalism, and fragmented culture... It is a time of incessant choosing (van Raaij, 1993, p.542).” Fragmentation infers that each act of consumption is somehow independent, and that consumers thus engage in separate, unconnected acts. The market system reinforces this fragmentation by encouraging people to, “play a game of image-switching (Firat and Venkatesh, 1993, p.232),” in which each image, requiring different styles and personalities, is represented by the same person (Firat and Venkatesh, 1993). Within postmodernist consumption, a central, consistent identity is neither sought nor possible; Deleuze and Guattari (1987) and Jameson (1983) have referred to this as the ‘schizophrenia of late

capitalism'. The paradox here is that, although products seem different when taken at face value, they stem from an inherent uniformity. Although marketing takes advantage of the desire of individuals in postmodern society to differentiate themselves through consumption, individuals, by striving to be unique, are in fact becoming *more* similar through the collective act of consumption; “ironically, heterogeneity has its origins in homogeneity (Jameson, 1991, in Firat and Venkatesh, 1993, p.234).” Still, by promoting the idea of the consumer liberated from loyalty to predefined identities, the modern market now boasts a simply mind-boggling array of products, images and brands between which consumers are able and willing to switch at will (Firat and Venkatesh, 1993):

“Buying and consuming an object is only a temporary and discontinuous attempt to establish the identity provoked by the image of the object. The desire is never fulfilled, for it is the constant production of new desires that defines and drives the economy (Spierings and van Houtum, 2007, p.901-902).”

1.1.2 The postmodern city

Indeed, with the advent of a postmodern fixation on identity, “the symbolic value of cities and places has become an important factor of urban competitiveness (Sleutjes, 2013, p. 8).” Additionally, the postmodern perspective on urban life views cities not as fixed spaces but as part of a, “worldwide network of disparate yet connected urban centres (Beekmans and de Boer, 2014, p.15), with the increased social and geographical mobility resulting from globalization and technological advances meaning that cultures now come together in short, dynamic bursts (Devreese, 2012). Hence, in contrast to modernism’s striving toward the construction of a fully-rational world, postmodernism views the world as comprising a myriad of variations within and between cities (Robins, 1994, p.324). New concepts such as hypermobility (Morley, 2001) and hyper-connectivity (Beekmans and de Boer, 2014) revolve around the fact that, “we can be anywhere we want at any time [to a certain extent]... The city is no longer in isolation, but rather is a part of an interconnected matrix that transcends space and time (Beekmans and de Boer, 2014, p.15);” this heightened sense of connectivity and mobility has entrenched itself in our lives. Despite being locally-embedded shoppers in the sense that we tend to shop at nearby consumption spaces, globalization, “implies an inexhaustible resource for change within local consumption spaces (Spierings and van Houtum, 2007, p.907),” that reaches us through transnational networks. We are thus encouraged to constantly seek new pleasures and desires in an effort to satiate our inherent, endless desire to continuously update our identity.

1.1.3 The Creative Class

The shift from Fordist mass production regimes towards more flexible post-Fordist service economies, the Postmodern perspective on consumption as a form of identity creation, as well as the Postmodern view of cities as being part of an interconnected network all have given rise to an era of urban competitiveness (the ‘entrepreneurial city’) (Musterd et al., 2007). As consumers’ interest in a place is fickle at best, “the new and improved rat race between cities for consumers and their spending (Spierings and van Houtum, 2007, p.905),” has led to cities’ increased commodification through the, “destabilization of existing symbolic meanings and social hierarchies (Crewe and Beaverstock, 1998, p.291).” As what distinguishes places from one another has gradually come to rest on the strength of their so-called ‘consumptional identities’ (Corner, 1994), a place’s vitality and viability increasingly depend on the, “conscious and deliberate manipulation of culture in an effort to enhance the appeal and interest (Kearns and Philo, 1993, p.3).” Indeed, the focus of this urban competitiveness in Western societies tends to be on innovative strength attributed to so-called cultural or creative industries (Studio UC, 2003) that specialize in creating symbolic value (Musterd et al., 2007). Creating (or stimulating the creation of) post-modern consumption – and by extension the spaces within which to engage in such consumption – is seen as essential to attracting young, affluent and creative people, a group famously labeled as the ‘Creative Class’ (Florida, 2002) that, according to many economists, “will become one of the most important industries in cities (Studio UC, 2003, p.7).”

The focus of cities has hence shifted from ‘hard’ factors, such as the provision of job opportunities, office space, and affordable rent levels, to ‘soft’ factors like the availability of consumption-oriented lifestyle choices, “the tolerance of alternative lifestyles... and the creation of meeting places for business and leisure purposes (Musterd et al., 2007, p.17).” Indeed, talented people have been shown to prefer to live in places that are culturally diverse and open to new ideas (Musterd et al., 2007). Cities attempt to attract talent by becoming the, “kind of place... [talented people] can lead the life they want and express themselves freely (Florida, 2006, p.26).” In fact, advocates of transforming urban areas into more creative places emphasize attributes such as distinctiveness and authenticity, small-scale development (i.e., small shops, independent operators, etc.), vibrant and distinctive neighborhoods, appeal to younger people and their interests and lifestyles, and diversity of population and lifestyles (Musterd et al., 2007, p.22-23). Additionally, whereas labor used to be tied to companies by a corporate culture, the Creative Class has managed to detach itself. To paraphrase Saris and Brouwer (2005), the saying ‘labor follows capital’ no longer holds true; nowadays ‘capital follows talent’. The emergence of creative industries and the so-called ‘rise of the creative

class' (Florida, 2002) suggest the advent of a new type of economy based on creativity and knowledge, "in which soft location factors play an increasingly prominent role (Musterd et al., 2007, p.21)." This is not to say that hard factors no longer hold any sway, only that the emphasis is now placed on soft factors. Certainly, in the era of the entrepreneurial city, creativity seems to be considered fundamental to a successful urban area (Musterd et al., 2007).

The developments discussed above reflect changes to the, "way we think, behave, and interact with spaces (Beekmans and de Boer, 2014, p.16)." We are changing at a fundamental level, for instance becoming a more visually oriented society; children are now growing up having never experienced a world *without* touchscreens. A population thinking and behaving in a completely new way requires a new approach to cities and their spaces. With people becoming, "exponentially more flexible and mobile by the minute (Beekman and de Boer, 2014, p.16)," surely society should be organized in such a manner to accommodate change.

1.1.4 Fashion retail developments

Beside the societal developments discussed in previous sections, several economic transformations have had a major impact on the fashion sector specifically. On the one hand, demand-side developments include changes to consumer behavior such as the financial crisis' negative impact on purchasing power, an aging population and the rise of e-commerce as an alternative to traditional shopping. On the other hand, the supply of retail space is being impacted by scale-increase and vertical supply chain integration by clothing manufacturers looking to expand their distribution and take the sale of their products into their own hands. For instance, a small handful of global retailers, such as H&M and Zara, are increasingly dominating the low- to middle segment of the fashion market with so-called 'fast fashion' chains that provide consumers with rapidly revolving collections for low prices (ING, 2013; ABN Amro, 2013). Additionally, total retail floor space has grown relatively faster than the population in the Netherlands, which is currently characterized by one of the highest retail floor space per capita rates in Europe (1,6 million square meters per capita [Locatus, 2014]). This trend is hardly sustainable and will eventually lead to an oversaturated retail market (Evers, 2011). Demand for traditional retail forms and new shopping centers is therefore decreasing while the redevelopment of existing retail space in cities is gaining in popularity (ING, 2013; Chamber of Commerce, 2012).

Despite the aforementioned expanding role of e-commerce, physical stores still fulfill a critical function in the retail experience. Countering globalization's homogenizing effects is a renewed interest in the 'local' (Robertson, 1995); it is the experience of an increasingly

homogenous world that is spurring on a, “societal desire to feel connected to the physical environment (Devreese, 2012, p.18).” Indeed, despite increased geographical and social mobility as resulting from technological advances, physical places have remained important meeting places that connect people and guarantee the continuity of cultures and communities (Devreese, 2012). There is thus a symbiotic relationship between increasing global homogenization on the one hand and an increasing longing for local uniqueness on the other (Robertson, 1995). Similarly, offline retailers are realizing that they can differentiate themselves from their online counterparts by allowing consumers to experience, feel and try on clothes (ABN Amro, 2013). Online retailers have picked up on this as well, however, as evidenced by the abundance of webshops opening up pop-up stores (Loggers, 2013). The trend in retail is hence toward a focus on sensations and experiences prior to and following purchases; “it is not so much the products themselves as the content of the experience, which promises the intense new sensations (Kühne, 2007, p.5).” Given their ‘here today, gone tomorrow’ nature, pop-up stores appear to be well positioned to play into this trend.

In short, the physical store will remain important and, consequentially, so will the location decisions of pop-up fashion retailers. Those decisions, which form the core focus of this research, may be explored via three approaches: neo-classical location theory, behavioral theory and institutional theory.

1.1.5 Neo-classical location theory

To start with, an exploration of the forces that impact the location decisions of pop-up fashion retailers in Amsterdam is incomplete without considering the manner in which retailers make those decisions in the first place.

Neo-classical theory is primarily concerned with selecting the optimal location decision from an objective, economic standpoint (Meester, 2004), largely independent of individual entrepreneurial preferences (Endres and Woods, 2006). Put simply, neo-classical theory is based on the concept of the optimizer or economic man: the fully informed, fully rational entrepreneur who, “will consistently and exclusively try to maximize his own profit (Meester, 2004, p.22).”

In keeping with neo-classical assumptions, the location decisions of pop-up fashion retailers can be said to be based on two sets of factors: market and operative factors (González-Benito and González-Benito, 2005). On the one hand market factors relate to a location’s potential retail attraction or the, “capability to make consumers come to the store by overcoming both

physical barriers and competition influence (p.298),” while on the other hand operative factors involve the costs involved in opening and operating a store at a certain site.

Market factors can be categorized further as relating to the location of consumers, other (complementary) facilities, or competitors. First, factors relating to consumers entail the store’s location in relation to the socio-economic and demographic structures of an area and the role of the distance to consumers as a determinant of retail attraction. Second, the location of a store in relation to recreational facilities, workplaces or stores selling complementary goods may increase retail attraction by taking advantage of the population flow generated by these sites and facilitating multi-purpose shopping trips (González-Benito and González-Benito, 2005). Third, factors relating to competitors focus on the overlapping of market areas and the subsequent sharing of demand as a result of the spatial concentration of similar stores.

Operative factors, as stated above, comprise the costs involved in opening and operating a store at a certain location. Differing land values across intra-urban areas, logistical factors related to the supply and stock of merchandise, and the provision of services such as parking space to overcome accessibility barriers are key operative factors to be considered when making a location decision (González-Benito and González-Benito, 2005). Given that pop-up store entrepreneurs primarily utilize pop-up stores to stimulate brand awareness and loyalty in the short-term (Loggers, 2013), the financial consequences would appear to be of less importance for pop-up retailers than for traditional chain retail stores, for instance. However, given also the limited finances of many pop-up store entrepreneurs (Loggers, 2013), operative factors are not to be ignored.

In sum, the core notion governing the neo-classical approach to location decisions is that the emphasis on attracting consumer demand (market factors) that should characterize location decisions should be weighed appropriately against the operative factors involved in satisfying that demand.

1.1.6 Behavioral theory

In contrast to the emphasis placed by neo-classical theory on objective-maximization or optimization as the primary aim in decision-making, the behavioral approach views human beings as ‘satisficers’ led by their aspirations, “which may be of a different and more modest nature (Meester, 2004, p.23).” In other words, behavioral location theory focuses on the subjective considerations and non-economic aspects that play a role in entrepreneurial behavior (Meester, 2004) and, by extension, in location decisions as well. Additionally, while retailers gather, process, and subsequently base their decisions on information, they can never

be fully informed. Given human actors' cognitive limitations (Simon, 1997b), it is impossible for there *not* to be a gap between reality and an actor's perception of it (Atzema, Lambooy, van Rietbergen, and Wever, 2009). The location decision-making process is thus also characterized by 'bounded rationality' (Meester, 2004), which, "take[s] into account the cognitive limitations of the decision maker – limitations of both knowledge and computational capacity (Simon, 1997b)."

Supporting the added value of behavioral aspects to the study of pop-up fashion retailers' location decision-making processes is the fact that, despite the proliferation of sophisticated methods of evaluation, "it is more likely that locational planning [in the small independent retail sector] is often undertaken on the basis of subjective rules of thumb and a degree of opportunism relating to the availability of individual sites (Pioch and Byrom, 2004, p.225)."

It should be noted here that all theories of locational behavior are concerned with some extent with psychological aspects. They all allow for success and failure while viewing entrepreneurs as gain-seeking individuals making decisions under conditions of uncertainty (Endres and Woods, 2006):

"Everyone agrees that people have reasons for what they do. They have motivations, and they use reason (well or badly) to respond to these motivations and reach their goals (Simon, 1997c, p.367)."

In this way, neo-classical theory and behavioral theory overlap in their focus on the internal workings of the entrepreneurial mind. Where they differ, however, is in the fact that neo-classical theory is primarily concerned with *how* retailers make location decisions, whereas behavioral theory is focused on *why* they make those decisions in the first place (Atzema et al., 2009).

1.1.7 Institutional theory

Beside the endogenous factors discussed above, human behavior is also subject to exogenous or external effects imposed by one's environment. To this end, the research stands to benefit from the inclusion of institutional theory, which views actors as operating within social constraints. These constraints, or institutions, are commonly defined as the, "organized patterns of socially constructed norms and roles, and socially prescribed behaviors expected of occupants of these roles (Mell, Keskin, Inch, Tait, and Henneberry, 2013, p.26)." In this way, the retail property market can be regarded as a socially constructed arena characterized by structured exchange among, "sets of recognizable participants who occupy certain positions and interact routinely over time (White, 2002, in Fligstein and Dioun, 2015, p.2)."

The repeated exchanges between actors in the property market that structured exchange implies in turn entail a need for rules. Rules, which range from the informal to the formal, are essential to the stability of complex patterns of interaction because they provide actors with shared cognitive assumptions (Fligstein, 2001), i.e., actors know what they're getting into. Informal rules are the shared beliefs about (un)acceptable behavior, "based upon the actual and expected reactions of other members of the society (Shaffer, 1995, para.6)," whereas formal rules comprise the, "legal, political, market and administrative processes (Mell et al., 2013, p.26)," "as interpreted and enforced by the political authority (Shaffer, 1995, para.6)." As a whole, rules embody what a given society views as fair, legitimate, good and evil, right and wrong. Institutional theory therefore has a strong cognitive dimension as institutions, "colour actors' perception, interests and judgement, providing a conceptual framework for the interpretation of information, the formation of preferences and expectations and the moulding of their behaviour (Arvanitidis, 2015, p.118)."

Another essential characteristic of the retail property market is that it comprises actors with often-conflicting interests and differing levels of ability to impose those interests on the market structure (Arvanitidis, 2015). As institutions are only effective to the extent that they influence the behavior and beliefs of actors (Lawrence, 2008), any exploration of the institutional context and its impact on the decision-making behavior of pop-up fashion retailers must therefore take 'power' into account. The relationship between institutions and power has three interrelated dimensions: institutional control, institutional agency, and institutional resistance (Lawrence, 2008). Control involves institutions' effects on actors' beliefs and behavior; agency is concerned with the manner in which actors create, transform or disrupt institutions; and resistance encompasses actors' attempts to limit both control and agency. As introduced earlier, contemporary society must be reconceived in such a way as to be able to accommodate change. With regards to institutional theory, the research will therefore focus on institutional control (in lieu of agency and resistance) in an attempt to discover the extent to which prevailing property market practices inhibit pop-up fashion retailers' location decisions.

1.2 Research aim and research questions

Taking all of the above into consideration, the aim of the research was to uncover some of the unseen forces interacting with the locational behavior of pop-up fashion retailers in Amsterdam by analyzing how and why they make location decisions. To this end, the research sought an answer to the following research question:

How can the location decisions of pop-up fashion retailers in Amsterdam be explained?

To guide the data collection, the following accompanying sub-questions were developed:

1. To what extent do market and operative factors influence the location decisions of pop-up fashion retailers in Amsterdam?
2. To what extent do heuristics and non-optimizing serial cognitive processes play a role in the location decisions of pop-up fashion retailers in Amsterdam?
3. To what extent do institutions control the behavior of pop-up fashion retailers in Amsterdam?

1.3 Methodology

The research utilized a qualitative research strategy with in-depth, semi-structured interviews as the main research method since, though it was important to gain insight into what the interview respondents considered relevant (Bryman, 2012), the research was attempting to determine to what extent pop-up stores behave according to a fixed set of factors (market and operative). Thus, some form of structure had to be retained, so as not to steer wide of the research aim. After initial desk research to find interview respondents, interviews were conducted with two groups of respondents: [1] three retail experts with explicit knowledge of pop-up fashion stores in Amsterdam and [2] thirteen pop-up fashion retailers.

1.4 Thesis structure

The rest of this thesis is structured as follows. Chapter 2 : comprises the theoretical framework that formed the basis of the research; Chapter 3 : proceeds to outline the methodology through which the research was operationalized; Chapter 4 : discusses the results of the data collection; and Chapter 5 : concludes the research and makes recommendations for future research on this subject.

Chapter 2 : Theoretical framework

2.1 Introduction

As the famous retailing axiom goes, the three most important properties of a retail establishment are location, location, and location. Although not entirely true, given that a host of other factors have been shown to influence the success or failure of retail locations (see Davidson, Sweeny, and Stampfl, 1998; Mason and Mayer, 1987), location is nevertheless crucial:

“Good locations allow ready access, attract large numbers of customers, and increase the potential sales of retail outlets. In the extremely competitive retail environment, even slight differences in location can have a significant impact on the market share and profitability (Ghosh and McLafferty, 1987, in Brown, 1989, p.450).”

Indeed, the high location sensitivity of the retail sector is one of its most prominent features (Öner, 2014). With transactions often requiring face-to-face interactions and, “consumption and production of retail services [often taking] place in very close proximity (Öner, 2014, p.17),” retail establishments tend to be found within or near regional centers (Öner, 2014).

Machlup (1967) distinguished more than twenty theories on the locational choice of entrepreneurs, which he assigned to three categories: [1] neo-classical theory, [2] behavioral theory, and [3] marginalist or institutional theory. These categories determined the structure of the theoretical framework, the conceptual model and the subsequent data collection.

The following sections of this chapter will present the results of the literature study. Section 2.2 defines pop-up retail within the context of the research; Section 2.3 discusses neo-classical location theory; Section 2.4 examines behavioral theory; Section 2.5 covers institutional theory; and finally, Section 2.6 presents a conceptual model of the relationship between the influence of neo-classical location factors, retailers’ cognitive limitations as posited by behavioral theory, and institutional control on the location decisions of pop-up fashion retailers in Amsterdam.

2.2 Defining pop-up fashion retail

Pop-up stores are a form of temporary use, itself a phenomenon that, despite not (yet) having a commonly accepted definition (Schutten, 2011), has become more prevalent over the past few years and is thus becoming a well-known concept. During that time, it has also become more diverse and has developed a more structural character (Studio UC, 2007).

While the difficulty in defining temporary use could lie in the fact that, in essence, everything is temporary (Thomassen, 2012), there are several characteristics of temporary use that *are* agreed upon. First, temporary uses flexibly and efficiently provide spaces with alternative uses in between the end of the previous use and the implementation of a new one (Thomassen, 2012). This characteristic is clearly applicable to pop-up stores as they represent a flexible and efficient use of space until a new, longer-term use can be found for the property. Second, temporary use offers opportunities to redefine the city. Temporary use doesn't have to be a temporary solution; rather, it may represent the way forward to a future without master plans (Vrolijk and Schutten, 2012). Gone are the days of the makeable society and blueprint planning ('eindbeeldplanning' in Dutch) in which society could be constructed, so to speak. Instead, societal changes, in part brought on by the recent economic crisis, ensure that modern urban planning methods must be utilized. Third, the creation or increase of public attention for a building or area can form the basis of commercial interest in its redevelopment. In this manner, temporary use can contribute to the (renewed) identity of an area (Thomassen, 2012). Temporary use ensures that the building and its surrounding environment once again find a place in consumers' mental maps (Oosting, 2010). In fact, despite its fleeting nature, temporary use can certainly impact an area's development in a positive manner (Oswalt, Misselwitz, and Overmeyer, 2007).

While an official definition of pop-up stores doesn't exist either, and statistics are difficult to obtain, the underlying notion is that they are temporary retail sites in vacant spaces. Japanese retailer Comme des Garçons was the first to set up a pop-up store, opening one in Berlin in 2004. In the Netherlands, the Alfa Mito store in *Stadshart Amstelveen* in 2012 proved successful (Loggers, 2013), with pop-up initiatives having become increasingly popular ever since (*Het Parool*, 2012). Loggers (2013) outlined three main motivations for entrepreneurs to engage in pop-up retail: for flexible, affordable accommodation; to generate buzz; and to extend the reach of online businesses. First, following the Great Recession, retailers are less willing to tie themselves to long-term (five-year) lease contracts. Instead they prefer to utilize temporary (two-year or shorter) contracts to an increasing degree in an effort to keep costs low and flexibility high. Second, pop-up stores can be utilized to generate buzz surrounding a brand or product. This is often done through the use of social media, which provides opportunities for pop-up retailers to let the public know where and when they will open. This also benefits surrounding stores, as pop-up stores not only fill vacant space but attract extra consumers to the area as well. Third, webshops can use pop-up stores to come into direct contact with their customer base; they use pop-up stores to generate buzz as customers can get a tangible sense of an otherwise online entity. In addition to these three motivations, pop-up stores can also be used by retailers wanting to get rid of overstock or by

those selling merchandise that focuses on a specific period (e.g., Christmas), which would make running a permanent store financially infeasible. As the temporary nature of pop-up stores means that they often will not be discovered by the masses (essential to achieving high store revenue), pop-up store revenues are often limited with profit subsequently not being the primary goal. Yet, despite the high costs incurred in interior design, logistics and personnel, the marketing benefits a pop-up store can deliver may make such investments worth it (Twinkle, 2012).

Having delineated pop-up fashion retail, the attention now turns to the theoretical foundation on which the examination of those that engage in the phenomenon – the retailers – will be based.

2.3 Neo-classical location theory

Neo-classical location theory is primarily concerned with selecting the best-possible retail location from an objective (economic) standpoint regardless of the retailer's personal preferences (Meester, 2004). The neo-classical approach sees retailers as, "idealized, representative entrepreneurs rather than real entrepreneurs, just as the firms in which they behave are hypothetical and representative (Endres and Woods, 2006, p.191)." This idealized version of the entrepreneur is grounded in the concept of the 'optimizer' or 'economic man' (Machlup, 1967), which assumes that a retailer will, "consistently and exclusively try to maximize his own profit, will be fully informed, and will be able to exploit that information optimally (Meester, 2004, p.22)." The view is that rational economic behavior – and thus also location behavior – is driven by the forces of the free market (Meester, 2004); rational economic behavior is therefore imperative if retailers want to survive in a situation of free competition (Simon, 1997a). The neo-classical approach to rationality sees choices as being made: "[1] among a given, fixed set of alternatives; [2] with (subjectively) known probability distributions of outcomes for each; and [3] in such a way as to maximize the expected value of a given function (Simon, 1997b, p.291)." In other words, neo-classical theory sees values and objectives as given and consistent, asserts an objective description of the world, and assumes that decision-makers possess unlimited computational powers (Simon, 1997c). To this end, subjective considerations have no place in the neo-classical approach (Meester, 2004).

While research into location factors has mostly focused on medium- and large-sized (chain) retailers, González-Benito and González-Benito (2005) developed a dichotomous division of retail location factors that is applicable to all scale-levels (metropolitan region, intra-urban area, specific location, etc.), namely market factors and operative factors (

Figure 2.1). Market factors relate to a location’s potential retail attraction; operative factors entail the costs and effort involved in opening and operating a store at a certain site.

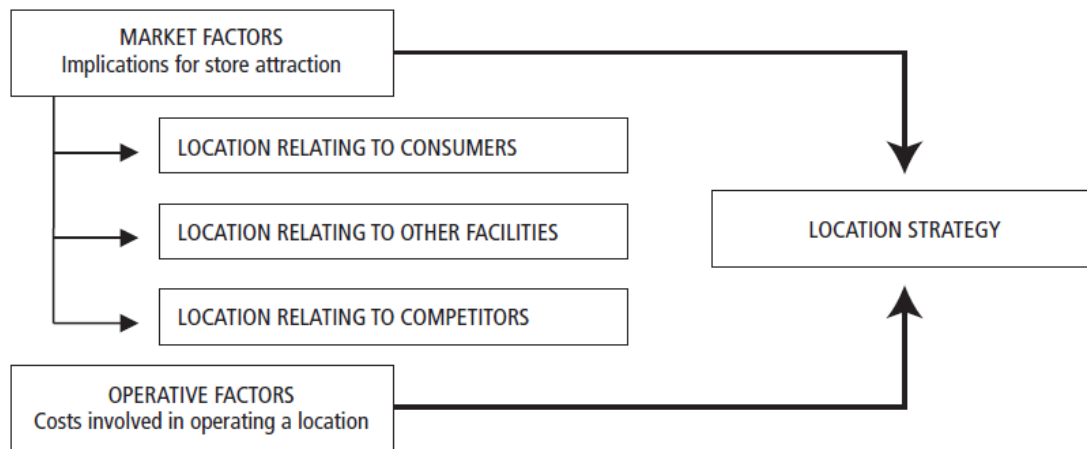


Figure 2.1: Key factors in location strategy (González-Benito and González-Benito, 2005, p.297).

As the model illustrates, market factors include a further three sets of factors involving the location relating to consumers, to other (or complementary) facilities, and to competitors. First, factors relating to consumers entail the store’s location in relation to the socio-economic and demographic structures of an area and the role of the distance to consumers as a determinant of retail attraction. Second, the location of a store in relation to recreational facilities, workplaces or stores selling complementary goods may increase retail attraction by taking advantage of the population flow generated by these sites and facilitating multi-purpose shopping trips (González-Benito and González-Benito, 2005). Third, factors relating to competitors focus on the overlapping of market areas and the subsequent sharing of demand as a result of spatial concentration of similar stores. Finally, operative factors relate to the costs involved in opening and operating a store at a certain location. Differing land values across intra-urban areas, logistical factors such as the supply and stock of merchandise and providing services to overcome accessibility barriers are key operative factors to be considered when making a location decision (González-Benito and González-Benito, 2005).

2.3.1 Market factors relating to consumers

The first set of market factors in González-Benito and González-Benito’s model (

Figure 2.1) focuses on a store’s location in relation to the socio-economic and demographic structure of an area and on the role of the distance to consumers as a determinant of retail attraction. Given the effect of ‘distance decay’, which holds that the attractiveness of a retail location decreases with increasing distance from consumers (Clarkson, Clarke-Hill, and Robinson, 1996), it’s possible to spatially delineate market areas. It follows that potential

locations should be assessed on both the quantity and the quality of the population within their given market area. On the one hand, quantity involves population density; increases in population density will, all other factors remaining constant, result in increased consumer demand (Horton, 1968). On the other hand, the quality of consumers in an area involves demographic and socio-economic structures. Demographic features, including income, age, gender, and so on, provide the information needed to determine whether the surrounding consumer body is congruent with the retailer's target audience; "probably no variables are more important to retail managers than the demographic structure of the market in any potential location (Turhan, Akalin, and Zehir, 2013, p.393)." Additionally, the purchasing habits of the consumer body – when, where, how and how often they shop – are also important factors to take into account. The socio-economic structure of an area is closely related to its demographic structure and includes such factors as, "household income, income distribution... [and] residents' willingness to spend their money at the store (Turhan, Akalin, and Zehir, 2013, p.393)." Variations in household income must be taken into account as retailers selling high order goods attract more customers when located in high-income areas (Horton, 1968). In other words, consumers must be both willing and able to spend money at the store.

2.3.2 Market factors relating to complementary facilities

Beyond the location in relation to consumers, a second set of market factors should be taken into consideration when assessing potential retail sites, namely those relating to the location of other (complementary) facilities. The location of a store in relation to recreational facilities, workplaces or stores selling complementary goods may increase retail attraction by taking advantage of the population flow generated by these sites and facilitating multi-purpose shopping trips (González-Benito and González-Benito, 2005). Similarly, Horton (1968) mentions a so-called contiguity effect, which entails an increase in retail attraction as a result of the co-location of retailers offering complementary goods or services, or unrelated goods that consumers often purchase on the same shopping trip. Horton also suggests that locating near government buildings, educational institutions, or other non-retail establishments that attract large numbers of people potentially increases the number of customers that impulsively visit a retail store. In this way, retail firms not only directly attract consumers, but may see their market share increase by locating near retailers selling goods that consumers tend to buy during the same shopping trip, or near non-retail institutions that attract large numbers of people for a host of unrelated purposes. Conversely, high order good retailers located near certain types of land uses, such as industrial land, may experience adverse effects.

Indeed, complementarity can induce retailers to locate near dominant retailers (Harvey and Jowsey, 2014) or magnet stores, the presence of which, “all retailers should consider... as an advantage since the magnet stores attract more trade from greater distances (Turhan, Akalin and Zehir, 2013, p.395).” Retailers can thus enjoy an increase in consumer attraction when located near higher order retailers within a nucleated center, as it attracts consumers from a relatively large geographic area for a variety of shopping purposes (Horton, 1968). As such, the presence of magnet stores should be used as an evaluation criterion in the location decision of retailers (Turhan, Akalin and Zehir, 2013).

2.3.3 Market factors relating to competitors

Besides location factors relating to consumers and complementary facilities, retailers should also assess a site’s location in relation to competitors, as co-location implies overlapping market areas and, thus, sharing demand. This means that, “the selection of market areas with low competitor presence may be a key to success (González-Benito and González-Benito, 2005, p.299).” Indeed, the spatial concentration of, “directly competitive low-order good establishments adds little to the sales volume of the individual establishment, and in fact may have a negative influence on the number of customers attracted (Horton, 1968, p.791).” Also, as consumers may tend to choose which shopping area to visit before choosing a specific store, the location of new competitors may be lost on consumers when the number of stores within a shopping area passes a certain threshold. The result is the same level of demand now being distributed among a higher number of stores (González-Benito and González-Benito, 2005).

However, the spatial concentration of competing retailers can also have positive effects as it can serve to reduce the risk perceived by customers by facilitating searching for and comparing products between stores without a significant increase in travel costs. This reasoning is especially relevant for high-order, high-implication shopping (also known as shopping goods) as consumers tend to prefer to compare different stores with regards to price, quality, and appearance when shopping for goods like clothing. Yet the desire for variety in repetitive shopping can also justify a spatial concentration of convenience good retailers (González-Benito and González-Benito, 2005). Thus, by locating near one another, stores may perform better than if they were to set up in an isolated location (Lesger, 2011). Indeed, the “juxtaposition of several stores offering the same high order goods has been found to increase the sales volume and presumably the attraction capability of each of the stores in a cluster (Horton, 1968, p.791).” As with market factors relating to complementary facilities, an area’s reputation can also be seen as a stimulant for the concentration of similar stores. Locating in an area known for a specific type of good can be expected to increase the number

of consumers it attracts. The example of Savile Row in London, with its high-end tailors, comes to mind.

2.3.4 Operative factors

Whereas market factors are essential to the location decisions of retailers, the costs of opening and operating a store at a certain cannot be ignored. González-Benito and González-Benito (2005) highlight the effect of the high costs involved in opening and operating a store on the profitability and therefore the success of a location. In the Netherlands, the largest operating costs for traditional fashion retailers are personnel costs and rent, which respectively constitute roughly eighteen and twelve percent of total annual turnover (CBS, 2015). Despite an extensive search, figures regarding opening costs could not be found.

Assuming that pop-up store entrepreneurs primarily utilize pop-up stores to stimulate brand awareness and -loyalty in the short-term (Loggers, 2013), the financial consequences would appear to be of less importance for pop-up retailers than for traditional chain retail stores. That being said, given the limited finances of many pop-up retailers (Loggers, 2013), operative factors cannot be said to be irrelevant.

In sum, the core notion governing a neo-classical approach to retail location decision-making is that the emphasis on attracting consumer demand (market factors) that should characterize location decisions should be weighed appropriately against the costs (operative factors) involved in satisfying that demand; this relationship is portrayed in the following preliminary conceptual model (Figure 2.2).

2.3.5 Preliminary conceptual model

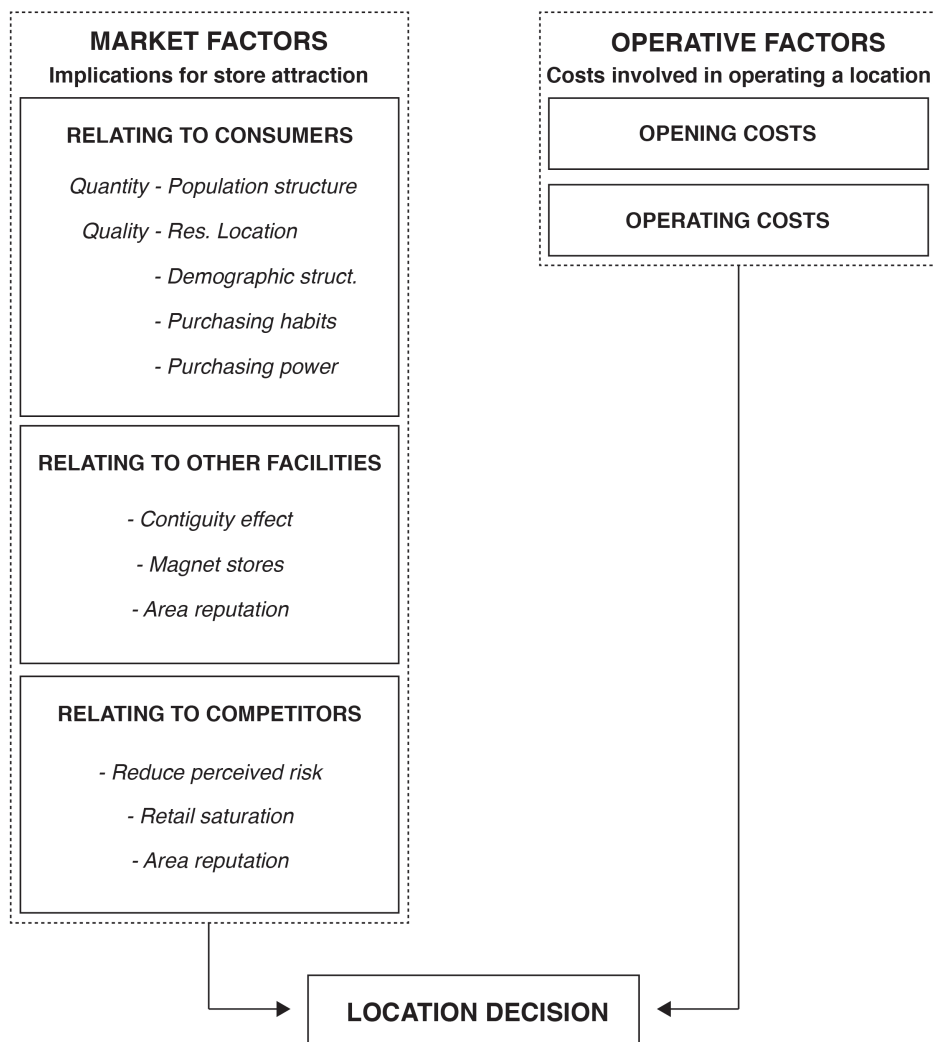


Figure 2.2: Preliminary conceptual model of the relationship between neo-classical market- and operative factors and the location decisions of pop-up fashion retailers in Amsterdam.

Market factors, portrayed on the left-hand side of the model, are classified further into three categories as relating to consumers, to other (complementary) facilities, and to competitors.

First, with regards to consumers, pop-up retailers can be expected to take the quantity and the quality of the consumers within a market area into account. Quantity involves population density while quality entails that the population within the market area must be willing and able to spend money at the store. Thus, beside population density, pop-up fashion retailers are also expected to take the residential location of their target audience ('Res. Location' in Figure 2.2) and the demographic structure, purchasing habits and purchasing power of the surrounding consumer body into account.

Second, factors relating to the location of complementary facilities also influence the location decision. The co-location of complementary retailers and retailers offering unrelated goods that consumers often purchase on the same shopping trip may increase retail attraction. Also, locating near popular non-retail establishments that attract large numbers of people can also potentially increase the number of people that impulsively visit the store. Additionally, the location of dominant retailers or magnet stores may also influence the decision, as these stores are able to attract trade from a (much) greater area than smaller retailers are. Another important factor to note is an area's reputation; if consumers attach positive connotations to an area, based on factors such as the quality of the products or the variety of activities on offer, retailers can be expected to be more inclined to locate there.

Third, market factors relating to the location of competitors will also be assessed during the decision-making process, as co-location implies overlapping market areas and thus sharing consumer demand. This last set of market factors has both advantages and disadvantages aspects. On the positive side, the spatial concentration of competitors can reduce consumers' perceived risk by facilitating searching for and comparing similar products between stores without significantly increasing travel costs or time. On the negative side, the location of new competitors may be lost on consumers when the number of stores within a shopping area passes a certain threshold, the result being the same level of demand being shared among a higher number of stores. It can therefore be expected that pop-up fashion retailers should have (some) knowledge of the number of competitors within a market area when making location decisions.

Finally, operative factors, portrayed on the right-hand side of the model (Figure 2.2), include the costs involved in opening and operating a store at a certain location. Costs can vary from location to location as a result of differing values and the need to overcome logistical factors or accessibility barriers. The (often) limited finances of many pop-up store retailers force them to pay attention to the costs structure. It can therefore be expected that high opening and operating costs at a certain location will negatively impact the chance that a pop-up store entrepreneur will choose that location.

It was expected that both sets of factors – market and operative – would be taken into account by pop-up fashion retailers when assessing potential locations and will influence their location decisions.

2.4 Behavioral theory

Clearly, it doesn't require a great stretch of the imagination to realize that the assumptions on which neo-classical theory is based rarely occur in reality for, "it's only in economics departments that they talk about free markets, not in the real world (Chomsky, 2009)." Criticism of the neo-classical approach is aimed at the concept of the economic man and the unrealistic assumptions of complete information and humans' capacity to act fully rationally (Myers and Papageorgiou, 1991). While the assumptions are convenient, "providing the basis of a very rich and elegant body of theory (Simon, 1997b, p.291)," they may not accurately predict empirically-observed entrepreneurial behavior. The efforts of behavioral theorists, based heavily on Herbert Simon's work regarding the cognitive limitations of decision makers (Endres and Woods, 2006), have done much to add some nuance to the study of entrepreneurial decision-making.

2.4.1 Bounded rationality and satisficing behavior

In reality retailers should not be seen as fully rational and, "in possession of single and restricted goals [but rather as] possess[ing] a multiplicity of goals and imperfect knowledge [that] complicate his decision making process (Selby, 1987, p.82)." To this end, behavioral theorists view as axiomatic Herbert Simon's concept of 'bounded rationality' (Simon, 1997a), which holds that, "both the knowledge and the computational power of the decision maker are severely limited (Simon, 1997c, p.368)," and that therefore a necessity exists to, "distinguish between the real world and the actor's perception of it and reasoning and about it (Simon, 1997c, p.368)." So while a retailer may be considered to *intend* to behave fully rationally with regards to his perception of reality, his, "ordinary human mind (Simon, 1997b, p.293)," entails that that perception can only ever be a partial reflection of the real world (Atzema et al., 2009). Additionally, the behavioral approach asserts that entrepreneurs 'satisfice' – a neologism combining 'satisfy' and 'suffice' (The Economist, 2009) – which entails that, rather than not possessing the ability to maximize, entrepreneurs reject the maximization of a single objective, instead seeking to, "earn a return on [their] labour and capital that [they regard] to be satisfactory (Selby, 1987, p.82)." Given the constraining effect of bounded rationality, it is simply not possible in most real-world situations to calculate *the* best option. It is more realistic to view actors as striving to satisfy a number of objectives rather than maximize a single one (Simon, 1997d); actors have general objectives in mind and will search for a solution that more or less achieves those goals (Fligstein, 2001).

Pred (1967) combined the concepts of bounded rationality and satisficing behavior in a 'behavioral matrix' (Figure 2.3). Every location decision occurs under varying conditions of

both the quantity and quality of information (Y-axis in Figure 2.3) and entrepreneurs' ability of entrepreneurs to make sense of that information (X-axis in Figure 2.3). Every entrepreneur can therefore be assigned to a position within the matrix that can change over time; through experience, the entrepreneur moves from the top-left toward the lower-right quadrant (perfect information and perfect ability to use information), which is where neo-classical location theories tend see the entrepreneur. The advantage of the behavioral matrix is that an, "indefinite number of undefined cases can be located along each axis, [and that] each decision-making unit or individual can therefore be allocated to a cell (Selby, 1987, p.82)."

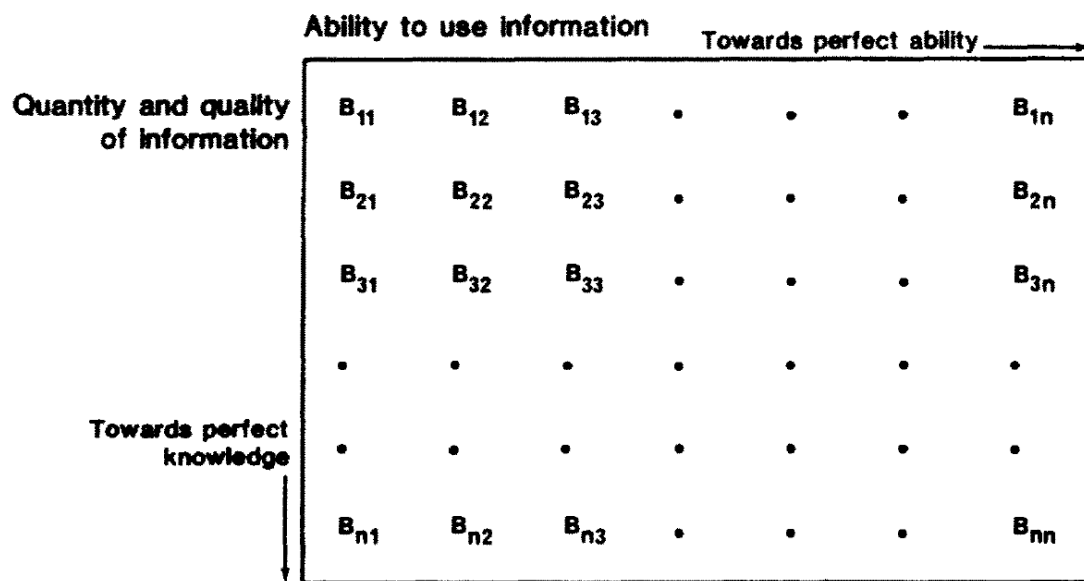


Figure 2.3: Pred's behavioral matrix (Selby, 1987, p.82).

While Pred's matrix won't be included explicitly in the conceptual model or the subsequent data collection, it is a useful tool for conceptualizing and understanding the varying levels of both the quantity and quality of information available to retailers and their varying computational abilities.

Naturally, however, the behavioral approach is not without its critics either, as summarized by Atzema et al. (2009). First, the movement has tended to deliver mostly descriptive studies and only few explanatory ones. In fact, the behavioral matrix has a primarily conceptual value, with the lower-right quadrant being merely a theoretical possibility. Second, the behavioral approach has paid little attention to the distinction between spatial preferences and actual spatial behavior. Atzema et al. (2009) give the example of the steady departure of industry from Utrecht, despite Dutch industrialists proclaiming a preference to locate there. Third, behavioral theory assumes that location decisions are always made on the basis of available information, thus ruling out the possibility of experimentation through trial-and-error. Fourth,

the approach has granted little attention to the manner in which location preferences come into being and how location decisions develop within organizations.

Despite this criticism though, behavioral location theory supplements neo-classical theory well in the sense that it explicitly takes the motives of entrepreneurs into account. Thus, the behavioral approach is well-suited to this thesis in the sense that it allows for imperfect behavior by paying more attention to the differences in location behavior between entrepreneurs. Two entrepreneurs can evaluate the same location vastly differently, and not every entrepreneur reacts to changing market circumstances in the same manner. Indeed, the behavioral approach discards the normative – what *should* move entrepreneurs – choosing rather to focus on reality – what *does* move entrepreneurs. In other words, the addition of behavioral factors increased the research’s explanatory power with regards to the location decisions of pop-up fashion retailers. Indeed, this group of retailers may seldom have access to sufficient levels of information, due for example to their inexperience or lack of (financial) resources. Also, retailers may not always aspire to find the perfect location, perhaps choosing to settle for a sub-optimal location as long as it meets a few basic requirements.

2.4.2 Applying behavioral theory to pop-up fashion retail

Following Endres and Woods (2006), behavioral theory contains several key elements that are relevant to understanding the endogenous factors influencing the location decisions of pop-up fashion retailers. To begin with, opportunities aren’t, “*straightforwardly and objectively representable* (Endres and Woods, 2006, p.195).” As shown above, retailers have to cope with limited levels of information as well as a limited capacity to compute that information. These limitations entail that a retailer can never fully understand or comprehend the opportunities available to him; he can therefore never make the ‘perfect’ decision.

Similarly, opportunities are, “never available in an *exhaustive set* (Endres and Woods, 2006, p.195).” The complexities found in the real world are far too elaborate for entrepreneurs to be able to generate the full list of available opportunities; “a fully known, fixed set of existing profit-making opportunities is not available in most complex market circumstances (Endres and Woods, 2006, p.194).” Indeed, the exploration of all possible alternatives is a lengthy and costly undertaking in which, “even minimal completeness can seldom be guaranteed (Simon, 1997b, p.292).” While Endres and Woods (2006) treat these first two elements as distinct aspects of entrepreneurial behavior, this thesis considered them as indistinguishably interwoven with the elements to be outlined below. As such, although they form the bedrock on which any exploration of behavioral theory is based and thus still played a role in the

empirical research, they were not explicitly included in the conceptual model or the subsequent data collection.

Moving on, opportunities are, “generated by boundedly rational individuals using *heuristics* (Endres and Woods, 2006, p.195).” Following from the limited ability to gather and process information, behavioral theorists view as fundamental the notion that entrepreneurs are non-optimizers who use simplifying mechanisms (heuristics) to make sense of complex situations. For example, empirical studies such as Shane (2000) have shown that entrepreneurs often base conclusions on overgeneralized information from small or non-random samples such as (limited) personal experience.

Next, opportunities are, “deliberated upon in a non-optimizing *serial cognitive process* involving mental construction both of the opportunities and aspiration levels associated with them (Endres and Woods, 2006, p.195).” In layman’s terms, this means that opportunities appear to entrepreneurs sequentially (or serially), rather than all-at-once. As a result, when retailers come across a retail space that fulfills their given aspiration level at that moment in time, they’ll often just go for it, as it were (The Economist, 2009). The psychological mechanism of aspiration levels may indeed be used to understand the manner in which actors determine satisfactory criteria (Simon, 1997d). If alternatives that meet the required criteria are easily found, standards will be raised; if a prolonged search yields few feasible options, standards will be lowered. Thus, through a feedback mechanism, “the decision maker converges toward a set of criteria that are attainable, but not without effort (Simon, 1997d, p.296).”

Finally, Endres and Woods (2006) also mention that opportunities, “appear to the entrepreneur in *complex, uncertain [and] rapidly changing environments* (p.195).” An important element of the behavioral approach is the idea that (relating to the fundamental incompleteness of information) decisions are inherently imbued with uncertainty (Meester, 2004). A distinction can be made here between two types of uncertainty, namely ‘knowledge gaps’ and ‘true uncertainty’. Knowledge gaps relate to the difference between what an entrepreneur knows and needs to know when making a decision (Hayter, 1997); they can be bridged by gathering information (Meester, 2004). True uncertainty stems from the, “fundamental unpredictability of events and developments in the future and can therefore not be overcome (Meester, 2004, p.23).” Again, although Endres and Woods (2006) treat these last two aspects – non-optimizing serial cognitive processes and complex, uncertain and rapidly changing environments – separately, they are sufficiently inter-related to warrant their treatment as a single factor.

2.5 Institutional theory

To even better understand the location decisions of pop-up fashion retailers in Amsterdam, it is important to consider not only the internal mechanisms of human behavior, but also the external forces that govern that behavior. To this end the addition of institutional elements improves the explanatory power of the research as:

“It is these institutions [that] specify property values, define property rights, generate information, stimulate development, allocate uses and generally determine the ability of the local economy to provide those property outcomes (built structures and property rights) that are necessary for economic development (Arvanitidis, 2015).”

Specifically institutions are the, “organized patterns of socially constructed norms and roles, and socially prescribed behaviors expected of occupants of these roles, which are created and recreated over time (Goodin, 1996, p.19),” and which, “govern or at least influence the behavior of participants of a society as they interact in political and economic activities (Shaffer, 1995, para.6).” Institutions are thus any form of constraint that shapes human interaction (North, 1990) from which people are reluctant to deviate (Bates, 2014). They take the form of rules, or ‘institutional arrangements’ (Fligstein, 2001), that can be of either a formal or an informal nature. Whereas formal rules are the, “legal, political, market and administrative processes (Mell et al., 2013, p.26),” as enforced by the political authority (Shaffer, 1995), informal rules comprise shared, socialized beliefs about (un)acceptable behavior, “based upon the actual and expected reasons of other members of the society (Shaffer, 1995, para.6).”

As individual actions evolve into convention, a process of institutional self-reinforcement (Hodgson, 1998) is set into motion via which the convention is reinforced (through imitation and usage), “acquires institutional features and begins to function as an institution (Petrović and Stefanović, 2009, p.108).” For example, once most car drivers decide to stick to a certain side of the road, it clearly makes sense for all drivers to start doing so. The result is that the emerging convention – driving on a certain side of the road – is, “reinforced and institutionalized by imitation (Hodgson, 1998, p.176);” Hodgson conceptualized this phenomenon as the ‘action-information loop’ (Figure 2.4).

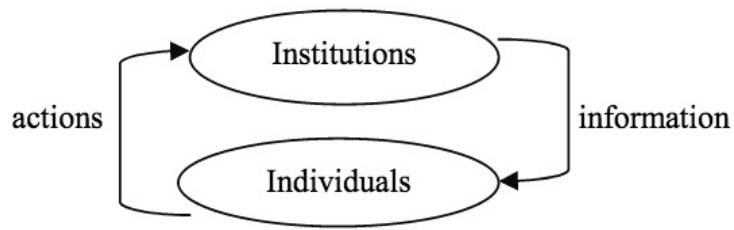


Figure 2.4: The institutionalist action-information loop (Petrović and Stefanović, 2009, p.108, adapted from Hodgson, 1998).

2.5.1 The property market

With regards to the property market, the institutional approach differentiates itself from more conventional views by positing that it's not enough to conceive of markets simply as places or networks within which transactions are made (Arvanitidis, 2015). Instead, the property market should be seen as a socially constructed arena wherein 'structured exchange' (Fligstein, 2001) takes place among actors via mechanisms that, "structure, organize, and legitim[ize] (Arvanitidis, 2015, p.117)." Structured exchange thus implies, "a need for rules and social structures to guide and organize exchange (Fligstein, 2001, p.30)," as the stability of such complex patterns of interaction requires that actors share cognitive assumptions (Fligstein and Dioun, 2015):

"...people need either long experiences with one another, such that they settle into habitual patterns [informal rules], or more formal rules to govern novel interactions. Rules based on experience or tradition or formally agreed to through negotiation then frequently become habitual in interaction [also known as 'taken-for-grantedness'] (Fligstein, 2001, p.27)."

The stability of these complex patterns of interaction that characterize property markets therefore relies on the ability of entrepreneurs to take one another's behavior into account (Fligstein, 2001), which in turn requires rules that define the issues about which actors must create general understandings. Failure to have or sufficiently define property rights, for example, makes it very difficult for (legal) markets to operate, for if it's not known who owns what and thus has the right to dispose of it, "we are in the world of illegal trade and not the world of stable markets (Fligstein, 2001, p.32-33)."

Given that property markets comprise actors with divergent interests and varying degrees of power to impose those interests on others, an exploration of power relations is also in order. Indeed, the interactions between and decisions of property market actors are imbued with power relations (Lawrence, 2008), as achieving their desired objectives requires actors to,

“use their own power, autonomy, resources and expertise, and value systems that may lead to conflict with other [actors] (Mell et al., 2013, p.27).” The examination of such power relations in an institutional context may be approached from the institutional political perspective.

2.5.2 Institutional politics

Although the concept of power, as with institutional theory in general, suffers from a myriad of definitions, in this thesis it was regarded as a relational phenomenon (rather than a commodity that one can ‘have’) via which, “the beliefs or behaviors of an actor are affected by another actor or system (Lawrence, 2008).” An actor (or in this case an institution) is thus only powerful to the extent that he (or it) can exercise power over other actors. The relationship between power and institutions – referred to as ‘institutional politics’ (Lawrence, 2008) – comprises three inter-related dimensions: control, agency, and resistance (Figure 2.5):

“Institutional *control* involves the effects of institutions on actors’ beliefs and behavior; institutional *agency* describes the work of actors to create, transform and disrupt institutions; and, institutional *resistance* represents the attempts of actors to impose limits on institutional control and institutional agency (Lawrence, 2008, p.171).”

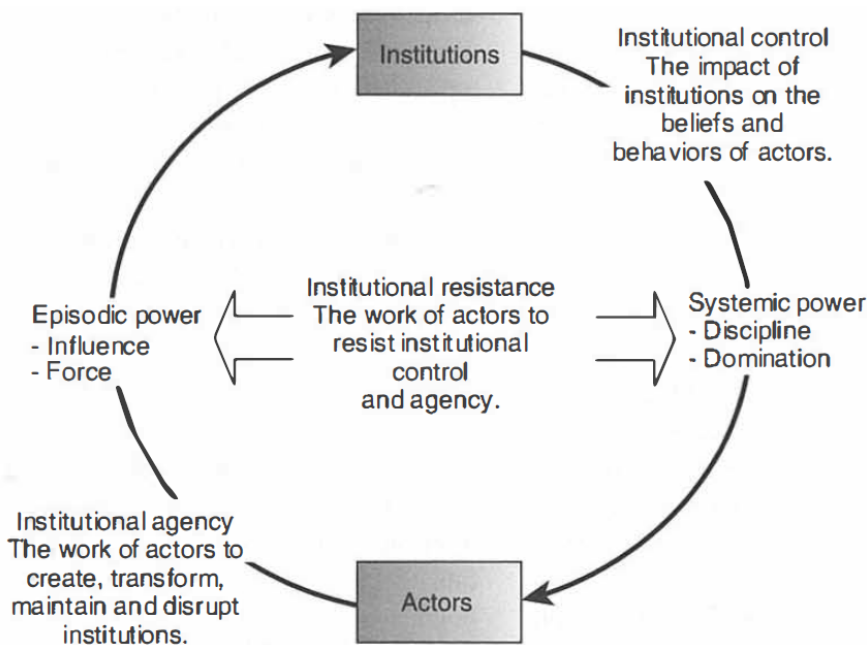


Figure 2.5: Institutional politics – the interplay of institutional control, agency and resistance (Lawrence, 2008, p.171).

Given this thesis' interest in the manner in which prevailing institutional arrangements affect the location decisions of pop-up fashion retailers in Amsterdam, the effects of institutional control were given priority over agency and resistance.

Institutional control mirrors the sociological notion of social control or the, “capacity of a society to regulate itself according to desired principle and values (Janowitz, 1975, p.82).” From an institutional perspective, control thus relates to the manner in which institutions, “organize, encourage and diminish particular forms of thought and action (Lawrence, 2008, p.175).” Institutional control is exercised through ‘systemic’ power (Lawrence, 2008), which “works through routine, ongoing practices to advantage particular groups without those groups necessarily establishing or maintaining those practices (Lawrence, 2008, p.174).” Although institutions may arise out of self-interested behavior, once established they become taken-for-granted (DiMaggio and Powell, 1983) and exercise control as if independent of (the interests of) any particular agent (Lawrence, 2008); the earlier example of everyone driving on the same side of the road is applicable here as well.

2.6 Conceptual model

In this section, a conceptual model (Figure 2.6, p.28) is presented regarding the relationship between neo-classical, behavioral, and institutional theory and the location decisions of pop-up fashion retailers in Amsterdam. These are the factors that were deemed as essential to answering the research questions on the basis of the literature study. As can be seen in conceptual model, the research took the neo-classical notion of balancing store attraction (market factors) and costs (operative factors) as its starting point. This rational behavior is subsequently subjected to the constraining effects of behavioral and institutional theory, ultimately resulting (from a rational, neo-classical perspective) in sub-optimal location decisions.

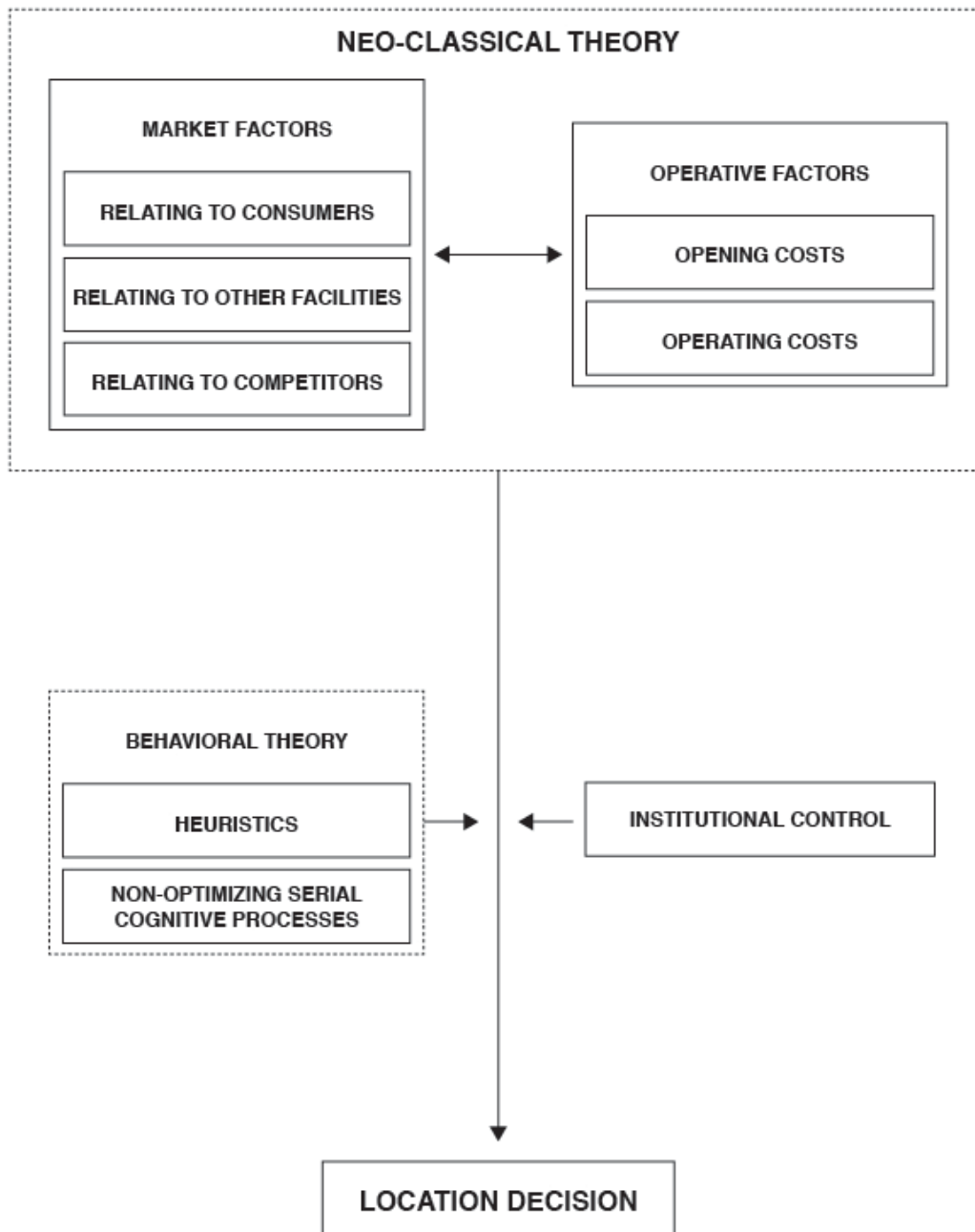


Figure 2.6: Conceptual model of the relationship between the influence of neo-classical location factors, behavioral theory and institutional theory on the location decisions of pop-up fashion retailers in Amsterdam.

2.6.1 Neo-classical factors

Neo-classical theory was seen as comprising two types of location factors: market and operative factors. Market factors, portrayed in the top-left corner of the conceptual model, relate to store attraction and are classified further into three categories as relating to consumers, to other (complementary) facilities, and to competitors. Operative factors,

portrayed in the top-right corner of the conceptual model, include the costs involved in opening and operating a store at a certain location. Detailed explanations of the elements comprising the different types of market and operative factors can be found in Section 2.3.

It was expected that both sets of factors – market and operative – are taken into account by pop-up fashion retailers when assessing potential locations and hence will influence their location decisions.

2.6.2 Behavioral factors

In addition to neo-classical theory, the literature study revealed that the location decisions of pop-up fashion retailers in Amsterdam are also influenced by factors contained within behavioral theory. In particular, endogenous constraints on the human mind entail that retailers can never possess complete, objective knowledge of the opportunities available to them and that, by extension, they can never be aware of all of the opportunities available to them. Taking this into account, two behavioral factors were deemed to be relevant to examining the location decisions of pop-up fashion retailers in Amsterdam.

On the one hand pop-up fashion retailers use heuristics, or simplifying mechanisms, to make sense of a complex reality. Given human beings' inability to fully, or objectively, comprehend the real world, as mentioned above, they thus tend to rely on their intuition or to over-generalize information obtained from small, non-random samples such as personal experience.

On the other hand opportunities appear to retailers in non-optimizing serial cognitive processes, which is to say that they appear sequentially rather than all-at-once. As pop-up fashion retailers operate in a complex, uncertain and rapidly changing environment, retailers are likely to take an opportunity when presented with a satisfactory one. For it is uncertain what the future holds, one may choose to make a sub-optimal location decisions when an opportunity crosses one's path that meets one's aspiration level at that moment in time.

2.6.3 Institutional factors

Beside endogenous forces, the location decisions of pop-up fashion retailers was also considered to be subject to exogenous influences, for which purpose the research was supplemented with elements of institutional theory. Viewing retailers as engaging in structured exchange within a socially constructed arena, institutional theory thus posits the need for institutional arrangements to govern those exchanges. Given that institutions only exist to the extent that they influence actors' behavior, it was considered valuable to examine

the extent of the inhibiting effects of institutional control, which entails the manner in which actors exert their power through routine, taken-for-granted mechanisms.

Chapter 3 : Methodology

3.1 Introduction

This chapter describes the research methods used in the research. Section 3.2 outlines the methodology and the research design used in the research; Section 3.3 details the operationalization of each sub-question; Section 3.4 describes the manner in which respondents were selected; Section 3.5 explains the data collection process; and Section 3.6 discusses how the data was analyzed.

3.2 Methodology and research design

The main research question and sub-questions, as put forth in Chapter One, were answered through the use of a qualitative research strategy. As the research studied the influence of location factors and behavioral and structural forces on the location decisions of pop-up fashion stores, it was necessary to use multiple cases. The research therefore utilized a cross-sectional research design to collect data on several cases at a single point in time (Bryman, 2012).

The context within which social processes take place, and the deeper-lying motivations of those who construct that context, can be discovered through the use of in-depth interviews (Bryman, 2012). As such, the research utilized semi-structured expert interviews to ensure that all necessary data was collected while allowing for interesting and unexpected data to emerge as well (O'Leary, 2010). A list of topics and interviews questions was developed before the interviews took place; this list was based on the available literature and the conceptual model of the influence of retail location factors on location decisions.

3.3 Operationalization of research questions

The following paragraphs describe the operationalization of each sub-question separately. The specific questions that were posed (in Dutch) to each set of respondents are listed in Appendices C and D.

3.3.1 Sub-question One

To what extent do market and operative factors influence the location decisions of pop-up fashion retailers in Amsterdam?

As explained in Section 2.3, market and operative factors were expected to influence the location decisions of pop-up fashion retailers.

Market factors relating to consumers

As discussed in Section 2.3.1, the effect of distance decay on store attractiveness holds that pop-up fashion retailers were expected to pay attention to market factors relating to both the quantity and quality of the surrounding consumer body. The topics discussed with both sets of respondents therefore included:

- Quantity
 - Population density of the market area
- Quality
 - Residential location of target group
 - Demographic structure – income, age, gender, etc.
 - Purchasing habits of consumers within the market area – where, when, how and how often they shop, what they buy, and how far they are willing to travel.
 - Purchasing power of the surrounding consumer body

Market factors relating to complementary facilities

Pop-up retailers were also expected to take the location of complementary facilities into account when making their location decision. As shown in the conceptual model (Figure 2.6), the research classified this set of market factors further as comprising the:

- Location of complementary retailers
- Location of popular non-retail establishments – recreational facilities, offices, etc.
- Location of magnet stores
- Reputation of the area

Market factors relating to competitors

Additionally, market factors relating to competitors were expected to be considered by pop-up retailers during the location decision-making process. Agglomeration, or the clustering of similar retailers, can have both positive and negative effects. On the positive side the spatial concentration of competitors can reduce the risk perceived by consumers; on the negative the clustering of too many similar stores within an area may cause the entry of new retailers may be lost on consumers, the result being an unchanged level of demand now being shared among a higher number of retailers.

As such, the topics discussed include:

- Proximity of competitors
- Knowledge of and/or interest in (dis)advantages of agglomeration

Operative factors

Pop-up fashion retailers were also expected to consider operative factors – the costs involved in opening and operating a store at a certain location – when making a location decision. It was expected that high opening and operating costs at a certain location will negatively impact the chance that a pop-up store entrepreneur will choose that location. Accordingly, respondents were asked questions regarding:

- Opening costs
- Operating costs
- The extent to which operative factors influence location decisions.

3.3.2 Sub-question Two

To what extent do heuristics and non-optimizing serial cognitive processes play a role in the location decisions of pop-up fashion retailers in Amsterdam?

As explained in Section 2.4, behavioral elements were added to the research to increase its explanatory power by leaving room for sub-optimal location decisions. Behavioral theory views economic actors as boundedly rational agents acting under varying levels of both information and ability to process that information. Additionally, actors are seen as satisficers that reject the idea of single-objective maximization, instead choosing to fulfill several objectives to a satisfactory extent. The research deemed the following two concepts as essential to understanding the relationship between behavioral theory and retailers' location decisions:

- Retailers use heuristics to make sense of their environment
- Retailers generate opportunities through non-optimizing serial cognitive processes in complex, uncertain, and rapidly changing environments

Given neo-classical theory's focus on fully rational behavior, it was considered plausible that interview responses that revealed irrational behavior could be attributed to concepts contained within behavioral theory. Consequently, the interview protocols contained no questions relating specifically to behavioral theory as the researcher felt confident that sufficient data would be collected to be able to formulate an answer to this sub-question.

3.3.3 Sub-question Three

To what extent do institutions control the behavior of pop-up fashion retailers in Amsterdam?

Section 2.5 examined the value of viewing the property market – and thus the pop-up fashion retail landscape – through an institutional lens. To summarize, institutional theory views property market participants as engaging in structured exchange that requires institutional arrangements, or rules, to guide that exchange. Consequently, as institutions are only effective to the extent that they influence behavior, an analysis of the manner in which Amsterdam’s property market institutions ‘control’ pop-up fashion retailers was deemed important (Section 2.5.2).

As with Sub-question Two, no questions relating specifically to institutional control were posed to the respondents; data for this question was obtained by reading between the lines, as it were.

3.4 Respondents

Interviews were conducted with two groups of respondents: [1] retail experts and [2] pop-up fashion retailers.

3.4.1 Retail experts

Following the pilot interviews, interviews were first held with three retail experts with a combined real estate experience of more than forty years. One of these was the Director of Retail at Colliers International, a global real estate services provider. He started his career as a real estate broker, subsequently making several career steps that each brought with them increasing seniority within the field. After having held the positions of Head of Leasing at Corio and WPM Retail, among others, at Colliers he heads a team of retail specialists capable of offering a complete package of real estate services within the Netherlands.

The other two experts were so-called pop-up matchmakers specializing in helping pop-up retailers to find retail spaces. Before becoming self-employed by founding the Pop Up Club, one of the experts was an office manager for a real estate investor in Amsterdam. In dealing with vacancy, this investor did little more than follow the standard procedures, namely hanging up a ‘for rent’ sign and waiting for people to book appointments. This passivity nagged at her and not in the least because she noticed that prolonged vacancy caused empty spaces to fall into despair; people no longer pay attention to it so it becomes a dark, gaping hole in a shopping street against which people park their bikes. After picking up on the

growing trend of pop-up retail, and noticing the discrepancy between the high demand for and low supply of suitable, affordable retail spaces, she decided to start operating as a mediator between pop-up retailers and retail space suppliers.

The other pop-up matchmaker was also self-employed. Through her company - Retail Estate Solutions – she strives to find a perfect match between concepts and spaces rather than simply ‘flipping’ retail spaces. Retail Estate Solutions synthesizes her more than twenty years of entrepreneurial experience during which she having owned two consulting firms – one specializing in construction and the other in executive searching and interim management.

3.4.2 Pop-up fashion retailers

Subsequently, thirteen pop-up fashion retailers were interviewed. Respondents were selected on the basis of three criteria: [1] the respondent was actively engaged in the location decision of the pop-up store; [2] the pop-up store sold fashion items; and [3] the pop-up store had been located in Amsterdam in 2014. This last condition was included in order to expand the list of possible respondents beyond only those stores that were active during the research period, while ensuring that those store hadn’t been active so long ago that knowledge of the decision-making process may have faded from the respondent’s memory. The pop-up retailers were primarily found via the Internet and, specifically, social media. Additionally, the snowball method, which involves asking interview respondents if they know of any other possible respondents, was used. The list of respondents can be found in Appendix A.

All of the respondents could be characterized as starters in that they lacked significant retail experience and weren’t backed by substantial capital investment. Five of the thirteen respondents owned online businesses and engaged in pop-up retail to extend the reach of their webshops. Two respondents represented traditional stores that opened pop-up stores ‘on the side’; one of them used pop-up stores to get rid of overstock while the other, whose regular store was located in Den Bosch, opened pop-up stores in Amsterdam so as to increase brand recognition and expand the customer base. The remaining six respondents used pop-up stores to promote purely offline brands without either regular store or an online presence besides Facebook and other social media; in a sense these businesses didn’t ‘exist’ when not operating a pop-up store. While one respondent represented a ‘real’ company in the sense that her business employs a sizable number of people, the fact that that they still considered themselves to be a young company, and the fact that they had never opened a pop-up store before, meant they nevertheless fit the mold. Indeed, despite these differences, the retailers can be said to be a homogenous group in the sense that they had limited pop-up retail experience, with the most experienced respondents having opened, at most, three pop-up

stores. Hence, unless stated otherwise, any reference to ‘entrepreneurs’, ‘retailers’, or ‘pop-up retailers’ within this thesis refers to *starting*, pop-up *fashion* retailers.

With regards to the spatial distribution of pop-up fashion stores within Amsterdam, the very nature of pop-up retail makes mapping their locations a daunting task. Maintaining an up-to-date account of where they are located is a very labor-intensive task, as evidenced by the fact that even Locatus – the retail data giant – and Amsterdam’s municipal government can’t and don’t accurately keep track of their locations (Gabeler, 2015). Therefore, the research limited itself to mapping the interview respondents’ pop-up locations (Appendix B). Specifically, for the sake of clarity, only the locations of respondents’ most recent stores are shown.

As the map in Appendix B illustrates, the respondents tended to be located in the trendier areas of the city (De Pijp, the Negen Straatjes, de Jordaan, Haarlemmerdijk, etc.). This appears to run counter than what would be expected of starting, capital-poor pop-up retailers, namely that they locate in less attractive areas where the rents are lower. However, the majority of the respondents were only able to pop-up in such desirable areas by renting pop-up spaces such as the Onedayshop or Pop Up Jordaan.

3.5 Data collection

The retail expert interviews took place between October 9th and October 31st, 2014; one was conducted at the respondent’s office and two were conducted in cafés in Amsterdam. The interviews with pop-up fashion retailers took place between November 4th and December 14th, 2014; five were conducted at the respondents’ respective offices, five were held in their pop-up stores, two were held in the respondents’ homes, and one was held in the retailer’s normal, ‘permanent’ store. The duration of the interviews range from thirty-five to fifty-five minutes.

Two pilot interviews were conducted in order to discover possible kinks in the interview structure and to fine-tune the questions. The main result of these interviews was that the explanatory texts accompanying the interview protocols, initially intended to help guide the interviewer through the interview, in fact turned out to be a distraction. As the interviewer became more comfortable with the interview material, these texts were removed and the interviews progressed more smoothly as a result.

All of the interviews were recorded with an iPhone and subsequently transcribed; transcription proved essential in the analysis phase.

3.6 Analysis

The analysis of the interviews was done by hand, which is to say that the research did not make use of coding software such as NVivo; the steep learning curve associated with the use of such software was deemed to be a costly misallocation of valuable time. Instead, a separate text document was created for each interview question, into which all of the corresponding answers were placed. These documents were then printed after which coding was conducted by hand.

Chapter 4 : Results

4.1 Introduction

This chapter discusses the results of the analysis of the empirical data collection that, in Chapter 5, will culminate in an answer to the main research question.

The interview questions were based on the results of the literature study, specifically the various aspects of market and operative factors. As such, the themes discussed covered the quantity and quality of consumers, the spatial proximity of complementary retailers and competitors, and the costs involved in pop-up retail in Amsterdam. The questions posed to each set of respondents can be found in Appendices C and D.

Section 4.1 encompasses market factors and Section 4.3 the operative factors, together covering the results to Sub-question One; each section starts with the results of the retail expert interviews followed by those from the pop-up retailer interviews. Subsequently, behavioral aspects (Sub-question Two) will be discussed in Section 4.4 and institutional control (Sub-question Three) in Section 4.5. The chapter ends with a conclusion in Section 4.6.

4.2 Market factors

Market factors were broken down into three categories: [1] consumers, [2] complementary facilities, and [3] competitors.

4.2.1 Market factors relating to consumers

Pop-up fashion retailers were expected to take into account market factors relating to consumers, which entail the quantity and quality of the consumers in a potential market area. There must not only be a sufficient number of shoppers within an area; the shoppers must also be willing and able to spend money in the store.

The experts were asked whether pop-up retailers take the following aspects into account when making a location decision: population density; residential location of the target audience; demographic structure; purchasing habits, and purchasing power of the surrounding consumer body.

The experts agreed that, of the three sets of market factors, pop-up fashion retailers value those relating to consumers the highest. However, the experts did not believe that pop-up

fashion retailers explicitly pay much attention to the factors listed above. One respondent believed that, while choosing an arbitrary location and waiting for your customers to come to you is an unsound strategy, he didn't consider pop-up retailers to really have much interest in extensive research into the population characteristics of an area (Respondent 2, male, age 44, director of retail). The other respondents agreed, stating that the search for a location happens on a very basic level, with retailers primarily desiring the popular, A-locations in Amsterdam:

“They want the A-locations for the spontaneous store visits. Because when it’s a shopping street, the people that walk by are already in a shopping mood. They won’t be surprised by a new store, but they will be surprised by a new store that’s different from the rest! The shopper’s curiosity lures him in and that may lead to him becoming a new customer.”

Respondent 1, female, age 35, pop-up matchmaker

Many pop-up fashion retailers prefer to locate in the hip and trendy areas of the city, such as the Negen Straatjes and the rest of the Grachtengordel (Canal District) and De Pijp. Other areas of the city that are up-and-coming, such as Oud-West, Oost, and Noord were also mentioned as places where retailers are increasingly choosing to locate because the shopper profile is, in their eyes, improving in those areas. In response to a question regarding the manner in which entrepreneurs search for locations, one of the respondents answered that, “they bike through the city, and when they see an empty retail space, they say, ‘Oh I saw something, I really liked it’. They approach the process at a very basic level (Respondent 3, female, age 52, pop-up matchmaker).”

However, when asked about the extent to which pop-up retailers take the effect of the distance from consumers on store attraction into account, the experts recognized the importance for pop-up stores of locating where the target audience lives (and thus is prone to shop); they agreed that pop-up retailers strive to locate in areas that fit their profile. The experts felt that, while implicitly acknowledging the importance of locating in areas that match their target audience profile, pop-up retailers do not *explicitly* do much research into the factors that constitute consumer quality. Indeed, as one of the experts explained:

“It [market research] doesn’t interest them. You see, most of them – and I’m talking about young people who want to open up a pop-up store – really romanticize it. They think it’d be fun to open a store, with the emphasis being on fun. They are far less interested in marketing, research, and so on.”

Respondent 3, female, age 52, pop-up matchmaker

Population density

The pop-up fashion retailers were asked whether they take the population density of the area into account when making a location decision.

Five of the thirteen retailers do, acknowledging the importance of knowing that there will be enough consumers around to make a pop-up store viable. One of the respondents revealed that, “because I have lower prices, I need a lot of visitors. I can’t just locate somewhere where only three people walk by per day (Respondent 8, female, age 44, women’s fashion).”

However, eight respondents said that they do *not* take population density into account. Five of them stated that, although they acknowledge that more people in the area may equate to more customers, they don’t really pay any attention to population density during when choosing a location; the other three explained that the quality of the consumers in the area is much more important than the quantity. One of the respondents in the latter group explained that, while realizing that population density is important, as well as knowing which areas of the city are up-and-coming such as the Javastraat and Oud-West, one often has very little time to dwell on a decision; if *you* don’t take the space, there’ll always be someone else who *will* eagerly take the risk (Respondent 12, male, age 28, menswear).

An interesting point that came up in three of the interviews was that it is often unclear to retailers whether a location enjoys a high amount of traffic because it has a high population density or because it simply attracts a lot of visitors. For example, one respondent mentioned the importance of tourists:

“Of course you don’t only have the people who live here, but also tourists... The Onedayshop is much more interesting [than Jordaan Pop-Up, which is located in a quiet side-street] because the tourists walk out of the Nieuwendijk and onto the Haarlemmerdijk and Haarlemmerstraat. People are going to wander around a bit, just like in the Negen Straatjes.”

Respondent 9, female, age 26, high-end lingerie

However, another respondent revealed that, “you just know that there’s enough people in De Jordaan or the Haarlemmerstraat, but I don’t know if that has to do with the number of people living there or the number of visitors (Respondent 5, male, age 22, menswear).” Thus the question here is whether shoppers are attracted to high-density areas because these areas already support a large consumer base and thus are home to many stores, or if high-traffic areas attract visitors for other reasons.

In sum, population density doesn't play a significant role in the location decisions of the majority of the respondents, either because the quality of consumers is more important than the quantity, or because they simply don't take it into account. An explanation could lie in the fact that most pop-up retailers don't have the time to research an area before choosing to locate there. Also, the question remains whether high-density areas attract a lot of visitors because of the large number of stores or if visitors are attracted to those areas for other reasons.

Residential location of the target audience

The pop-up retailers were asked whether the residential location of their target audience influences their location decisions.

About one-third of the thirteen respondents revealed that they actively take it into account. While having no business in certain (peripheral) areas of the city such as Nieuw-West or Zuidoost, the Center and the older, surrounding neighborhoods are very attractive to them because that's where their target audience tends to live (Respondent 5, male, age 22, menswear). Conversely, one respondent stated that attracting consumers that are normally *outside* of the target audience is a major factor in her location decision. As her pop-up store is used mainly as a way to get rid of overstock, "the lower prices and the fact that they can just rummage in the bins," attracts new customers (Respondent 9, female, age 26, high-end lingerie).

In general, however, the respondents appeared to be somewhere in the middle of the spectrum. Most of them acknowledged the importance of locating near their target audience while not explicitly taking it into account when making location decisions. The primary reason is the fact that pop-up retailers simply don't have many options when it comes to choosing a retail space, as was mentioned by nine respondents. These nine respondents all stated that, given more freedom of choice between retail locations, the proximity of the target audience would be an important factor. Instead, the best option is often to take the space and do one's best to attract one's target audience:

"This is an awesome location for us. You're right in the middle of a bunch of families, De Hallen are nearby, so with regards to our target audience this location is perfect. But at our previous location, we weren't really surrounded by our target audience, but it was still a success. So I feel like... we've chosen a target audience, and through organizing events, our reputation, and our personal networks, we attract that audience to us."

Respondent 7, female, age 32, mixed fashion

Another interesting result was that, again, the importance of both domestic and international tourists was highlighted. The perceived importance of tourism for the success of a pop-up fashion store will also be touched upon further in following sections.

On the whole, it appears again that while many pop-up fashion retailers recognize the importance of locating near their target audience, the lack of freedom of choice regarding retail spaces appears to be hampering their ability to research the factors that they deem important.

Demographic structure

The pop-up retailers were asked if they take the demographic structure of the area into account.

It turned out that none of the respondents research the demographic structures of the market areas of potential retail locations, which however is not to say that they don't attach any value to it. In fact, three-quarters of the retailers were able to accurately sketch their ideal target demographic. Nevertheless, as indicated earlier, few pop-up retailers are interested in doing market research, instead tending to rely on their own experience or intuition:

“We don't really do much research on that. We've lived in Amsterdam for about four or five years now, so we pretty much know who comes where... For the rest we don't really specifically research who lives where.”

Respondent 5, male, age 22, menswear

This lack of interest in (detailed) market research appears to be indicative of how many pop-up fashion retailers approach their location decisions. A link can easily be made to the satisficing behavior discussed in Section 2.4 (Behavioral theory), as many pop-up fashion retailers appear to be unconcerned with finding the 'perfect' location. As such, ... Section 4.4.

Purchasing habits

The pop-up retailers were asked if they take the purchasing habits of the consumers in the area into account.

While four of the thirteen respondents stated that they simply aren't interested in this factor, the remaining nine indicated that they do try to pay attention to purchasing habits by observing the opening times of the surrounding stores, figuring out where people drink their coffee or do their groceries, and so on. One respondent mentioned the fact that people often choose to take her street because it's 'fun' and it's on a route to surrounding amenities like a Starbucks and the ever-popular Gerard Douplein (Respondent 8, female, age 44, women's

fashion). Similarly, two respondents declared that the mood that shoppers are in is an important factor:

“In the Negen Straatjes people just walk very calmly, checking out the different shop windows. That generates a lot of awareness for your store.”

Respondent 16, male, age 24, mixed fashion

The importance of tourists was highlighted again, this time being mentioned by four respondents. They appeared to feel that tourists, who come to the city ready to discover new things, are more alert to their surroundings than locals who may be rushing to their destination.

With regards to the effect of distance on consumers' predisposition to visit a store, all of the retailers indicated that this is a major factor in the location decision-making process. Explaining that their brands or stores don't yet enjoy enough recognition to just locate anywhere, two-thirds of the respondents mentioned that people shouldn't be required to spend too much time or energy in getting to the store:

“I think it really should be in walking distance from the center, from the core, you know? So from places like the Kalverstraat, De Dam, and so on. People shouldn't have to spend too much effort.”

Respondent 11, female, age 42, women's fashion

Here a link can be made to the effect of distance from other stores or facilities on the travel costs and time for consumers, thus reducing consumers' perceived risk as discussed in Section 2.3.1. This will be touched upon further in the sections regarding market factors relating to complementary facilities and to competitors (Sections 4.2.2 and 4.2.3, respectively).

The areas that retailers revealed they were interested in locating in were the Center, De Jordaan, West, Javastraat, De Pijp, and Zuid. Conversely, retailers don't see peripheral areas like Zuidoost, Bos en Lommer, or Nieuw-West as viable options. This corresponds with what the experts explained, namely that pop-up retailers prefer to locate in hip and trendy neighborhoods that aren't too far from the center:

“You know, it's a logical border. I don't have a clear, hard border but it needs to be reasonably close to the Center of course. It needs to be an A- or B-location instead of a C-location.”

Respondent 7, female, age 32, mixed fashion

Thus most pop-up fashion retailers in Amsterdam tend to take the purchasing habits of the surrounding consumer body into account when choosing a location. All of the respondents considered the effect of the distance from Amsterdam's urban core an essential aspect of the location decision. Also, the mood that shoppers are in appears to be an important factor as people shouldn't be rushing to a destination. In this respect, tourists are also valued highly by some retailers.

Purchasing power

The retailers were asked whether they take the purchasing power of the consumers in the area into account with regards to their location decisions.

Eight respondents said that they weren't interested in this factor although most of them were unable to explain why; only one was able to justify her lack of interest. She explained that the pop-up store is a way to get rid of overstock for low prices, thus rendering purchasing power irrelevant.

However, four respondents did advocate the importance of sufficient purchasing power of the surrounding consumer body, as the brands they carry require a certain level of disposable income. As one of these four explained:

"[The Haarlemmerdijk] is a good neighborhood with people with lots of money and I feel that, given the brands we sell, we need people with money to spend. So yeah, that's something that plays a role."

Respondent 10, male, age 25, menswear

The remaining respondent mentioned the fact that she had a tough time attracting customers to her store while the surrounding stores were still empty. However, once those spaces were filled with "great" stores, people started choosing to take her street more often (Respondent 8, female, age 44, women's fashion). Here a link can be made to the added value of the proximity of complementary and/or competing retailers, which will be discussed in further detail later on (Sections 4.2.2 and 4.2.3).

So, purchasing power appears to be an important factor only for those retailers carrying high-order brands that require a certain degree of purchasing power; those selling low(er)-order goods don't take this factor into account.

All in all, as predicted by the retail experts, pop-up fashion retailers value market factors relating to consumers the highest among the three categories. Purchasing habits – specifically the distance that consumers are willing to travel – appears to be the most important of the five

aspects as consumers can't be expected to travel too far to reach the store. The residential location of the target audience and the population density demographic structure, and purchasing power of a potential market area play a role only insofar as the scarcity of available retail spaces allows. In other words, while generally acknowledging the importance of these factors, the lack of time and resources restricts pop-up fashion retailers' ability to research them beforehand.

4.2.2 Market factors relating to complementary facilities

Market factors relating to complementary facilities were seen as consisting of four elements. First, the co-location of complementary retailers can increase retail attraction. Second, locating near non-retail establishments that attract large numbers of people can also be expected to increase the number of potential customers. Third, the proximity of magnet stores was expected to be a significant factor as these stores will have a much greater catchment area than most pop-up fashion stores. Fourth, an area's reputation was also expected to be important as the positive connotations that consumers attach to an area – as a result of the concentration of many diverse yet complementary activities, for example – can be expected to induce pop-up fashion retailers to locate there. Conversely, a poor reputation was expected to dissuade retailers from popping-up in a given area.

On the whole, the experts believed that the area's reputation is the most important factor as it encompasses the other three; the spatial concentration of complementary retailers and the presence of popular non-retail establishments and magnet stores were seen as determinants of an area's reputation. Pop-up fashion stores were believed to have little chance of success if the surrounding facilities aren't the right fit; an area's reputation, whether good or poor, needs to match the image that the store portrays.

Similarly, the location of magnet stores, while being a tremendous source of traffic, also won't necessarily induce pop-up retailers to locate in a certain area. In fact, the proximity of magnet stores may even be seen as a deterrent, for two reasons. On the one hand the costs associated with high-traffic locations means that pop-up retailers will, "never get the chance to locate near a magnet store, because everyone wants to locate there and they *are* prepared to pay high rents (Respondent 2, male, age 44, director of retail)." On the other hand the consumers attracted to high-traffic, magnet store-locations may not fit the pop-up store's profile. Indeed, the experts agreed that many pop-up fashion retailers don't even *want* to locate near an H&M, preferring to be around likeminded retailers that attract likeminded consumers:

“Take the Kalverstraat. Imagine you’re a brand that targets an audience that doesn’t go there, like hipsters for example. Well, you can rent an expensive location there – a really expensive, really busy location – where lots of shoppers will walk by that aren’t interested in your store, and your target audience – the hipsters – think, ‘Oh no, not the Kalverstraat!’”

Respondent 1, female, age 35, pop-up matchmaker

However, when high-order complementary facilities cluster together, an area’s reputation may also be *too* good for a pop-up store:

“[The Utrechtsestraat] is a well-known shopping street, with a certain type of brands of a certain price level. It has a very clearly defined target audience. That wasn’t planned; it just developed organically. That group of brands has gathered there, so people who enjoy quality food, fashion, or design products know that that’s the place to be. A vintage pop-up store probably won’t receive much traffic there, but...”

When the area and the store *are* a good match...

“...a young entrepreneur who’s just made a name for herself in the Linda or the Elle [lifestyle magazines] and decides to pop-up in that kind of street... In one week or one month she’ll expand her network so much that the investment will be worth it.”

Respondent 1, female, age 35, pop-up matchmaker

The experts considered the presence of popular non-retail establishments to be a valuable asset to pop-up stores, yet not one that pop-up fashion retailers regularly consider. For example, two of the respondents heralded the potential benefits to be enjoyed by a pop-up store located in or near a commercial district such as the Zuidas. A high-end men’s fashion pop-up store could potentially enjoy a tremendous amount of traffic there, perhaps even more traffic than at other locations (Respondent 2, male, age 44, director of retail); however, such benefits are often lost on pop-up retailers.

Complementary retailers

The pop-up retailers were asked whether they take the proximity of complementary retailers into account when making location decisions. Two-thirds of the retailers said that they value the proximity of complementary retailers, with seven of them noting that the Haarlemmerdijk is an attractive place to locate as it is starting to make a name for itself as a concentration of hip boutique stores. Asked why he chose to open a pop-up store on the Haarlemmerdijk, one respondent explained that, “it’s a street with exceptional stores, not just one big store but a lot

of small ones that attract a lot of people (Respondent 14, male, 29, menswear).” Similarly, another respondent noted that she, “relies more on the boutique stores than on the ‘commercial’ stores (Respondent 15, female, age 27, women’s fashion),” while the two remaining respondents aimed to take advantage of the foot-traffic that areas with many complementary retailers attract, as, “most people don’t know that we have a pop-up store there, so we need a lot of pedestrians to walk by (Respondent 10, male, age 25, menswear).”

These responses seem to indicate that the type of behavior that shoppers display in an area is important to pop-up retailers; people need to be in the mood to discover new things. This links back to the emphasis placed by the retailers on consumers’ purchasing habits (Section 4.2.1).

The other third of the retailers stated that they don’t take complementary retailers into account when making a location decision. Two of them revealed that it is more important to just have a lot of traffic in general, regardless of its source, as demonstrated by the following example:

“I think what is really important is to just have traffic, to just have lots of people walking in your street. Like the Intertoys [toy store]... [or] near a HEMA [discount retail chain], those are just really good locations, even though they aren’t complementary to what we do.”

Respondent 7, female, age 32, mixed fashion

One respondent went so far as to admit no knowledge of the complementary retailers nearby before she opened her pop-up store.

Thus it appears that most pop-up fashion retailers take the proximity of complementary retailers into account when making location decisions as their spatial concentration helps to attract specific types of customers. The spatial concentration of complementary facilities can also generate a large amount of traffic, which is important for retailers whose stores are relatively unknown. However, a few retailers don’t take complementary retailers into account at all, instead looking at traffic as a whole rather than attempting to discern its source.

Non-retail establishments

Pop-up retailers were asked if they prefer to locate near popular non-retail establishments in order to benefit from the traffic they can generate.

All thirteen retailers revealed that they recognized the benefits of locating near popular non-retail establishments, although nine of them disclosed that this factor ultimately doesn’t impact their location decisions. However, seven of these nine explained that, hypothetically,

they would locate near such establishments if the consumers they attract matches the store's target audience; two said that they would locate in close proximity regardless of the type of consumers.

The four remaining four retailers stated that they don't like locating near popular non-retail establishments whatsoever because people hurrying from A to B are not in the right frame of mind to visit their pop-up store. For example:

"An optician isn't a place people that people tend to just wander into... And if you open a store in a street where people are rushing from A to B, they'll be even less inclined to visit a store that doesn't really fit the mold..."

Respondent 4, female, age 28, eyewear

This division is similar to that which appeared in the results to the previous question; the preference for locating near popular non-retail establishments seems to depend on the retailer's objective and the type of audience he is attempting to reach.

So, while recognizing the benefits of the proximity of popular non-retail establishments, many pop-up fashion retailers will only hypothetically let this factor influence their location decisions. Again a link can be made back to consumers' purchasing habits as shoppers need to be in the mood to walk into a new store and discover new things.

Magnet stores

The pop-up retailers were asked if the proximity of magnet stores influences their location decisions.

As the experts had predicted, most (eight) of the retailers prefer *not* to locate near magnet stores. Retailers targeting a hip audience, for example, stated that streets that are home to magnet stores attract a type of customer that generally won't be attracted to their store. Also, the customers that they *do* want to attract are repelled by the thought of visiting those kinds of shopping areas:

"We could locate in the Kalverstraat, but that's not the image that we want to portray, and honestly it doesn't attract the kind of people that we want to attract."

Respondent 4, female, age 28, eyewear

“I think that an H&M or a ZARA... it really isn't our target audience. We're a bit more niche and more expensive than that... If you compare the Haarlemmerdijk and the Kalverstraat, the Haarlemmerdijk is much more niche, much more specific. So we feel that that will work better for us.”

Respondent 15, female, age 27, women's fashion

Similarly, one retailer who sold mainly Fair Trade and recycled products explained that the people attracted to large chain retailers often aren't interested in the products she has on offer. The same respondent also mentioned a disadvantage of being located near a busy Albert Heijn supermarket, explaining that people often rush by her store too quickly.

On the other hand, four respondents revealed that they *would* like to locate near magnet stores, for several reasons. Two respondents explained that the fact that they serve a broader, more general audience means that they don't mind locating near lowbrow retailers; in fact they see the traffic generated by these stores as an advantage. Another respondent, who opened a pop-up store to promote an Australian surf- and skate apparel company attempting to gain a foothold in the European market, stated that while magnet stores may not attract the specific target audience he is after, the sheer number of people they do attract inevitably leads to more customers. Similarly, the remaining respondent revealed that, although it's nice to locate near magnet stores, it's generally important to just have a lot of shoppers walking around. In other words, it's the bigger picture that matters in her location decisions:

“You know, as long as it's on this street, I think we always would have done it, regardless of whether or not that Intertoys [toy store] is here. You know, that's nice, but there's also a Dirk [supermarket] here, and that's also really cool. So you just know there's going to be a lot of people walking around. On Saturdays this is a really busy shopping street. You just know that. So it's more general than any specific store.”

Respondent 7, female, age 32, mixed fashion

It appears that the retailers who prefer to steer clear of magnet stores and the corresponding type of consumer are, again, attempting to target more niche markets based on consumers that pay attention to detail. However, if the retailer is attempting to reach the masses in order to promote a new brand or to get rid of overstock, for example, then locating near a magnet store *is* preferable.

Area reputation

The pop-up retailers were asked if an area's reputation for quality products or the variety of activities on offer plays a role in their location decisions.

All of the respondents claimed that an area's reputation is a factor they pay attention to during the location decision-making process, whether that be in a positive or a negative sense. Two respondents explained that an area's reputation is an important factor in consumers' decision to shop somewhere or not and thus is a determinant of the amount of traffic it receives:

"At the moment, [the reputations of the Negen Straatjes and De Pijp] are really being compared. And people are already starting to consider the Negen Straatjes too commercial... and so [De Pijp] is really 'the find' at the moment, especially because so many great stores have opened up here now."

Respondent 8, female, age 44, women's fashion

Similarly, six respondents explained that the Haarlemmerdijk's reputation for hip boutique stores was an important reason for popping-up there.

On the other hand, one respondent stated that the amount of traffic a location receives is more important than the area's reputation:

"I'd say that, if we could pop-up on the Javastraat, which doesn't really have a good reputation yet, we'd rather do it there than in a side-street in De Jordaan. Because a side street in De Jordaan just doesn't have enough traffic while the Javastraat does. So of course it's important that the neighborhood has a good reputation, but the reputation's worthless if there's no shoppers."

Respondent 6, male, age 25, menswear

The extent to which the reputation actually plays a part in the location decision also depends on whether the amount of traffic an area receives justifies the higher rent and smaller floor space:

"At the end of the day it's all interrelated. If you open a store in the Negen Straatjes, you know there's going to be a lot of traffic. That's all well and good, but that'll be reflected in the rent and the size of the store. And then you have to decide, can you – with a much smaller space and a much higher rent – still show your whole collection, which is a major attraction for a lot of people, or not? If not, the location will be a lot less interesting."

Respondent 4, female, age 28, eyewear

Thus it can be said that an area's reputation plays an important role in the location decisions of pop-up fashion retailers in Amsterdam, although not always to the same degree or in the same manner. The reputation can either attract retailers (i.e., the Haarlemmerdijk) or repel

them when an area is starting to become ‘too commercial’ (i.e., the Negen Straatjes). Also, the costs associated with areas with excellent reputations, as alluded to in the quote above (Respondent 4), may also influence the location decision. The extent to which this is the case will be dealt with in further detail in Section 4.3 (Operative factors).

All in all, the area’s reputation is the most important of the four market factors relating to complementary facilities as it comprises the other three (complementary retailers, non-retail establishments and magnet stores). Pop-up fashion retailers acknowledge that it’s important to locate in an area that attracts consumers that fit their target profile. For this reason, niche retailers tend to want to avoid popular non-retail establishments and magnet stores as they attract the ‘wrong’ type of consumer; retailers targeting the masses *do* prefer to locate near them in order to benefit from the traffic they generate.

4.2.3 Market factors relating to competitors

Market factors relating to competitors are concerned with overlapping market areas and, thus, sharing consumer demand. The spatial concentration of competing stores has both advantages and disadvantages. On the positive side, agglomeration can reduce consumers’ perceived risk as it facilitates searching and comparing similar products without significantly increasing travels costs or -time. On the negative side however, the location of new competitors may be lost on consumers when the number of competitors within the market area passes a certain threshold.

Overall, the retail experts agreed that pop-up fashion retailers rarely assess a location in relation to competitors as they have little interest in the (dis)advantages of agglomeration. As one respondent put it:

“They don’t really think in terms of competition. It’s funny; it surprises me every time that they pay so little attention to it. They are really focused on themselves and, in that sense, not on the competition.”

Respondent 3, female, age 52, pop-up matchmaker

However, this has everything to do with the entrepreneur’s experience level as the more experienced ones *do* tend to focus on competition. Indeed, there seem to be a lot of ‘fortune-seekers’ who let their emotions drive their decision-making (Respondent 2, male, age 44, director of retail). Also with regards to inexperienced retailers:

“Working with starters costs a lot of energy. They often have really great ideas – there’s no shortage of those – but that’s not to say that every idea is feasible. So that’s what I try to communicate to them. ‘Do you have a business plan? Have you thought about finances?’ and so forth. Well then you notice that those things are generally lacking, and then I give them some homework and say, ‘if you go and do this, this, and this, and you’re a few steps further, then we can always have another talk. But at the moment there’s just not enough I can do for you. You’re just not far along enough, and there’s no way I can present this to a retail property owner’.”

Respondent 3, female, age 52, pop-up matchmaker

However, two respondents also pointed out that market research costs time and money, two resources that many pop-up retailers do not have in abundance.

Proximity of competitors

The pop-up retailers were asked if they take the proximity of competitors into account when making location decisions.

None of the retailers said that they place an emphasis on this factor during the decision-making process. Five respondents revealed that they simply weren't interested in it, with three of them admitting that they had no idea who or what was located in the area before opening their store there; they just took the space because it was available, without asking too many questions. Another three respondents explained that, although there may be competitors nearby, you should just do your own thing:

"We're a webshop and so offline there's going to be stores that sell the same brands. Amsterdam is quite full when it comes to stores; every area of the city has a few that sell similar brands. But we've also noticed that, even if you sell the same brands, every store has its own style and attracts a different audience. So yeah, we won't open up next to a competitor, but if it's one or two streets away that won't deter us from doing it."

Respondent 5, male, age 22, menswear

Two respondents claimed that their concepts were sufficiently unique to make it difficult to determine who their competitors are. This, in turn, makes it difficult to take the location of competitors into account when making a location decision.

(Dis)Advantages of agglomeration

The pop-up retailers were asked if they are aware of and/or interested in the (dis)advantages of locating near similar stores.

Interestingly, all of the respondents considered the proximity of competitors to be an advantage, explaining (in perfect correspondence with retail location theory discussed in Section 2.3.3) that clustering together helps attract more traffic because people are able to search and compare between similar stores. In other words, it reduces consumers' perceived risk:

"I think [agglomeration] is an advantage, because you reinforce each other because people know they can come to a certain area to find unique items. I think that if you're the only 'special store' in a certain area, and people have to go out of their way to get to your store, you'll probably get fewer customers."

Respondent 10, male, age 25, menswear

Two respondents stated that while they felt that agglomeration provided advantages, the retail experience gained by popping-up is more important than the profit it may yield. In other words, sales are important but the experience gained by running a store is even more valuable:

"The goal is to make sales, but the goal is also to acquire knowledge through the pop-up store; to learn more about your products and your company, becoming more experienced and knowing how retail works... Pop-up is a learning process... so yeah, of course sales are important, but for me it's even more important to learn about the market by being able to try out so many different parts of the city. In one year I've already tried out three locations. Isn't that fantastic?"

Respondent 7, female, age 32, mixed fashion

In sum, although pop-up fashion retailers tend to see the co-location of competitors as advantageous, they do not take this last set of market factors into account during the location decision-making process. Indeed, when asked about the extent to which they play a role, all of the respondents explained that they don't really think about it when choosing a location.

4.3 Operative factors

As demonstrated in Section 2.3, pop-up retailers were expected to weigh store attraction (market factors) against the costs involved in opening and operating a store at that location (operative factors). It was expected that high costs will negatively impact the chance that a fashion retailer will pop-up at a given location. Respondents were thus asked questions regarding the nature of opening- and operating costs as well as the extent to which these influence their location decisions.

According to the retail experts, the costs involved in opening a pop-up store depend on the type of space. When renting an empty space, for example, retailers are required to spend time and money to prepare it for retail, which may include (re)painting the walls, laying in a new floor, renting and/or buying furniture and displays, and so forth. The more time and money required to prepare a site for retail, the less likely starters are to rent it.

It is for this reason that so-called pop-up spaces appear to be very popular among starters (Respondent 1, female, age 35, pop-up matchmaker). These ready-to-use pop-up stores, such as the Onedayshop (Haarlemmerdijk), Berenstraat24 (the Negen Straatjes), and Jordaan Pop Up (De Jordaan), contain all the necessary displays, store fixtures and other facilities that fashion retailers require. This makes popping-up considerably more viable as entrepreneurs aren't required to spend as much time and money as they would when attempting to transform an otherwise empty shell into a retail space. However, these types of spaces also come with stricter rules regarding what can and can't be done; there is less creative freedom.

With regards to operating costs, pop-up fashion stores have many of the same costs as traditional stores, such as rent, wages, service costs, and purchasing inventory. However, as pop-up retailers often have to compete with traditional, more well-endowed retailers for the same spaces, pop-up stores are often forced to locate in areas with prolonged bouts of vacancy where rents are lower (Respondent 2, male, age 44, director of retail). A-locations like the Negen Straatjes or the Haarlemmerdijk are really only accessible when making use of pop-up spaces like the Onedayshop (Respondent 3, female, age 52, pop-up matchmaker).

The retail experts felt that the extent to which pop-up fashion retailers in Amsterdam take operative factors into account when making a location decision depends on the retailer's level of experience. On the one hand, for retailers who are just starting out, costs are all-important; while not lacking in creativity or ideas, they have very little money to spare. This does not prevent them from wanting to locate in A-locations however, as the experts agreed that pop-up retail is often romanticized and that the amount of effort and responsibility involved is hence often underestimated. While co-operation between multiple starters makes more possible through the pooling of resources, this requires a change of mindset on the part of the retailer, which can prove to be a daunting task (Respondent 1, female, age 35, pop-up matchmaker). Additionally, as mentioned earlier, the more time and money required to prepare a space for retail, the less inclined starters are to rent it. As one of the experts put it:

“They often have some stuff in storage that they want to use. And then they get to work with some friends to freshen up the place. A lick of paint here, a lick of paint there, and that’s about it. I have to say that some of them are really creative, and that goes well, but really spend money on it? No, that rarely happens.”

Respondent 3, female, age 52, pop-up matchmaker

Additionally, the reality of the situation is that, while there is vacancy in Amsterdam, it’s not so pressing that property managers or owners will just hand out retail spaces to anyone who comes calling. The pop-up market, which is still young and needs to develop (Respondent 1, female, age 35, pop-up matchmaker), is not immune to the pressures of the traditional rental market. Property owners and brokers still tend to think in terms of long-term contracts, as short-term contracts, “require a lot more work and is a completely different way of approaching the market (Respondent 3, female, age 52, pop-up matchmaker).” Also, rather than renting out a space for much less than its market value, property owners tend to prefer to keep a vacant space on the books in the hope that a long-term tenant will show up (Respondent 2, male, age 44, director of retail).

Moreover, the extent to which pop-up retail adds value to retail spaces depends on one’s point of view:

“Imagine you open a pop-up store and the walls are kind of dirty and you think, ‘My pop-up store needs to stand out, I’m going to paint it pink.’ And so you put in the work, everyone’s helped out, you put in the money and bought a nice pink paint that perfectly matches your logo and the image you want to portray with your store. Except the landlord and the real estate agent... their jaws are going to drop and they’ll think, ‘Oh my God, what now?’ Because when they invite a potential tenant to have a look, he won’t be able to see beyond the pink walls. He’ll only see problems. And when the pop-up retailer leaves, he’ll say, ‘But the value’s been increased now, right? The walls have finally been painted!’ Well one can argue about that. But who’s left with the damage? So there are some nuances that need to be considered.”

Respondent 1, female, age 35, pop-up matchmaker

Furthermore, many pop-up retailers simply can’t afford to spend the time required for market research:

“Pop-up is short and sweet. They might do the research, but whether or not it determines the location choice or not... there’s just not enough time. Because if you take too much time to make a decision, some other pop-upper or maybe a long-term tenant will grab the space, and then it’s gone.”

Respondent 1, female, age 35, pop-up matchmaker

4.3.1 Opening costs

Pop-up retailers were asked about the nature of the costs involved in opening a pop-up fashion store in Amsterdam. As foreseen on the basis of the expert interviews, opening costs depend on whether the location in question is a relatively empty shell or a pop-up space.

Four of the respondents had rented empty spaces for at least one of their pop-up stores. This required them to physically prepare the space, such as painting the walls and building their own displays and other store fixtures; one of these respondents also removed the plasterboard ceiling. In all four cases, the respondents were seeking a minimalistic look that required relatively little work. However, as one respondent explained:

“Usually [the store fixtures] are provided. Unless you’re a big brand and you pop-up for a month, in which case you’d build everything, but smaller pop-up stores don’t do that.”

Respondent 6, male, age 25, menswear

Indeed, the other nine retailers had rented a pop-up space for their pop-up stores. In these cases, the opening costs were negligible: “You just throw everything inside and you can get started. And you’re gone in no time as well, so [the Onedayshop is] just a really great location (Respondent 9, female, age 26, high-end lingerie).”

For seven retailers, most or all of their inventory was on consignment basis, considerably diminishing the costs involved in purchasing inventory.

The four retailers who held launch events to celebrate the opening of their pop-up stores explained that these mostly only require a time-investment; the drinks are sponsored and the DJ’s are usually friends who perform for free.

4.3.2 Operating costs

Pop-up retailers were asked about the nature of the costs involved in operating a pop-up fashion store in Amsterdam. In contrast to personnel costs being the largest operating cost for traditional stores, rent constituted the largest portion of the operating costs for most of the

respondents. Indeed, as eleven of the respondents were self-employed, their personnel costs were low or even non-existent. Only one retailer had a part-time employee, while another shared shifts with his brother and girlfriend. Other respondents used more unconventional methods to cover the operating costs, such as renting out one of the walls to a photographer.

Other operating costs included promotion costs (e.g., via social media), an Internet connection and the payment provider. Two of the respondents didn't live in Amsterdam and thus also had to take travel costs into account.

4.3.3 Extent of influence of operative factors

Finally, pop-up retailers were asked about the extent to which operative factors influence their location decisions. As was expected on the basis of the retail expert interviews, the retailers considered costs to be the major determinant in their location decisions, although not all to the same extent.

Almost all of the respondents stated that their pop-up stores served primarily as a marketing tool to increase brand awareness. For five of these respondents this involved providing customers with a face to an otherwise online entity; the others were offline retailers who merely wanted to attract new customers. The desire to use a pop-up store as a marketing tool holds that not just any space will do, "as it's not a dump store where we're just focused on sales, sales, sales and don't care what the store looks like (Respondent 5, male, age 22, menswear)." However, as long as the space is relatively easy to turn into something attractive, it often doesn't matter that it's otherwise barren although spaces are difficult to come by:

"It would be ideal for us to rent a space that'd otherwise just remain vacant, as long as it has the look that we're going for. Our space at [Hotel] Droog is beautiful, but it's really just a concrete floor and all the rest is white. So it's not like we have a lot of demands... but those kinds of spaces are really hard to find! More often than not, locations have been completely stripped, and so if you have to invest five thousand euro's for two or three months, yeah then it's no longer an option."

Respondent 4, female, age 28, eyewear

The focus on the marketing benefits of the pop-up store also means that many retailers are prepared to lose money in-store, as long as the improved brand awareness and subsequent increase in online sales evens it out. For these retailers, the store's value lies in the marketing benefits it provides in giving one's products a push and getting one's name out there:

Interviewer: “Do you see pop-up retail as a way to make money or more as a marketing tool?”

Respondent 16: “Both... but more for marketing. You have a chat with everyone who enters your store, and you tell them why we’re here and the story behind the brand. In order to really make people aware of the brand and to have face-to-face contact with the customer.”

Respondent 16, male, age 24, mixed fashion

All of the respondents agreed that costs are the top priority when making a location decision, with four stating that a costs-benefits analysis is the only kind of research they do beforehand:

Interviewer: “To what extent would costs determine your location decision?”

Respondent 11: “Everything.”

Interviewer: “Costs are all-important?”

Respondent 11: “Yeah, because otherwise you just can’t afford it.”

Respondent 11, female, age 42, women’s fashion

In short, operative factors are all-important for pop-up fashion retailers; ultimately, the ability to pay for a space is the only thing that matters. Indeed, costs are all-important for starting retailers, so while not lacking in creativity, they often don’t have the resources to bring their ideas to fruition. The more time and money that is required to prepare a location for retail, the less inclined they’ll be to rent it. It is for this reason that pop-up spaces such as the Onedayshop are popular among this group of retailers as the setup times are negligible. According to the experts, more experienced retailers would be able and willing to invest more in a pop-up store, as they are able to withstand larger short-term losses in anticipation of long-term profits owing to the pop-up store’s marketing benefits.

On the whole, it can be said that, of the three sets of market factors, those relating to consumers are valued most highly, specifically purchasing habits and the residential location of the target audience. Market factors relating to complementary facilities are valued insofar as they determine the type of consumer an area attracts, be it the general public or a more niche audience. Market factors relating to competitors hardly play a role as pop-up fashion retailers rarely think in terms of competition. However, the extent to which any of the market factors are allowed to register in the location decisions of pop-up fashion retailers in Amsterdam is severely restricted by the operative factors associated with a given location and by the unavailability of suitable spaces in general.

4.4 Behavioral theory

This section covers the results of Sub-question Two: *To what extent do heuristics and non-optimizing serial cognitive processes play a role in the location decisions of pop-up fashion retailers in Amsterdam?*

As discussed in Chapter 2 : and illustrated in the conceptual model (Figure 2.6, p.28), the research took neo-classical assumptions regarding location decisions – in the form of market and operative factors – as the theoretical starting point. The ‘perfect’ behavior posited by neo-classical theory was seen as subsequently being chipped away at by constraints on human behavior posited by the behavioral and institutional theories. In the case of behavioral theory, human behavior is seen as being constrained by bounded rationality, or the inescapable incompleteness of information and human beings’ inherent inability to fully process it. Additionally, retailers are believed to portray satisficing behavior, preferring to satisfy multiple objectives in lieu of maximizing a particular one.

Following Endres and Woods (2006), two aspects of behavioral theory were considered to be relevant to the location decisions of pop-up fashion retailers in Amsterdam. For one, pop-up fashion retailers use heuristics, or simplifying mechanisms, to make sense of complex realities. Heuristics enable retailers to distill those complex realities down to a level at which they *can* understand the world around them. For example, retailers might base their decisions on intuition or over-generalized information gathered through personal experience. Additionally, opportunities appear to retailers in non-optimizing serial cognitive processes, which is to say that they appear sequentially rather than all-at-once. Interwoven with these two concepts is the idea that, by definition, there is a discrepancy between reality and a retailer’s perception of it. It follows that retailers can never possess complete knowledge of a given retail opportunity, nor can they ever know of all of the available opportunities. Taken as a whole, these behavioral aspects result in sub-optimal location decisions.

4.4.1 Heuristics

To begin with, pop-up fashion retailers were expected to utilize heuristics to make sense of their complex surroundings and, subsequently, make sub-optimal location decisions.

As the retail experts explained, starters – although having no shortage of great ideas – tend to be found lacking with regards to a realistic perception of the amount of effort involved in pop-up fashion retail. They often haven’t thought about a business plan or the finances required for a successful store, making it difficult to convince a property manager or owner to rent them a space (Respondent 3, female, age 52, pop-up matchmaker). Similarly, the search

for retail location opportunities occurs at a very basic level, with retailers often just biking through Amsterdam's popular A-locations or talking to friends and family in the hope of finding a suitable space. The retailer interviews revealed that, while using varying methods to collect information regarding which spaces are available, where they are or what makes them suitable for a pop-up fashion store, all of the respondents subsequently over-generalize that information. For example, eight retailers based their perceptions of which areas of Amsterdam are appealing for pop-up retail on their own knowledge of the city (for so far as one can claim to 'know' a city):

Interviewer: "How much attention do you pay to an area's demographic structure, for instance?"

Respondent 5: "We don't research it specifically... For example, with Hutspot [a popular, trend-setting concept store] we just knew that our target audience goes there because that store just really fits in well with what we do. And De Jordaan is a hip place so we knew that our target audience would go there as well. For the rest we don't research it specifically, like trying to figure out who lives where."

Respondent 5, male, age 22, menswear

"Yeah well you kind of know, like, the Javastraat is up-and-coming so let's pop-up there. Oud-West is up-and-coming... but we don't really look into it too much."

Respondent 10, male, age 25, menswear

Four respondents revealed a preference for approaching a real estate broker when searching for a new location:

Interviewer: "You chose a location, not just because it was available but hopefully also because it had certain advantages, right?"

Respondent 7: "Well, you talk to a broker and you ask, 'What's available at the moment?' 'Well, I've got the Kinkerstraat for three months.' And then we decide, 'Do we do it or not?' But it's not like, 'Oh, can we go to the Kinkerstraat? Or can we do this or that? You don't have the luxury... at least, we don't.'"

Respondent 7, female, age 32, mixed fashion

The remaining four respondents tended to make use of friends and family rather than approach a real estate broker:

Interviewer: "How do you gather information?"

Respondent 4: "Well we've got an office full of young people that all live in Amsterdam. So that's just a really great source of information. And also just biking around, seeing where certain kinds of stores are located. What's the vibe there? Also just talking a lot with other people and other retailers, finding out about their experiences."

Respondent 4, female, age 28, eyewear

Interviewer: "Have you done a bit of research into what's available on the market?"

Respondent 16: "No."

Interviewer: "How would you approach it?"

Respondent 16: "Yeah basically just use your connections, just ask around a bit."

Interviewer: "And what about approaching a broker? Or a property owner?"

Respondent 16: "Well... I've got people in my network that I could contact if I'm looking for a new space. So I think I'd do it like that to begin with."

Respondent 16, male, age 24, mixed fashion

Similar to many pop-up fashion retailers' lack of (retail) experience, respondents' knowledge of the city was often found lacking, even with regards to areas that had repeatedly come up as appealing for pop-up retail over the course of the interviews. In response to questions regarding where in Amsterdam they would consider opening a store in the future, two respondents answered:

Interviewer: "And Oost?"

Respondent 8: "I don't know it well enough. I went to the Javastraat the other day, and I think it's becoming really cool, but I think the purchasing power's a bit lower [than in De Pijp]."

Respondent 8, female, age 44, women's fashion

Interviewer: "Did you look at [the Haarlemmerdijk] by any chance?"

Respondent 16: "No, but that's definitely a part of the city that I've rarely been too and haven't look into enough at all."

Respondent 16, male, age 24, mixed fashion

These responses indicate that an over-reliance on personal experience or information gathered from other informal sources appears to play a substantial role in many pop-up fashion retailers' location decisions. Especially striking is the fact that some retailers allow personal 'knowledge' to play such a significant role despite revealing that, either consciously or not, their knowledge often contains large gaps.

In essence, the interviews illustrated that many pop-up fashion retailers aren't interested in detailed market research, mainly focusing on the 'fun' aspect of opening a store, as explained by the retail experts. Additionally, as they rarely conduct any detailed market research, they can't possibly objectively 'know' the retail opportunities available to them. As a case in point, one respondent revealed that he and his business partners simply aren't experienced enough to take detailed factors into account:

"You see, we all have a background in Law, we don't really know that much about retail. So we just decided to do it. We make mistakes and then we do it differently the next time. So our location decisions aren't really based on much. We just do it on the basis of our intuition and our own experiences."

Respondent 14, male, age 29, menswear

4.4.2 Non-optimizing serial cognitive processes

Coupled with the fact that the real world is complex, uncertain and subject to rapid changes, opportunities appear to retailers serially or sequentially. An understanding of this notion is aided through the application of aspiration levels. If a host of satisfactory alternatives is easily generated, retailers will readjust their aspiration levels and raise their minimum requirements for a space; if such alternatives prove difficult to find however, they will lower their standards. As such, retailers will tend to disregard the optimization of a single objective (e.g., profit), instead settling for a sub-optimal (or non-optimizing), satisfactory alternative. Thus, pop-up fashion retailers, being unable to predict the future, were expected to grab sub-optimal opportunities rather than wait around for the 'perfect' one to come along.

The empirical research revealed beyond a doubt that, along with the general difficulty in finding suitable retail spaces, many pop-up fashion retailers indeed feel the weight of the complexity, uncertainty and rapid changes associated with Amsterdam's property market. Given that demand for pop-up stores is still higher than the supply (Respondent 3, female, age 52, pop-up matchmaker), many retailers find themselves are forced to make decisions quickly, for fear of missing out on a space:

"The space was available, so we took it."

Respondent 6, male, age 25, menswear

"You just don't have time to really look into it. Most of the time, when someone offers you a space, you have to choose: yes or no? You don't have time to do research."

Respondent 12, male, age 28, menswear

Indicative of the non-optimizing serial process is the fact that, as long as a site checks off a few basic boxes – which in most cases entails the ability to meet financial obligations – pop-up fashion retailers will tend to take the risk:

“If we can break even, then its fine. Absolutely.”

Respondent 7, female, age 32, mixed fashion

Interviewer: “How quickly or easily will you be satisfied with a location? Will you take it as long as it seems OK? Or do you really want to detailed research?”

Respondent 16: “In my case you’ve also got to look at the finances, of course. The lower the cost, the better. And once you’re a bit further along in your career and you’re brand’s gotten bigger you can pay more attention to the site. If I had three options to choose from right now, I’d probably go for the cheapest one. At the moment it’s just really looking at the price, and if the price’s OK then I’ll do it.

Respondent 16, male, age 24, mixed fashion

Interviewer: “Imagine you have a choice between two locations. One is exactly what you want, it’s perfect, but it’s more expensive. And the other one isn’t perfect, but you can make more money.”

Respondent 8: “I’d choose the less attractive one. I’m only interested in the revenue model. Of course, I want to have fun, but I also have to make money. I’m not a philanthropic organization.”

Respondent 8, female, age 44, women's fashion

“The first time we wanted to do a pop-up store we were approached by someone who wanted to collaborate with us. We got the chance to do it for free and pay commission over what we sold. So we thought, ‘let’s just do it’. We didn’t do any research, whatsoever. We just went along with him and we thought, ‘we’ll see what happens’. And that went so well that we rented that space a few more times, purely based on the fact that we were allowed to try it out that one time and it went well.”

Respondent 14, male, age 29, menswear

4.5 Institutional control

This section covers the results to Sub-question Three: *To what extent do institutions control the behavior of actors in Amsterdam’s retail property market?*

Having discussed the internal constraints inherent to human decision-making, the attention now turns to external forces that were also expected to influence the location decisions of

pop-up fashion retailers. Specifically, this section discusses the effects of institutional control, which, as explained in Section 2.5.2, is concerned with the manner in which institutions, “organize, encourage and diminish particular forms of thought and action (Lawrence, 2008, p.175).” Control is exercised through systemic power, or routine, taken-for-granted practices, that advantage certain groups without those groups necessarily having established or attempting to maintain those practices. Indeed, while self-interested behavior may evolve into institutions, once institutionalized that behavior becomes taken-for-granted and is exercised as if independent of the interests of any particular group.

As discussed in the previous section, the empirical research revealed an overwhelming belief among both sets of respondents that suitable retail spaces aren’t readily available and so, when one does come along, it’s best to act quickly instead of dawdling; the empirical research also revealed a number of causes. For one, whereas vacancy is low to non-existent in the most attractive retail areas, vacancy is high (and pop-up opportunities ample) in less attractive areas; the reluctance of pop-up fashion retailers to locate in these areas is understandable, however. Also, as discussed in earlier sections of this chapter (most extensively in Section 4.3), a major obstacle facing many pop-up fashion retailers in Amsterdam is that landlords and property managers are still clinging to old-fashioned practices. Indeed, actors in the property market still tend to think in terms of long-term (two- or five-year) contracts, partly because it’s often fiscally disadvantageous for property owners to rent out a space for next to nothing (Respondent 2, male, age 44, director of retail); it’s better to keep it on the books as vacancy than rent it out for little return. As two retailers explained exasperatedly:

“It’s hard to find anything at all... Who do you go to?! I’ve called anti-squatting organizations, housing corporations, real estate agents, and they all send you from pillar to post... Real estate agents say, ‘Yeah we’ve got retail spaces but those are being reserved for five-year contracts,’ and so they don’t take us seriously when we show up with a contract for three months. They’re not even interested in it!”

Respondent 4, female, age 28, eyewear

“So it’s not like we have a lot of demands... but [suitable] spaces are really hard to find!”

Respondent 6, male, age 25, menswear

Consequently, (the most) attractive retail areas are accessible to most pop-up fashion retailers only through pop-up spaces such as the Onedayshop. The fact that pop-up fashion retail tends to be steered into the less attractive areas of Amsterdam indicates that, despite pop-up retail’s potentially valuable role in the trend toward providing consumers with an ‘experience’

(Section 1.1), retail space in Amsterdam is apparently still being put to its highest and best use; the most attractive retail spaces go to the retailer who is willing and able to pay the highest rent:

“The idea’s really simple. Everyone always wants the best location for the lowest amount of money. There’s this idea that pop-up and vacancy... well, that you should be able to rent something against the landlord’s fixed costs. But that’s not how it works! Because supply and demand are always at work. So the friction that you see in the ‘normal’ property market is also present in the pop-up market. Stores in A-locations determine the price and determine the types of brands.”

Respondent 3, female, age 52, pop-up matchmaker

As the quote above suggests, there are indeed structural considerations to be made. Pop-up retailers appear to think that the suppliers of retail space – be they brokers, managers, owners, etc. – are bullies that are out to get them, so to speak. As one of the retail experts explained when addressing the simplified view of the property market that many pop-up retailers appear to hold:

“... Unfortunately, the real world doesn’t work that way, and while vacancy is painful, it’s not so painful that they’ll just hand [a space] out to you. Because there’re still conditions that need to be met... like Rent Law, being allowed to operate a store, or reimbursement for damages, you name it. These are all things that most pop-up retailers don’t consider, but the property owner does consider it, and so does the property manager.”

Respondent 1, female, age 35, pop-up matchmaker

So, to answer the question regarding the extent to which institutions control the behavior of pop-up fashion retailers in Amsterdam, it can be said that long-term contracts and high rents still sought by landlords, property managers, and powerful actors are two major forms of institutional control constraining pop-up fashion retailers’ locational decision-making.

4.6 Conclusion

The preceding sections of this chapter have covered the results of the empirical data collection based on the three research questions. These findings will be combined to answer the thesis’ main research question in the next chapter.

Chapter 5 : Conclusion

5.1 Introduction

Faced with ever-accelerating societal and economic changes, this thesis aimed to uncover some of the unseen forces influencing the behavior of a new type of entrepreneur: pop-up fashion retailers. Specifically, the aim was to gain insight in the location decisions of pop-up fashion retailers in Amsterdam by examining how and why they make those decisions. Although much research had already been devoted to traditional retail forms, pop-up retail had received little academic attention. Coupled with the changes occurring in both the Dutch fashion sector and the property market, research into pop-up fashion retail was deemed highly relevant and valuable. To this end, the research was placed within the context of neo-classic, behavioral, and institutional theory in an attempt to construct a holistic view of pop-up fashion retailers' location decisions by assessing both internal and external forces influencing those decisions. As such, the following main research question was developed:

How can the location decisions of pop-up fashion retailers in Amsterdam be explained?

In order to develop an answer to this question, the following research questions were explored:

1. To what extent do market and operative factors influence the location decisions of pop-up fashion retailers in Amsterdam?
2. To what extent do heuristics and non-optimizing serial cognitive processes play a role in the location decisions of pop-up fashion retailers in Amsterdam?
3. To what extent do institutions control the behavior of pop-up fashion retailers in Amsterdam?

In order to answer the research questions, a literature study was conducted and semi-structured interviews were held with three pop-up retail experts and thirteen pop-up fashion retailers in Amsterdam. In this final chapter, the results of the empirical research are compared with the literature presented in Chapter Two in order to formulate an answer to the main research question in Section 5.2. Subsequently, given the novelty of the pop-up retail phenomenon and the lack of academic attention it has been granted, Section 5.3 contains several recommendations for further research. The chapter ends with a reflection on the research in Section 5.4.

5.2 Conclusions and discussion

To begin with, this thesis took the neo-classical assumptions relating to retail location decision-making as the point of departure for the empirical research. The literature study yielded the notion that a fully-rational retailer will weigh a retail space's market factors against its operative factors (González-Benito and González-Benito, 2005). In other words, pop-up fashion retailers were expected to attempt to maximize a store's retail attractiveness (market factors) while minimizing the costs (operative factors) involved in opening and operating a store at a given location. Market factors were categorized further as relating to consumers, complementary facilities, and competitors; operative factors, as already mentioned, involved opening- and operating costs.

On the basis of the empirical research it can be concluded that, of the three sets of market factors, those relating to consumers are valued most highly, specifically the purchasing habits of the surrounding consumer body and the residential location of the target audience. Market factors relating to complementary facilities are valued insofar as they determine the type of consumer an area attracts, be it the general public or a more niche audience. Market factors relating to competitors hardly play a role as pop-up fashion retailers rarely think in terms of competition. However, the extent to which any of the market factors is allowed to register in the location decisions of pop-up fashion retailers in Amsterdam is severely restricted by the given location's operative factors.

Indeed, there are many forces at work – both endogenous and exogenous – that inhibit the location decisions of pop-up fashion retailers in Amsterdam and prevent them from making neo-classically optimal decisions. With regards to endogenous influences, the human cognitive limitations posited by behavioral theory became abundantly clear over the course of the in-depth interviews; pop-up fashion retailers' limited perceptions of complex realities indicate that they can veritably be considered to be boundedly rational at best (Simon, 1997b). By way of illustration, pop-up fashion retailers revealed a reliance – perhaps even an over-reliance – on heuristics, obtaining information via small, non-random samples (Shane, 2000) such as friends, family or personal experience. It can be argued that the chance that this reliance leads to optimal location decisions is minimal as it inevitably results in skewed information biased toward certain areas of the city. Although understandable, given that it may be ill-advised to open a store in an area one knows little about, pop-up fashion retailers are often basing their perceptions of what's available or suitable on *other* people's perceptions, which can also only ever be partial reflections of reality. Even those retailers who approach real estate suppliers are placing themselves in a precarious position by relying on the information that those actors are able or willing to give them.

As predicted in Chapter Two, pop-up fashion retailers also very clearly portray satisficing behavior in the form of non-optimizing serial cognitive processes as predicted in Chapter Two. The lack of financial resources, and the scarcity of suitable, affordable retail spaces, means that there's often little time or money to conduct extensive market research. Rather than searching for the perfect location, retailers will often take a space as long as it appears satisfactory. Accompanied by the fact that retailers operate in a complex, uncertain, and rapidly changing environment (Endres and Woods, 2006), there is a clear tendency among pop-up fashion retailers to grab an attractive space when it comes along. However, the lack of detailed market research may be attributed more to the difficulty of finding a suitable retail space than to an inherent lack of interest in being well-informed. Indeed, a majority of the retailers revealed that they would be more critical if given a larger pool of retail spaces to choose from; if alternatives that meet the required criteria were easily found, they would adjust their aspiration levels and raise their standards (Simon, 1997d).

This brings us to the exogenous influence of institutional control. Property market actors have divergent interests that implore them to use their power, resources, expertise and so on to achieve their objectives at the expense of other actors achieving theirs (Lawrence, 2008; Mell, 2013). For instance, the scarcity of suitable, affordable retail spaces – a thorn in the side of so many pop-up retailers – may be a result of retail space suppliers choosing not to disclose all of their information. As the retail experts revealed, brokers and property managers- and owners still tend to conceive of the property market in terms of high rents and long-term contracts. As a result, pop-up fashion retailers often feel that 'The Man' or 'The Establishment' is trying to 'keep them down' by choosing not to be completely transparent or forthcoming. However, it should be noted that an explanation could also lie in the fact that these property market actors, themselves being humans, don't and can't have complete knowledge of the property market landscape either.

Another interesting point regarding institutional control is that, as discussed in the theoretical framework, the literature sees institutional control as being exercised through systemic power, which, in turn, is exercised through routine, taken-for-granted practices (Lawrence, 2008). At first glance the high rent- and long-term contract demands made by retail property suppliers appear to be discrete (episodic) acts. However, when taken as a whole, these actors might also be seen as merely acting along institutional lines. From this point of view, they're not bullying pop-up fashion retailers as they undoubtedly also want the property market to function efficiently. Yet they've been accustomed to a certain *modus operandi* for so long that they've apparently yet to adapt to the modern retail market. In this way, the application of institutional control to the examination of this phenomenon was certainly justified.

It can be concluded that pop-up fashion retailers pay little attention to specifics; the fully-rational entrepreneur heralded by neo-classical theory (as outlined in Section 2.3) is indeed a purely theoretical construct. In contrast, retailers' location decision-making processes can be placed firmly within the behavioral approach to location theory. While acknowledging the value of having detailed knowledge of an array of potential retail sites, pop-up fashion retailers often settle for less ambitious options that satisfy their basic needs. They exhibit imperfect behavior through their lack of a sufficient quantity or quality of information as well as their inability to obtain (and subsequent rejection of the notion of obtaining) the 'perfect' location. As opposed to larger (multi-)national brands, starters often have little time and/or money to conduct extensive research beforehand; they will rather take a space that appears to meet their basic requirements and analyze the quality of their decision after the fact. Indeed, as foreseen in Chapter Two, the location decisions of this type of retailer are based on, "subjective rules of thumb and a degree of opportunism relating to the availability of individual sites (Pioch and Byrom, 2004, p.225)." The underlying sentiment among pop-up fashion retailers appears to be that, as long as they don't stand to lose much money, there's not much that can go wrong. Besides, the online marketing benefits that a successful pop-up store can generate will often more than make up for any money that may be lost in-store. The inability to make perfect location decisions may also be attributed to the inhibiting effects of institutional control. The suppliers of retail space still seek high rents and long-term contracts; as of yet they have shown a reluctance to embrace pop-up retail by holding on to how things used to be.

Ultimately it's very difficult to say if pop-up retailers are actually doing something wrong. From a traditional point of view they may not be approaching their location decisions in the 'right' way, yet as long as their methods yield satisfactory results, what more can be demanded of them? In fact, if there's currently a group of retailers that's set up to be able to adapt to Amsterdam's constantly evolving urban fabric, it may very well be this one. While the passing of time will bring with it more experience and a greater sense of responsibility that, in turn, may instill in pop-up retailers the need or desire to over-analyze a situation, at present they have the entrepreneurial drive to go out and take risks. Perhaps it is indeed due to youthful exuberance or inexperience preventing them from fully grasping the risks involved, but this group of entrepreneurs is filled to the brim with optimism about the future and the opportunities that pop-up retail has granted (and will continue to grant) them.

5.3 Recommendations for future research

As with any venture into previously unexplored academic territory, this thesis perhaps raised as many questions as it was able to answer. Given the novelty of pop-up retail, and the

accompanying lack of existing research, every turn brought with it fascinating questions begging to be answered. Given also the scope of this thesis, however, many of those questions were regrettably excluded. Future research into this subject will therefore benefit from answering said questions by expanding focus onto several key issues.

To begin, while this thesis adopted a multi-disciplinary approach with regards to the combination of neo-classical, behavioral, and institutional theories, the pop-up retail phenomenon was approached mainly from the retailer's perspective. Our understanding of the subject therefore has much to gain if supplemented with a multi-disciplinary approach concentrating not so much on multiple *theories*, but rather on the perspectives of multiple *stakeholders*. For instance, research into institutional control would benefit greatly by focusing not only retailers, but simultaneously also on the suppliers of retail space, the municipal government, consumers, and so forth. Indeed, real estate brokers property managers and owners themselves undoubtedly operate under institutional control exercised on them by yet other, more powerful actors.

Similarly, this thesis focused on a specific brand of pop-up entrepreneur, namely fashion retailers. It should prove fascinating to explore the location decisions of other types of pop-up retailers or even other forms of 'pop-up' altogether. Moreover, there is a plethora of aspects of the pop-up phenomenon beside location decisions waiting to be explored.

5.4 Reflection

As discussed above, the research focused on only one type of retailer, namely pop-up fashion retailers. Although justified given the scope of a Master's thesis, the respondents form only a small piece of the puzzle regarding pop-up retail, fashion retail, pop-up fashion retail, pop-up in general, and so on. A greater number and/or variety of respondents would inevitably have made the findings applicable to a greater variety of situations. However, it should be noted that all qualitative research, by definition, only represents a piece of a much larger puzzle.

For many of the same reasons as retailers cannot objectively comprehend potential opportunities, it was difficult to determine the extent to which their perceptions were an abstraction of reality as the researcher cannot objectively comprehend those opportunities either. Similarly, the factors discussed in this thesis are endlessly interwoven, often making it difficult to treat them as separate, discrete elements.

Nevertheless, it can be said that, despite these limitations, the thesis holds true to the Thomas Piketty quote preceding Chapter One. Social scientific research cannot and should not claim to be an 'end-all, cure-all', nor should a researcher attempt to be able to change the world

single-handedly; after all, Rome was not a built in a day. Rather, by patiently analyzing social mechanisms and by calmly and concisely presenting the results, a researcher can do his or her bit to make a useful contribution to the body of knowledge regarding social phenomena. It is the opinion of the researcher that this thesis has made such a contribution.

References

- Abbott, J. (2005). Understanding and managing the unknown: The nature of uncertainty in planning. *Journal of Planning Education Research*, 24(3), pp.237-251. [Online] Available via: <http://dx.doi.org/10.1177/0739456X04267710> [Accessed March 19, 2015].
- ABN Amro (2013). *Retaillocaties in 2020*. [Online] Available via: <https://insights.abnamro.nl/wp-content/uploads/2013/05/Retaillocaties-in-2020.pdf> [Accessed August 5, 2014].
- Adams, D., Dunse, N., and White, M. (2005). Contextualising state-market relations in land and property: The growth of Institutionalism - Extension or challenge to mainstream economics? In D. Adams, C. Watkins, and M. White (Eds.) *Planning, Public Policy and Property Markets*. Oxford: Blackwell Sciences.
- Arvanitidis, P.A. (2015). *The economics of urban property markets: An institutional economic analysis*. Oxford: Routledge.
- Atzema, O., Lambooy, J., van Rietbergen, T., and Wever, E. (2009). *Ruimtelijke economische dynamiek: Kijk op bedrijfslocatie en regionale ontwikkeling*. Bussum, the Netherlands: Coutinho.
- Bates, R.H. (2014). The new institutionalism. In S. Galiani and I. Sened (Eds.) *Institutions, Property Rights, and Economic Growth: The Legacy of Douglass North*. New York: Cambridge University Press.
- Bergevoet, T. and van Tuijl, M. (2012), Van eind- naar startbeeld. In *Time based interventions*, pp.15-21. Amsterdam: temp.architecture.urbanism. [Online] Available at: <http://g3c.nl/uploads/Lab-Cahier-TBI-NL-Definitief.pdf> [Accessed November 11, 2014].
- Boggs, J.S. and Rantisi, N.M. (2003). The 'relational turn' in economic geography. *Journal of Economic Geography*, 3(2), pp.109-116. [Online] Available via: <http://dx.doi.org/10.1093/jeg/3.2.109> [Accessed February 19, 2015].
- Brown, S. (1989). Retail location theory: The legacy of Harold Hotelling. *Journal of Retailing*, 65(4), pp.450-470.
- CBS (2015). CBS: Huisvestingskosten detailhandel 5 procent van de omzet. [Online] Available via: <http://www.cbs.nl/nl-NL/menu/themas/bouwen-wonen/publicaties/artikelen/archief/2015/2015-huisvestingskosten-detailhandel-is-5-procent-van-de-omzethm.htm> [Accessed March 9, 2015].

- Chamber of Commerce (2012). *Winkelleegstand praktisch oplossen: Inspiratie uit praktijkvoorbeelden*. [Online] Available via: <http://www.nrw.nl/stream/kvk-rapport-winkelleegstand-praktisch-oplossen> [Accessed March 9, 2014].
- Chomsky, N. (2009). *When elites fail, and what we should do about it*. Lecture at the EcoNvergence Conference, Portland, OR. [Online] Available via: <https://youtu.be/5nfNxVW5yi8> [Accessed March 16, 2015].
- Clarkson, R.M., Clarke-Hill, C.M., and Robinson, T. (1996). UK supermarket location assessment. *International Journal of Retail & Distribution Management*, 24(6), pp.22-33.
- Corner, J. (1994). Consumption editorial. *Media, Culture and Society*, 16(1). pp. 371-374.
- Crewe, L. and Beaverstock, J. (1998). Fashioning the city: Cultures of consumption in contemporary urban spaces. *Geoforum*, 29(3), pp.287-308. [Online] Available via: [http://dx.doi.org/10.1016/S0016-7185\(98\)00015-3](http://dx.doi.org/10.1016/S0016-7185(98)00015-3) [Accessed April 8, 2015].
- Davidson, W.R., Sweeny, F.J., and Stampfl, R.W. (1988). *Retailing Management* (6th ed.). New York: John Wiley.
- Deleuze, G. and Guattari, F., (1987). *A thousand plateaus: Capitalism and schizophrenia*. Minneapolis: University of Minnesota Press.
- DiMaggio, P.J. and Powell, W.W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), pp.147-160. [Online] Available via: <https://www.ics.uci.edu/~corps/phaseii/DiMaggioPowell-IronCageRevisited-ASR.pdf> [Accessed March 20, 2015].
- Endres, A.M. and Woods, C.R. (2006). Modern theories of entrepreneurial behavior: A comparison and appraisal. *Small Business Economics*. [Online] Available via: <http://dx.doi.org/10.1007/s11187-004-5608-7> [Accessed March 17, 2015].
- Evers, D. (2011). *Detailhandel en beleid: Een continue wisselwerking*. The Hague: PBL Netherlands Environmental Assessment Agency.
- Firat, A.F. and Venkatesh, A. (1993). Postmodernity: The age of marketing. *International Journal of Research in Marketing*, 10(3), p.227-249. [Online] Available at: [http://dx.doi.org/10.1016/0167-8116\(93\)90009-N](http://dx.doi.org/10.1016/0167-8116(93)90009-N) [Accessed March 12, 2014].
- Fligstein, N. (2001). *The Architecture of Markets: An Economic Sociology of Twenty-First Century Capitalist Societies*. Princeton, NJ: Princeton University Press.
- Fligstein, N. and Dioun, C. (2015). Economic Sociology. In J.D. Wright (Ed.) *International Encyclopedia of the Social & Behavioral Sciences*. Elsevier: Amsterdam. [Online]

- Available via: http://sociology.berkeley.edu/sites/default/files/cv/fligvita2013_0.pdf
[Accessed February 18, 2015].
- Florida, R. (2002) *The rise of the creative class and how it's transforming work, leisure, community and everyday life*. New York: Basic Books.
- Florida, R. (2006) The flight of the creative class. *Liberal Education*, 92(3): 22-29.
- Gabeler, E. (2015). Wildgroei aan pop-up stores in Amsterdam. *Het Parool*. [Online]
Available via:
<http://www.parool.nl/parool/nl/4/AMSTERDAM/article/detail/3841210/2015/01/31/Wildgroei-aan-pop-up-stores-in-Amsterdam.dhtml> [Accessed April 16, 2015].
- González-Benito, O. and González-Benito, J. (2005). The role of geodemographic segmentation in retail location strategy. *International Journal of Market Research*, 47(3), pp.295-316. [Online] Available via:
<http://efile25.uf.tistory.com/attach/17401D504D950B0705D807> [Accessed June 27, 2014].
- Goodin, R. (1996). *The theory of institutional design*. Theories of institutional design. Cambridge: Cambridge University Press.
- Halperin, W.C. (1988). Current topics in behavioural modelling of consumer choice. In R.G. Golledge and H. Timmermans (Eds.) *Behavioural modelling in geography and planning*, pp.1-26. London: Croom Helm.
- Harvey, J. and Jowsey, E. (2004). *Urban land economics* (6th ed.). Basingstoke (UK): Palgrave Macmillan
- Hayter, R. (1997). *The dynamics of industrial location: The factory, the firm and the production system*. Chichester, UK: John Wiley.
- Het Parool (2012). *Pop up store wint aan populariteit*. [Online] Available via: www.parool.nl
[Accessed June 29, 2014].
- Hodgson, G.M. (1998). Approach of institutional economics, *Journal of Economic Literature*, 36(1), pp.166-192. [Online] Available via: <http://links.jstor.org/sici?sici=0022-0515%28199803%2936%3A1%3C166%3ATAOIE%3E2.0.CO%3B2-Q> [Accessed March 20, 2015].
- Horton, F.E. (1968). Location factors as determinants of consumer attraction to retail firms. *Annals of the Association of American Geographers*, 58(4), pp.787-801. [Online]
Available via: <http://www.jstor.org/stable/2561719> [Accessed June 27, 2014].

- ING (2013). *Sectorvisie Fashion*. [Online] Available via:
<http://www.textilia.nl/~media/341A380C64984AA78C5A79AD8FD5EEB8.pdf>
 [Accessed September 3, 2014].
- Jameson, F. (1983). Postmodernism and consumer society. In H. Foster (ed.), *The anti-aesthetic: Essays on postmodern culture*, pp.111-125. Port Townsend, WA: Bay Press.
- Janowitz, M. (1975). Sociological theory and social control. *American Journal of Sociology*, 81(1), pp.82-108. [Online] Available via: <http://www.jstor.org/stable/2777055> [Accessed April 13, 2015].
- Kearns, G. and Philo, C. (1993). Preface. In G. Kearns and C. Philo (Eds.) *Selling places: The city as cultural capital, past and present*, pp.ix-x. Oxford: Pergamon.
- Kühne, M. (2007). *Shopping and the City 2020*. Zurich: Gottlieb Duttweiler Institute (GDI).
 [Online] Available via:
http://www.gdi.ch/media/summaries/City_Shopping_Summary_2007_EN.pdf [Accessed August 10, 2014].
- Lawrence, T.B. (2008). Power, institutions and organizations. In R. Greenwood, C. Oliver, K. Sahlin, and R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism*, pp.170-197. London: SAGE Publications.
- Lesger, C. (2011). Patterns of retail location and urban form in Amsterdam in the mid-eighteenth century. *Urban History*, 38(1), pp.24-27. [Online] Available via:
http://journals.cambridge.org/abstract_S0963926811000022 [Accessed June 16, 2014].
- Locatus (2014). *Locatus retail facts 2014: Kerngetallen over de Nederlandse detailhandel*.
 [Online] Available via: www.locatus.com/files/Retailfacts_2014.pdf?attachment
 [Accessed Februar 20, 2015].
- Loggers, B. (2013). *De waarde van pop-up retail*. Master's Thesis, Delft University of Technology, Delft. [Online] Available via:
http://thesis.eur.nl/pub/14588/0915_MCD9_Bram-Loggers.pdf [Accessed May 20, 2014].
- Machlup, F. (1967). Theories of the firm: Marginalist, behavioral, managerial. *The American Economic Review*, 57(1), pp.1-33. [Online] Available via:
<http://www.jstor.org/stable/1815603> [Accessed March 17, 2015].
- Mason, J.B. and Mayer, M.L. (1987). *Modern retailing: Theory and practice* (3rd ed.). Plano (TX): Business Publications.
- Meester, W.J. (2004). *Locational preferences of entrepreneurs*. Heidelberg, Germany: Physica-Verlag.

- Mell, I., Keskin, B., Inch, A., Tait, M., and Henneberry, J. (2013). *SEEDS Work Package 3.1.1.1: Conceptual framework for assessing policy relating to vacant and derelict urban sites*. Stimulating Enterprising Environments for Development and Sustainability (SEEDS). [Online] Available via: <http://www.seeds-project.com/wp-content/uploads/2014/12/SEEDS-Conceptual-Framework-Final-March-2013.pdf> [Accessed February 13, 2015].
- Musterd, S., Bontje, M.A., Chapain, C., Kovács, Z., and Murie, A. (2007). *Accommodating creative knowledge. A literature review from a European perspective*. University of Amsterdam: Amsterdam Institute for Social Science Research. [Online] Available via: <http://hdl.handle.net/11245/1.275332> [Accessed March 31, 2015].
- Myers, G.M. and Papageorgiou, Y.Y. (1991). Homo economicus in perspective. *The Canadian Geographer*, 35(4), pp.380-399. [Online] Available via: <http://dx.doi.org/10.1111/j.1541-0064.1991.tb01302.x> [Accessed March 17, 2015].
- O+S Research and Statistics (2014). *Winkelleegstandsbarometer 2014*. Amsterdam Municipality. [Online] Available via: http://www.amsterdam.nl/publish/pages/445928/winkelleegstandsbarometer_amsterdam_2014.pdf [Accessed June 16, 2014].
- Oliver, C. (1991). Strategic responses to institutional processes. *The Academy of Management Review*, 16(1), pp.145-179. [Online] Available via: <http://www.jstor.org/stable/258610> [Accessed April 15, 2015].
- Öner, Ö. (2014). *Retail location*. Doctoral dissertation. Jönköping, Sweden: Jönköping University.
- Oosting, K. (2010), Tijd als strategisch partner. *AGORA Magazine*, 26(3), pp. 31-34.
- Oswalt, P., Misselwitz, P. and Overmeyer, K. (2007), Patterns of the unplanned. In Franck, K.A. and Stevens, Q. (Eds.), *Loose Space; Possibility and Diversity in Urban Life* (pp.271-287). London: Routledge
- Petrović, D. and Stefanović, Z. (2009). Methodological position(s) of Institutional economics. *Facta Universitatis, Series: Economics and Organization*, 6(2), pp.105-114. [Online] Available via: <http://facta.junis.ni.ac.rs/eao/eao200902/eao200902-02.pdf> [Accessed February 19, 2015].
- Piketty, T. (2014). *Capital in the twenty-first century*. Cambridge, MA: Harvard University Press.

- Pioch, E. and Byrom, J. (2004). Small independent retail firms and locational decision-making: outdoor leisure retailing by the crags. *Journal of Small Business and Enterprise Development*, 11(2), pp.222-232. [Online] Available via: <http://dx.doi.org/10.1108/14626000410537164> [Accessed
- ProjectManagement Bureau (2012). *Tijdelijk Amsterdam*. Amsterdam Municipality [Online] Available via: http://www.amsterdam.nl/pmb/nieuws-0/nieuws/uitgave/#h3_5 [Accessed June 20, 2014].
- Quix, F. (2013). (R)evolutie: retail in het nieuwe normaal. Amersfoort: Q&A Research & Consultancy. [Online] Available via: http://www.qanda.nl/PDF_files/%28R%29evolutie.pdf [Accessed February 28, 2015].
- Radaev, V. (2013). Market power and relational conflicts in Russian retailing. *Journal of Business and Industrial Marketing*, 23(3), pp.167-177. [Online] Available via: <http://dx.doi.org/10.1108/08858621311302822> [Accessed February 9, 2015].
- Robins, K. (1994). Prisoners of the city: Whatever could a postmodern city be? In E. Carter, J. Donald, and J. Squires (Eds.), *Space & Place: Theories of Identity and Location*, pp.303-330. London: Lawrence & Wishart.
- Saris, J. and Brouwer, J. (2005). Stedelijke regio's concurreren met creativiteit - strategieën voor stedelijke netwerken in de creatieve economie. In S. Franke and E. Verhagen (Eds.) *Creativiteit en de stad: Hoe de creatieve economie de stad verandert*. Rotterdam: NAI Uitgevers.
- Schutten, I. (2011). *Tussentijd biedt ruimte voor innovatie*. [Online] Available via: <http://ruimtevolk.nl/blog/tussentijd-ruimte-voor-innovatie/> [Accessed November 4, 2014].
- Selby, J.A. (1987). On the operationalization of Pred's behavioral matrix. *Geografiska Annaler. Series B, Human Geography*, 69 (1), pp.81-90.
- Shaffer, J.D. (1995). *Institutions, behavior and economic performance; Comments on institutional analysis*. Department of Agricultural Economics, Michigan State University. Staff Paper No.95-52. [Online] Available via: <https://www.msu.edu/user/schmid/shaffer.htm> [Accessed March 19, 2015].
- Shane, S. (2000). Prior knowledge and the discovery of entrepreneurial opportunities. *Organization Science*, 11(4), pp.448-469. [Online] Available via: http://mbi.dirkjanwagerman.nl/static/files/MBI/Module%206/READINGS_Shane_OrgSc2000.pdf [Accessed April 25, 2015].

- Simon, H.A. (1997a). Behavioral economics. In *Models of bounded rationality* (Vol. 3), pp.277-290. Cambridge, MA: MIT Press.
- Simon, H.A. (1997b). Bounded rationality. In *Models of bounded rationality* (Vol. 3), pp.192-294. Cambridge, MA: MIT Press.
- Simon, H.A. (1997c). Rationality in psychology and economics. In *Models of bounded rationality* (Vol. 3), pp.367-385. Cambridge, MA: MIT Press.
- Simon, H.A. (1997d). Satisficing. In *Models of bounded rationality* (Vol. 3), pp.295-298. Cambridge, MA: MIT Press.
- Spiering, B. and van Houtum, H. (2008). The brave new world of the post-society: The mass-production of the individual consumer and the emergence of template cities. *European Planning Studies*, 16(7), pp.899-909. [Online] Available via: <http://dx.doi.org/10.1080/09654310802224702> [Accessed March 27, 2015].
- Stamen (2013). *Amsterdam*. [Online] Available via: http://content.stamen.com/files/pinterest_images/amsterdam.jpg [Accessed April 3, 2015].
- Studio UC (2003). *Urban catalysts. Strategies for temporary uses – potential for development of urban residual areas in European metropolises*. Final report. Berlin: Studio Urban Catalyst. [Online] Available via http://www.template.com/think-pool/one786f.html?think_id=4272 [Accessed March 31, 2015].
- Studio UC (2007). *Urban Pioneers: Temporary use and Urban Development in Berlin*. Berlin: Jovis.
- The Economist (2009). *Herbert Simon*. [Online] Available via: <http://www.economist.com/node/13350892> [Accessed April 24, 2015].
- Thomassen, W.E. (2013). *Van plaats naar plek: een onderzoek naar het tijdelijk herbestemmen van leegstaand erfgoed en de ontwikkeling van een gebiedsidentiteit*. Master's thesis, Utrecht University, Utrecht. [Online] Available via: <http://dspace.library.uu.nl/bitstream/handle/1874/281272/Masterthesis%20WE%20Thomassen.pdf?sequence=1> [Accessed November 5, 2014].
- Todd, D. (2012). *You are what you buy: Postmodern consumerism and the construction of self*. University of Hawai'i at Hilo – Hawai'i Community College: HOHONU 2012 Vol. 10, pp.48-50. [Online] Available via: <http://hilo.hawaii.edu/academics/hohonu/documents/vol10x12youarewhatyoubuy-postmodernconsumerismandtheconstructionofself.pdf> [Accessed April 10, 2015].

Turhan, G., Akalin, M., and Zehir, C. (2013). Literature review on selection criteria of store location based on performance measures. *Procedia: Social and Behavioral Sciences*, 99(3), pp.391-402. [Online] Available via: <http://dx.doi.org/10.1016/j.sbspro.2013.10.507> [Accessed June 27, 2014].

Vrolijk, D. and Schutten, I. (2012), Being City; Rondetafelgesprek over stedelijke ontwikkeling in de tussentijd. *S+RO*, 2, pp.31-35.

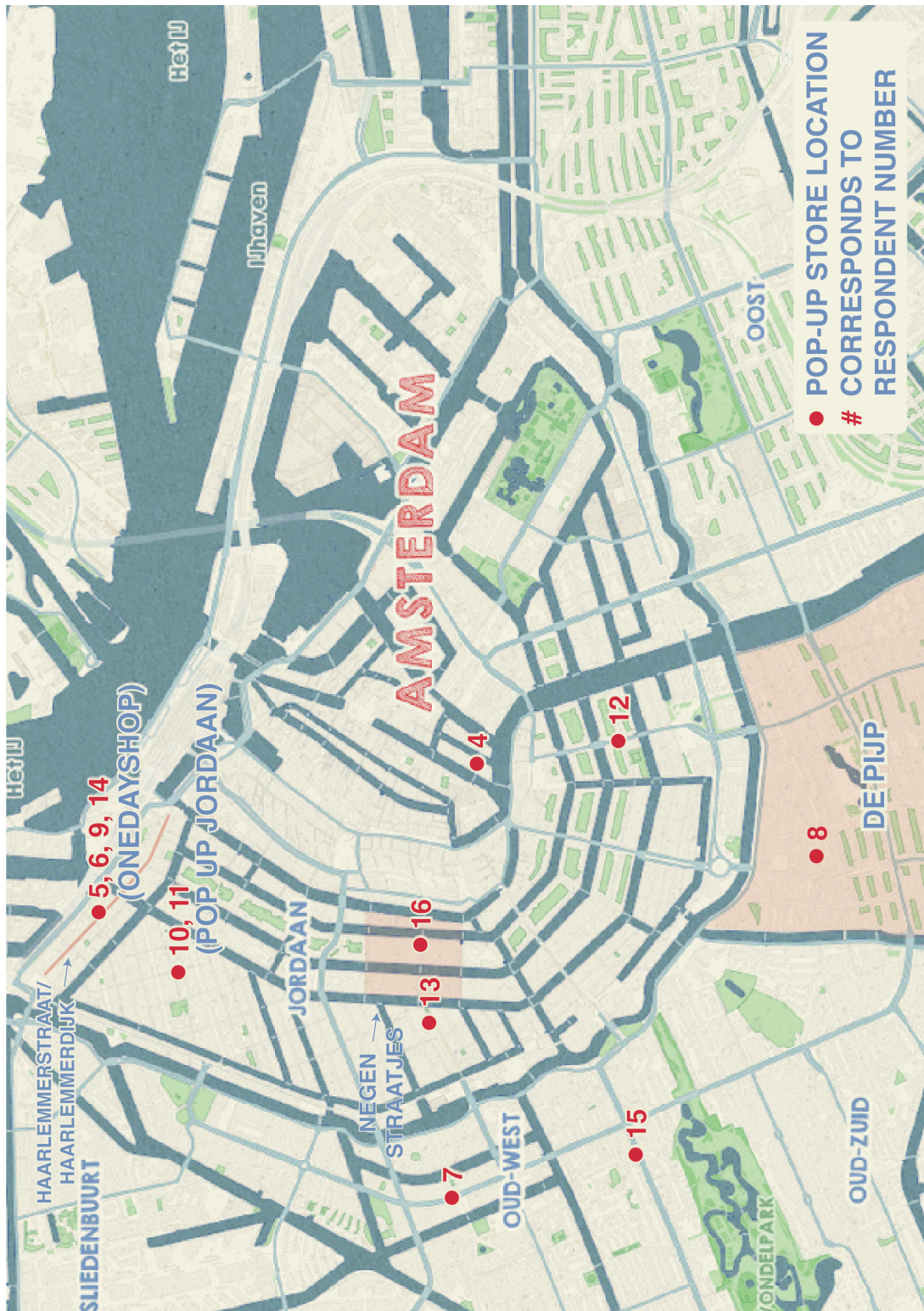
Appendices

Appendix A: List of interview respondents

#	Name	Organization/ store	Type
<i>Experts</i>			
1	Manna Stegeman	The Pop-Up Club	Pop-up matchmaker
2	Etienne van Unen	Colliers International	Real estate firm
3	Ans Jorritsma	Retail Estate Solutions	Pop-up matchmaker
<i>Pop-up retailers</i>			
4	Berit Burema	Ace & Tate	Eyewear
5	Len Koster	Afura	Menswear
6	Victor van Ark	Afura	Menswear
7	Respondent 7	-	Mixed fashion
8	Caroline Weseman	Pop-Up C	Women's fashion
9	Roos van Bruggen	Pleasurements	High-end lingerie
10	Respondent 10	-	Menswear
11	Respondent 11	-	Women's fashion
12	Respondent 12	-	Menswear
13	Patricia van Bussum	Gek op Zwart/Wit	Mixed fashion
14	Joost Kral	The Hunting Ensemble	Menswear
15	Respondent 15	-	Women's fashion
16	Thijs Vroemen	Afends	Menswear

N.B. Five respondents wished to remain anonymous

Appendix B: Respondents' pop-up store locations



Adapted from Stamen (2013)

Appendix C: Interview questions – experts (Dutch)

Algemene vragen

1. Wat is uw naam?
2. Wat is uw functie binnen ...?
3. Wanneer bent u voor het eerst in aanraking gekomen met pop-up winkels?
4. Op welke wijze komt u in aanraking met Amsterdamse pop-up kleding winkels?

Inhoudelijke vragen

Marktfactoren m.b.t. **consumenten**

5. Letten pop-up kleding ondernemers op de **woonlocatie van hun doelgroep** bij het maken van een vestigingsplaatskeuze?
6. Houden ze rekening met de **demografische opbouw** van de omgeving?
Leeftijd, inkomen, huiseigenaren vs. huurders, families vs. alleenstaanden, enz.
7. Houden ze rekening met **bevolkingsdichtheid**?
8. Houden ze rekening met het **koopgedrag** van de consumenten binnen hun marktgebied
D.w.z. Waar, wanneer, wat ze kopen, hoe en hoe vaak ze winkelen, afstand die ze bereid zijn om te reizen, enz.
9. Kijken ze naar de **koopkracht** van de bewoners van het gebied?

Marktfactoren m.b.t. **complementaire voorzieningen**

10. Nemen pop-up kleding ondernemers de ligging van **complementaire voorzieningen** in overweging?
11. Nabijheid van een **grote mensentrekker** (non-retail) kan extra business opleveren – letten pop-up winkeliers hierop?

12. Nabijheid van **dominante winkel** kan goed extra business opleveren – letten pop-up winkeliers hierop?

13. Zitten ze graag in wijken met een bepaalde **reputatie**?

Bijvoorbeeld: De Negen Straatjes (hippe boetiekwinkels)

Marktfactoren m.b.t. **concurrenten**

14. Kijken pop-up kleding ondernemers naar de **ligging van concurrenten**?

15. Zijn eigenaren van pop-up kleding winkels zich **bewust van en/of geïnteresseerd in de voor- en nadelen van agglomeratie**?

Operatieve factoren

16. Welke kosten komen er kijken bij het **openen en runnen** van een pop-up store?

17. In hoeverre laten pop-up kleding ondernemers **deze kosten hun vestigingsplaatskeuze beïnvloeden**?

Appendix D: Interview questions – retailers (Dutch)

Algemene vragen

1. Wat is uw naam?
2. Uw leeftijd?
3. Wat is uw functie bij ...?
4. Wanneer bent u voor het eerst in aanraking gekomen met pop-up winkels?
5. Hoe lang is uw pop-up store al open op deze locatie? En hoe lang blijft u nog open?
6. Heeft u al eerder ervaring gehad met het runnen van een pop-up kleding winkel?

Zo ja, wat/waar/wanneer?

Inhoudelijke vragen

Marktfactoren m.b.t. consumenten

7. Heeft u rekening gehouden met de **woonlocatie** van uw bepaalde doelgroep?
8. Heeft u rekening gehouden met de **demografische opbouw** van de omgeving?
Leeftijd, inkomen, huiseigenaren vs. huurders, families vs. alleenstaanden, enz.
9. Heeft u rekening gehouden met de **bevolkingsdichtheid** van de omgeving?
10. Heeft u rekening gehouden met het **koopgedrag** van de consumenten binnen uw marktgebied?

D.w.z. Waar, wanneer, wat ze kopen, hoe en hoe vaak ze winkelen, hoe ver ze bereid zijn om te reizen, enz.

11. Heeft u gekeken naar de **koopkracht** van de bewoners van het gebied?

Marktfactoren m.b.t. complementaire voorzieningen

12. Heeft u bij het maken van de vestigingsplaatskeuze rekening gehouden met de ligging van **complementaire voorzieningen**?

13. Uit de literatuur blijkt dat de nabijheid van een **grote mensentrekker** (non-retail) extra business opleveren.

Ervaart u dit ook zo?

Heeft u hierop gelet bij het maken van de locatiekeuze?

14. Uit de literatuur blijkt ook dat de **nabijheid van een dominante winkel** (bijv. H&M, Zara) extra business op kan leveren.

Ervaart u dit ook zo?

Heeft u hierop gelet bij het maken van de locatiekeuze?

15. Wilde u per sé in **deze wijk** zitten vanwege een **bepaalde reputatie**?

Bijvoorbeeld: De Negen Straatjes (hippe boetiekwinkels)

Marktfactoren m.b.t. **concurrenten**

16. Heeft u bij het maken van de vestigingsplaatskeuze gekeken naar de **locatie van concurrenten**?

*Zo ja, welke **positieve gevolgen** wilde u hiermee behalen?*

*Zo nee, welke **negatieve gevolgen** wilde u mijden?*

17. Bent u **geïnteresseerd in de voor- en nadelen** van de nabijheid van concurrenten?

Operatieve factoren

18. Welke kosten komen er kijken bij het **openen en runnen** van een pop-up store?

19. In hoeverre heeft u **deze kosten uw vestigingsplaatskeuze laten beïnvloeden**?