

EFFECTIVENESS OF POP-UP STORES ON BRANDING IN INDONESIA

Imanuel Fadillah
Visual Communication Design
Bandung Institute of Technology, Indonesia

ABSTRACT

Brand activation is a relation that happens between a brand and consumer, to make consumers aware of the brand. The final goal of brand activation is to create sales through emotional approach. Brand activation is achieved thorough many methods. One method particular that is very popular right now is Pop-up store. Pop-up store is a temporary shop, made by a brand, to raise awareness of the brand. Usually pop-up store is placed in strategic places to attract new consumers. In designing pop-up store, pop-up store rely on social network sites and text messaging to inform consumers of their presence. The goal of this study is to evaluate the effectiveness of pop-up store on building brand awareness in Indonesia. This study is conducted through research on Berrybenka pop up store. The methods that will be used in this paper are case study analysis and literature study. The conclusion of this paper is that Berrybenka pop-up store proven to be effective on building brand awareness and ultimately, sales of the brand.

Keyword: Brand Activation, Pop-up store, Brand Awareness, millenial

INTRODUCTION

Era development causes a lot of changes in society. Rapid technological developments encourage people to adapt quickly. This process of adaptation happens in all aspects of life, including the world of advertising. In the advertising world, the emergence of new media, especially in the digital domain creates new opportunities for advertising. The advertising world began to abandon conventional methods as well as conventional media and switch to more modern new methods and new media.

Many new methods developed by the company to reach the new society, or commonly called as Millennial. It is evident that conventional methods are not effective against Millennials. This phenomenon can be seen from the development of millennial consumers who are smarter and more critical towards conventional advertising. One of the most obvious behaviors of millennial consumers is the change in buying behavior. Millennials tend to do multi-channel shopping approaches. Multi-channel shopping approach is a behavior comparing prices on the internet before buying a product. Also, the diversity of new methods developed also creates intense competition between companies that want to achieve the same goals. Therefore it needs a differentiator, which is then developed into a method called Brand activation.

Brand activation is a relationship that occurs in the realm of marketing. There is a relationship built between the company and the consumer. Brand activation aims to influence consumers to understand that this brand is a part of their lives. Brand activation is not a theory, but a practice that is demonstrated in an experience where a company or brand can understand the needs and desires of consumers. Consumers in brand activation are the most important component because the activation of this brand wants to attract consumers through an approach that is most suitable for consumers.

One effective Brand Activation method is Pop-up stores, or what is commonly called a pop-up store. The pop-up store is a testament to the creative and enterprising methods of marketing communication, which has traced traditional print and broadcast media (Baker, 2008) which in its aim is to establish brand awareness, making sales a second function. The pop-up store is considered a further development of the flagship store concept. Pop-up stores must have some attribution that can affect consumers. The attribution is the experience offered and the products found in the pop-up store. In its approach to consumers, pop-up stores rely on social networking sites and SMS to inform consumers of their brand presence. The pop-up shop works from generating excitement through techniques offering something limited, discovery-driven. The factors that influence and increase the success of this method are Product categories; Target young audience; Creation of a unique consumer experience; Scarcity marketing; Match between store concept and location with the brand concept.

Problems that can be overcome from this pop-up store based on physical stores are Lack of human interaction; Limited communication; Catching the attention of visitors. The Center of Economics and Business Research estimated in 2014 in the United Kingdom, that there were 9,400 pop-up stores in the UK, resulting in exchange of up to 2.1 billion pounds and employing up to 23,000 workers. In America, based on words Melissa Gonzalez,

manager from pop-up architects 'The Lionesque Group', the average pop-up shop in America has increased sales by 35% at the beginning up to 6 months after closing. Moreover, half of the shops experienced a 30% increase in social media activities. (Leinbach-Reyhle, 2014). But even so, the cost of doing this method is big. One example of a company that develops pop-up concepts is Gap, Nike, and Bluefly.com.

Luxury Brand is one example of the perpetrator of this method. Luxury brands need to find ways to provide brand experiences while reaching new and existing target markets. The thing to do is to show the value of hedonism, the uniqueness of the store, and the good atmosphere of the store. This step will increase the customer's intention of word of mouth. Brand experience is a mediator for the effect of the pop-up brand store on word of mouth. In the end, commercial activities from pop-up stores contribute to the parent brand of the luxury brand. The contribution of this activity is on emotionality and nature of play, while at the same time maintaining the luxury aspect of the brand. The fashion industry is an industry that is now growing very rapidly. The worldwide fashion industry in 2018 has recorded revenues of 2.305 million dollars and it is estimated that this revenue will continue to grow over the next few years.

The development of the fashion industry in Indonesia is very rapid. One company that saw this opportunity was Berrybenka. Berrybenka launched a pop-up shop in various cities in Indonesia with a shop time range of 3-6 months per city. Berrybenka first launched a pop-up shop in January 2016. Berrybenka uses two main strategies to raise private label and implement an omnichannel strategy by presenting an online to offline shopping (O2O) experience. Berrybenka revealed that this strategy is important to convince consumers of the quality of Berrybenka products, as well as the security of transactions at Berrybenka.com.

THEORY

1.1 Brand Activation

Brand activation is defined as the relationship in marketing created between brands and consumers where consumers understand more about the brand and consider it as part of their lives. Brand activation is the process of activating consumers by combining all communication sources in a creative style. Brand Activation can also be called Experiential Marketing. Brand activation focuses on the core of marketing and initiation of the buying process. The result of effective brand activation is an increase in brand awareness, brand knowledge, liking and the most important is purchasing and buying behavior that occurs

continuously. In its application, Brand activation needs mature planning to run well. According to Shimp (2003) activation aims to foster relationships with consumers, increase brand equity, and strengthen positions in the world of commerce.

Pudjiastuti (2010) says that brand activation is effective in influencing the community as a target in several aspects, namely: Cognitive aspects, where brand activation can affect public awareness and knowledge of the company, brand, or product offered; Affective aspects, where brand activation can be used to overcome misunderstandings and prejudices and help communicate the message of the brand to consumers; and Conative aspects, where brand activation can maintain public acceptance of products, brands, or companies, or in other words can maintain consumer loyalty.

According to Wallace (2012), brand activation has several forms, including Direct Marketing Activation, where brands directly come into contact with consumers. Examples include activation through TV media, radio, print media, CRM, sampling, in-store activation and so on; Social Media Activation, where brands come into contact with consumers through activities carried out on social media. Examples are Email, Blast, Facebook, and Twitter; Promotions Activation, where the form of activation of the brand is in the form of special promos relating to the product or service. For example, discounts, launching new products, special packaging, lottery prizes, brand ambassador use, etc .; Marketing Event Activation, where brand activation is carried out in the form of an event. For example exhibitions, brand ambassador election contests, games arenas, etc .; Sponsorship Activation, where brand activation funds an activity. Example: funding sports, music, and so on.

The drivers of Brand activation include Desires created by marketing by focusing on the hot prospect and cold prospect. The prospect is people, where hot prospects are people who can become customers, and cold prospects, people who may not be consumers but there are opportunities to become consumers; Trial; Creating loyalty among consumers. Here are some reasons people like brand activation, including Selection of information, people don't like the excessive information they receive; Relevance, the ad must be relevant to them; Experience, the experience that greatly affects people.

While the principle of Brand activation, namely: Capturing consumer attention by adopting the approach of the big idea; Bringing the soul of a brand to life in a typical way; Activating brand demand, informing consumer desires with the power of big ideas; Bring ideas that motivate consumers; Connecting brands with consumers at the right time, the right place and the right way emotionally; By turning insight into action, brand reasons to be understood become more easily accepted and understood, and the opportunity to buy

becomes increasingly promising; Motivating consumers to increase commitment to the company.

The process of Brand activation according to (Hussain, 2013) "Brand activation is the process to create an experience with the brand. These experiences get people to think, feel, sense, act, and relate to a brand. "With the process as follows: Discovery; Creative Development; Delivery; Evaluation. Elements of a successful activation plan are: Situation analysis; Identification of resources; Analysis of competition; Objectives; Development of a plan to reach each target market; Development of evaluation tools

Brand activation replaces traditional marketing techniques because of a more specific, emotional and practical approach. this can be called experiential marketing and is the simplest tool available to activate a brand with collaboration from several tools available to communicate. Brand activation creates loyalty for the brand where the focus is for creating to gain trust from consumers. This brand activation is a tool that provides benefits for both parties, companies, and consumers.

1.2 Brand Awareness

Brand Awareness refers to the strength of a brand's presence in the minds of consumers (Aaker, 1996). Brand awareness has a significant effect on consumer choice (Hoyer & Brown, 1990; Lin, 2013). High levels of brand awareness (recall and recognition) can significantly affect the market share of a brand and contribute to the formation of other elements such as brand image, brand equity, and brand loyalty. (Bilgihan et al., 2014; Chang, 2013; Xie & Chen, 2014). Brand awareness is very important because if there is no brand awareness, no transaction will occur. (Percy, 1987). Therefore it can be said that brand awareness has a strong and positive association with the intention to buy.

As indicated by Aaker (1991), levels of brand awareness are (1) Brand acknowledgment, which is the capacity of consumers to recognize several brands among others. An example is "supported review". Supported review is a condition where an individual is asked to recognize a brand name from a series of brands of the same class; (2) Brand review, This is a condition where the buyer is faced with a brand name in one category. This leads to "unaided review" where they are not given any information from a category. (3) Top of the psyche. This can be said as the first brand that consumers can review among the product categories provided.

1.3 Effectiveness in Advertising

Good advertising - and good marketing communication - is effective if the ad can generate the response the advertiser wants. This expected response is the purpose of the message, and the message is effective if it reaches its goal. Over the years, advertising professionals have used several models to explain the impact of advertising on their audiences. Here are some advertising models: (1) AIDA, an abbreviation of Attention, Intention, Desire, Action. This concept was first put forward around the 1900s by an advertising pioneer named St. Elmo Lewis. This model is also called the effect hierarchy model, because AIDA assumes predictable steps; (2) Think / Feel / Do, is a model developed in the 1970s. This model is also called the FCB Model. The idea of this model is that advertising must be able to motivate people to think about messages, feel something from a brand, and do something, for example, try or buy it. This approach is basically also step by step. The problem in this model is that advertisers do not know that people do not always respond in predictable ways; (3) Domains, this model is a different approach to solving linear step problems. This model is called the Model Domains Moriarty. This model is based on the idea that messages have an impact on consumer responses not step by step, but simultaneously. Three main effects (key domains) in this approach are, (1) perception, (2) learning, and (3) persuasion. The point is that messages can touch consumer perceptions (attention, interest), educate them (think, learn), and persuade them (change attitudes and behavior) at the same time.

This traditional approach is a good starting point to explain effectiveness, but because the idea is a linear model, people are starting to abandon these models. The solution is to build an effect based model identified in the Think / Feel / Do approach and add missing categories, such as perceptions and associations. So there are six factors that answer the effects of advertising itself from effective advertising answers that will create six types of consumer responses - (1) hear / see, (2) feel, (3) think / understand, (4) believe, (5) connected, and (6) acting / acting - all working together to create a response to the brand message. These six effects are facets which together form the consumer response to advertising messages. The effect is holistic, creates an impression, or by Preston called integrated perception. Effective messages have the quality of diamonds that represent how the message effect works together to create the expected consumer response. Effects can also vary in significance. Although there are several facets, advertising campaigns often focus on one or more facets.

Practical Tips Table summarizes six facets in terms of advertising goals and measurable consumer responses to find out whether the goals have been met or not. The third column contains factors that help drive effectiveness.

1.4 Pop-up Stores

The pop-up shop is a testament to the creative and enterprising methods of marketing communication, which has traced traditional print and broadcast media (Baker, 2008) which in its aim is to establish brand awareness, making sales a second function. The pop-up store is considered a further development of the flagship store concept. Pop-up stores must have some attribution that can affect consumers. The attribution is the experience offered and the products found in the pop-up store. In its approach to consumers, pop-up stores rely on social networking sites and SMS to inform consumers of their brand presence. The pop-up shop works from generating excitement through techniques offering something limited, discovery-driven. The factors that influence and increase the success of this method are Product categories; Target young audience; Creation of a unique consumer experience; Scarcity marketing; Compatibility between store concept and location with the brand concept.

1.5 Millennials

Millennials are individuals born between 1980 and 2000 (Lee & Kotler, 2016). According to Kaifi et al., (2012), the millennial is called millennial because of their proximity to the new millennium and raised in a digital environment. Millennials are now a very large population, and their buying power is an attractive target for industries. The power to buy Millennial is stronger, faster, and they spend more than the previous generation, but their loyalty to the brand decreases; The reason behind this low loyalty is because of the large exposure to price promotions. They also look for products and brands that match their personality, lifestyle, social values. They use brands to create self-images, to show their personalities and voice their values. (Ayaydin & Baltaci, 2013).

Millennials are more active in integrating technology in their daily lives for trade purposes, using cellular and internet devices to connect with retailers or brands (Moore, 2012). This makes millennial a generation because hedonism, waste, and high connectivity are seen as ideal targets for doing business, sales and to advertise goods or services over the network (Lissitsa & Kol, 2016). They usually advertise brands that they think are good or not good for communicating with others through social media. They are very sensitive to electronic word-of-mouth (eWOM) advertising because it is considered more credible than

traditional advertising, because it is seen as an ad that has passed the opinion of "other people like me" (Allsop, Bassett & Hoskins, 2007) They are very interested in electronic coupons and discounts and they like the relationship with brands and collaborate with them, actively participate in marketing research in the use of various media (Moore, 2013).

The items they buy usually consist of clothing, shoes, jewelry, sports equipment, entertainment, health and beauty, and food (Valentine & Powers, 2013). And in the case of luxury goods, they are more interested in certain items that show their wealth status (Lissitsa & Kol, 2016).

1.6 ZALORA

ZALORA is a leading fashion retail group in the world. ZALORA Indonesia, which is part of the ZALORA Group, is a leading online fashion destination in Asia. ZALORA Indonesia was founded in 2011. ZALORA uses the ZALORA.com network site platform to sell thousands of men's and women's fashion products, ranging from clothing, shoes, accessories and beauty products. ZALORA has 7,700,000 followers on Facebook, and 66,700 followers on Twitter. ZALORA's vision is to become the biggest and most trusted discussion portal on online shop buying and selling in Indonesia. ZALORA's mission is to be the best online trading intermediary in Indonesia; become a medium and alternative source of income; presenting features that satisfy customers; participate in giving birth to a strong and weighty online entrepreneur, and socializing the online world of Indonesia. ZALORA uses a strategy to advertise free shipping, 30 days of return to attract consumers.

ZALORA Group uses online shopping sites as their main sales strategy, but ZALORA also uses pop-up stores as its sales strategy to increase sales. Here are some examples of ZALORA pop-up stores in Asia:

ZALORA pop-up store in Manila, Philippines. Source: <https://manilainsider.ph/2018/04/25/zalora-and-abercrombie-fitch-opens-their-new-pop-up-store/> ZALORA pop-up store in Singapore. Source: <https://thesmartlocal.com/read/zalora-store>

ZALORA pop-up store in Johor Bahru, Malaysia. Source: <https://www.tongueclic.com/news/breaking-news-zaloras-opens-its-first-pop-up-store-in-johor/>

ZALORA pop-up store in Hong Kong. Source: <https://www.forbes.com/sites/joshsteimle/2015/05/11/how-online-retailer-zalora-is-using-an-offline-store-to-grow-in-hong-kong/#3c052be57885>

ZALORA pop-up store in Indonesia. Source: <http://www.neighbourlist.com/2015/02/neighbourguide-zalora-indonesia-first-pop-store-inside-kota-kasablanka-mall-south-jakarta/>

1.7 Berrybenka

Berrybenka is a well-known online fashion and beauty shopping site in Indonesia. Berrybenka sells products such as clothing, accessories, shoes, bags, sports products, and beauty for women and men. Berrybenka sells more than 1000 local and international brands, including in-house label products. Berrybenka was founded in 2010 and based in Jakarta. Berrybenka currently has 962,860 followers on Facebook, and 16,100 followers on Twitter. Berrybenka's vision is to become the best fashion e-commerce in Indonesia, and Berrybenka's mission is to provide the best service for all consumers. Berrybenka has an advertising strategy in the form of easy product return for up to 14 days after the item is received, on-site payment services and free shipping.

Berrybenka as a local Indonesian company also implemented a pop-up shop as their sales strategy, where pop-up stores were established in several cities in Indonesia. Here are some examples of pop-up store stores in cities in Indonesia:

Berrybenka pop-up store in a mall in Jakarta (above) and Medan (below).

Source:

<http://www.tribunnews.com/lifestyle/2016/11/03/berrybenka-buka-gerai-offline-dimal-taman-anggrek>

<https://www.cleo.co.id/fashion/berrybenka-newest-pop-up-store>

Berrybenka pop-up store in a mall in Semarang (above) and Solo (below).

Source:

<http://seputarsemarang.com/berrybenka-pop-up-store/>

<http://solo.tribunnews.com/2017/06/18/ini-alasan-berrybenka-buka-pop-up-store-di-kota-solo>

Berrybenka pop-up store in a mall in Tangerang (above) and Bekasi (below).

Source:

<https://dailysocial.id/post/optimalikan-kegiatan-online-to-offline-berrybenka-kembali-gelar-pop-up-store/>

<http://www.urbancikarang.com/v2/page.php?halaman=Berrybenka.hadirkan.Pop.Up.Store.di.Summarecon.Mal.Bekasi#.XNBvY4zaMo>

METHODS

The analytical method used in this study is qualitative method with a case study. The researcher observe and collect data from Berrybenka.com pop-up store.

RESULT AND DISCUSSION

In the use of the advertising model, Berrybenka uses the Moriarty Domain advertising model. Intention to increase sales is channeled through consumer perceptions, educating consumers (thinking, learning), and persuading them (changing attitudes and behavior) at the same time, and seen from all facets, Berrybenka's method of advertising is considered effective. However, further discussion of the effectiveness of Berrybenka's pop-up store will be discussed through six facets from the Facet of Effect Model chart:

1. Perception

In this facet, it is explained that the desired consumer response is to see/hear. By placing a pop-up shop in a strategic place, consumers can immediately see and access this store and then come to see the products offered by Berrybenka. Through facet perception, the Berrybenka brand succeeded in arousing consumers.

2. Emotions / Affective

In this facet explained the consumer response that results from the purpose of this communication are feelings that arise. By placing products openly and in accessible places, people feel curiosity and ultimately produce a deep sense of need.

3. Cognition

In this facet, the consumer response that is generated from the purpose of this communication is the understanding of consumers. In the store, incentives are given ongoing promotions at the store, one of which is "Buy 2 Get 15% off" for a minimum transaction of Rp. 300,000. This effort resulted in an understanding of the minds of consumers that at that time was the right time to buy.

4. Association

In this facet, it was explained that the consumer response produced was a relationship between consumers and brands. From the initial intention of consumers to look through the learning process by looking at Berrybenka's products, the intention is to change the foreign feeling with the brand becoming connected with the brand.

5. Persuasion

In this facet, it is explained that the consumer response that is generated is the existence of trust in the form of motivation to buy, the existence of preferences, loyalty. This facet will not be achieved if the consumer does not have a match with the Berrybenka brand. However, that trust can appear in some people because of the emotional effort that has been made.

6. Behavior

In this facet, it was explained that the consumer response produced was the action taken. In this case, the pop-up store has a huge influence on consumers' minds, which persuades consumers to try and then buy Berrybenka products.

CONCLUSION

Based on the result of the author's research, it is concluded that pop-up stores is effective on branding as an advertisement for a brand. It drives consumer's perception, emotions, cognition, association, persuasion, and behavior.

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