

Profile of the Pop-Up Industry in the United States

prepared by PopUp Republic

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Preview

The pop-up industry is a fragmented market sector that nonetheless has emerged as a significant commercial force in the United States. There has never been a definitive study done of what constitutes “membership” in this category or how large the pop-up market is.

This industry report by PopUp Republic aims to establish a definition of what constitutes a “pop-up”, and then seeks to quantify just how large the market is. This latter objective will be represented by an informed estimate based on figures extrapolated from published sources.

Definition of What Constitutes a Pop-Up

We have read write-ups that have sized the pop-up market in the United States to be anywhere from \$8 to \$80 billion. Neither of those numbers are accurate, as they either include or exclude commercial sectors that are or aren't relevant. For example, many commentators have cited a 2012 Specialty Retail report as a source that estimated the size of the pop-up market to be \$8 billion, but that estimate included kiosks and shopping mall

carts, and excluded other sectors that rightfully should have been included. Several other sources refer to the size of the pop-up market as being \$80 billion, but differ as to whether this is relevant to the U.S. market or whether it is a worldwide figure. And in referring to that number, some say it includes farmers markets, craft fairs, and pop-ups, while others say it includes clearance sales. And then there is a 2012 IBISworld report, which indicated that there were 2,380 pop-ups in the United States in 2012, up from 2,043 the year before, with 68% being Halloween-themed. The conclusion one would reach from this calculation, though, is that there were fewer than 800 non-Halloween pop-ups in the U.S. in all of 2012, which clearly means that farmers markets, flea markets, food trucks, yard sales, Christmas shopping marketplaces, and a host of other types of temporary retail sectors were excluded — in all likelihood, even pop-up dining events, since our anecdotal evidence from listings that were posted on our pop-up directory and our knowledge of the industry indicate there were far more than 800 pop-up restaurants and supper club dinners alone in 2012.

So then, what is a pop-up? It's time that this industry is defined.

The consensus is that a common feature of all pop-ups is that they are temporary. They can last an hour, they can last for months, but by definition, they need to have a beginning and an end. They don't necessarily have to be commercial, however. One of the original iterations of pop-ups was the flash mob, a musical or dance event in an unexpected public space that seemed to be spontaneous, though it was actually pre-planned. Today, a common example of non-commercial pop-ups are pop-up parklets -

small, temporary, park-like settings that are established for public use in urban locations such as parking spaces. There are also pop-up exercise groups, walks, art exhibits, and many other examples of non-commercial pop-ups.

As part of the defined group, we elect *not* to include major events such as sports games and seasons, unless they are out of the ordinary, or concerts or shows put on by famous celebrities, even though we acknowledge they too are temporary. It is a nuanced decision, but it goes along with the Supreme Court precedent of “we know it when we see it.” But we do include events that are one-off community-oriented shows, festivals, or “happenings” (such as grub crawls, food/beer festivals, public poetry slams, and the like).

One note: we include food trucks as pop-up constituents even though admittedly many are parked at the same location year-round, hence not exactly fitting the “temporary” qualification. We include the food truck sector as pop-ups for two reasons: First, many are temporarily located at a variety of locations, so even if they are open year-round they may not necessarily be located at the same place year-round. Second, we often find that when trying to describe what pop-ups are to the unknowing, we provoke a response “oh, you mean like food trucks!” So part of the reason we include food trucks in the definition is because of public perception (this report isn’t pretending to be completely empirical or scientific).

While not totally inclusive, our list of pop-ups includes the following:

- One-off or temporary dining events
- One-off or temporary retail shops/events
- Food trucks
- Farmers markets
- Flea markets
- Food/drink/entertainment festivals
- Yard/Garage/Estate sales
- Open Artist Studios
- Craft Fairs

Again, there are others as well, but the above categories encapsulate the lion's share of pop-ups in the United States.

Size of the Pop-Up Market in the U.S.

Using the above definition and categories, we can better reach some valid, if somewhat estimated or projected conclusions about the size of the pop-up market in the United States. In calculating its size, we use as sources figures that have been generated either by the U.S. Government, trade associations, or third-party research organizations.

Broken down by sub-category, we have found the following aggregated compilations:

Food trucks and street food vendors: According to a published report, this was a \$1 billion market in 2013 and is projected to grow to \$3 billion within five years. That said, we don't include street food vendors in our defined group, so we are estimating that the size of the food truck market in 2014 is about \$1 billion, accounting for year-to-year growth of market, minus that allocated to street food vendors.

Farmers markets: The USDA estimated the size of the farmer-to-public market to be \$7 billion in 2012. We have witnessed considerable growth in the number of farmers markets between then and the 2014 summer season and estimate that it is at least an \$8 billion market currently.

Yard sales: Estimates we have read indicate that this is a \$600 million to \$1 billion market. Since the proceeds of yard sales go largely unreported, we elect to use the \$1 billion as a conservative projection for 2014.

Flea markets: To our surprise, this comprises the largest segment of the pop-up market, with the industry's main trade association estimating that annual sales exceed \$30 billion.

Others: This would include "pure" pop-up shops, restaurants, and supper clubs; food/drink/entertainment festivals; open artist studios; craft fairs; one-off classes; and other smaller segments that are consistent with the characteristics of pop-ups. We believe that in total, these sectors likely exceed \$5 billion, perhaps by a large magnitude.

So while it is still difficult to accurately portray the size of the overall pop-up market in the United States, PopUp Republic has been able to evaluate sufficient data and compilations to calculate that the size of the market is in the area of \$45-\$50 billion. As reference points, the total annual retail market in the United States is approximately \$4.5 trillion and the size of the online retail market is about \$300 billion. So by comparison, the size of the pop-up market is relatively small, though certainly significant. But while offline “brick-and-mortar” retail is stagnating, resulting in corporate contractions and smaller store sizes, pop-ups are expanding and reflect a steadily growing trend of consumer preferences for local, handmade, exclusive product lines and favoring personal “shopping experiences” over homogeneous, predictable shopping options.

Citations:

Food Trucks:

- Intuit estimates that the food truck industry will be \$2.7 billion in 2017
- The National Restaurant Association estimated sales of about \$650 million in 2012.
- IBISWorld estimates that the Food Street Vendors market, which is mostly food trucks, is currently a \$1 billion market.
- From those three calculations, PopUp Republic estimates that 2014 sales will approximate \$1 billion for food trucks. Based on Intuits forecasted annual growth

percentages, the starting point of \$650 million in 2012, and the conclusion that 2014 will generate \$1 billion, it means the pace of growth is a little faster than that projected by Intuit, so we went with \$3 billion in 2017.

Farmers Markets:

- U.S. Department of Agriculture has already been cited as the source.

Yard Sales:

- Arizona State University study in 2010 estimated the size of the unregulated yard sale market to be \$600 million to \$1 billion (https://asunews.asu.edu/20100304_Things_We_Sell). Since four years have elapsed and we tend to think numbers in this area are under-reported, we go with \$1 billion in 2014.

Flea Markets:

- \$30 billion estimate is provided by the National Flea Market Association:
<http://www.fleamarkets.org>

Others:

- Others: This would include “pure” pop-up shops, restaurants, and supper clubs; food/drink/entertainment festivals; open artist studios; craft fairs; one-off classes; and other smaller segments that are consistent with the characteristics of pop-ups. We believe that in total, these sectors likely exceed \$5 billion, perhaps by a large magnitude.

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