# Pop-up and prosper

By Morné Stoltz                                                                12 Dec 2016

With retail space becoming ever more expensive and the viability of long-term tenancy no longer what it was, the traditional shopping environment is undergoing a huge shift as retailers look to capitalise on the growing popularity of pop-up shops.



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Not only do these temporary shopping spaces incur less in the way of year-round rental, but they also reinforce an aura of exclusivity for top brands, inciting purchase as a result of limited availability.

And while pop-up stores have undoubtedly earned their creators plenty in the way of revenue and buzz, they're not immune to the more negligent elements of business, something that many retailers tend to overlook.

Insurance is a critical consideration for businesses looking to enter the pop-up sphere, particularly given South Africa's high crime rates and the increased risk of theft in a standalone environment. Additionally, actual stock is more susceptible to damage given the flexible nature of this new retail concept, with goods more likely to be exposed to hazards like road accidents and in-transit theft.

So which types of insurance should prospective pop-up owners look to lock down before setting up shop? Here, a few key policies to consider.

## All-risk cover

If you're looking to set up an unconventional retail environment, it follows that you'll need to explore slightly less traditional forms of insurance to keep you and your store contents covered. Whereas traditional business insurance comes linked to a fixed address, the shifting geography of a pop-up shop requires something a little more comprehensive.

All-risk cover enables you to keep your store and contents insured no matter where you are in the world, protecting you against amongst other perils, theft and accidental damage. While you can specify individual items, an unspecified policy is probably the best option for pop-up shop owners with items of lower value, as store contents tend to change on a daily basis.

Remember that, while this option is a comprehensive one, it extends only as far as the actual contents of the pop-up shop and must be taken out with additional buildings, office contents or vehicle insurance to prevent any unexpected financial shortfalls.

## Liability cover

Unexpected injuries or unforeseen personal complications can quickly undo all the positive brand traction arising from your new retail centrepiece. So, to keep your company's reputation intact and to ensure your customers remain protected, you might want to consider comprehensive broadform liability insurance, which will enable you to compensate appropriately for any accidents occurring within your retail environment.

## Goods in transit (GIT) cover

If all-risk insurance sounds like an overly comprehensive option for a temporary retail push, you'd still be well advised to keep your stock safe between activations. Given the high accident rate and well-documented crime statistics in South Africa, the second your stock leaves your custody it becomes immediately susceptible to risk. GIT cover enables you to enjoy peace of mind while you set up shop, keeping your goods covered against any unforeseen scenarios that might arise on the open road.

If you're preparing for a festive retail pop-up push, it's critical that you insure yourself appropriately against some of the more unconventional risks that might arise in a more temporary retail environment. By eliminating unnecessary financial threats, you'll be able to focus on the business of selling, and generate those all-important sales in the run-up to Christmas.

## Money cover

Money cover is usually restricted to the risk address which is not helpful in the case of not having a fixed premise. It is important to ensure that cash traded away from the policy address can be insured.

ABOUT MORNÉ STOLTZ

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