

Wired Magazine Becomes Holiday Retailer

Like Playboy Nightclubs, a Magazine Extends Its Brand

By PHIL WAHBA

Special to the Sun

Wired magazine, the indisputable must-read for Internet geeks everywhere, is betting that brand loyalty will be the key to making its next venture a success: a **Wired** retail store.

The hip technology emporium, at Wooster and Houston streets, is the latest example of an accelerating trend in Manhattan of temporary, or "pop-up," stores that exist for the sole purpose of creating buzz for a new product. Nike did just that last week with a store open for just four days to promote its new Zoom LeBron IV NYC sneakers.

But what makes the **Wired** Store unusual is that it's been opened by a magazine rather than a manufacturer. It's designed not to generate sales but to burnish the magazine's role as technology tastemaker.

"I think of it as art gallery meets e-tailer," the **Wired** publisher, Jay Lauf, said as workers finished installing high-design displays for the latest products made to impress New York's technocra. This Christmas, they can ask Santa to bring them \$200 SwiMP3 goggles that allow a swimmer to listen to music while doing laps, or a \$2,600 ergonomically designed Interactive Desk by New York-based Biomorph.

Wired's SoHo store, which will close on December 31, will showcase 95 gadgets cool enough to touch everyone's inner geek. These run the gamut from the riot-causing Sony Playstation 3 to pre-fabricated modular homes going for \$300 a square foot. And Palm, the maker of the TREO smartphones, is just about to open its first Manhattan store in Rockefeller Center.

Wired Magazine on Friday opened a temporary store in SoHo that until December 31 will showcase 95 gadgets cool enough to warm the heart of the geek within us all. These run the gamut from the riot-causing Sony Playstation 3, to pre-fab modular homes by Living Homes going for \$300 per square foot. And Palm, the maker of the TREO smartphones, is just about to open its first Manhattan store in Rockefeller Center.

Wired's products editor, Mark McClusky, led a team of 55 reviewers who

selected the store's products. He predicts the hot products will be video game systems like PlayStation 3, and Nintendo's Wii console, released this past weekend, along with Zune, Microsoft's just-introduced answer to the iPod. But he also predicts under-the-radar products such as the hydrogen-fueled toy car by Horizon Fuel Cell Technologies will attract attention, too.

In fact, these products are expected to contribute to a holiday bonanza for the electronics industry. The Consumer Electronics Association forecasts electronics sales will reach \$21 billion this holiday season, up from \$17 billion last year, with MP3 players and video game systems leading the pack.

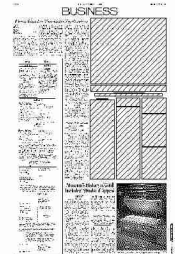
Although the **Wired** Store is expected rack up huge sales — last year's inaugural pop-up store sold \$9 million worth of merchandise, 65 gadgets in all, and attracted 14,000 visitors — it is not taking a percentage of sales, but rather a fee from sponsors to offset costs.

Shoppers can take these gadgets for a spin at the store and then order them on **Wired's** online store, accessible on conveniently placed computers in the store. They are then redirected to the manufacturers' Web sites, leaving the magazine completely out of the transactions.

"**Wired** is not in the retail business," Mr. Lauf said. So then why subject himself to the huge undertaking of opening a temporary store in Manhattan?

"To make a statement that we're an authority here on what's the latest and greatest in technology," said Mr. Lauf, and to feed the "technolust" of its readers. Passionate readers — and another type of lust — might be why, after decades, Playboy magazine is reviving its storied nightclub chain.

That makes perfect sense to the co-editor of the Journal of Retailing and Babson College marketing professor, Dhruv Grewal. He said that though it is still rare for a magazine to open a pop-up store — in 2004, Self magazine celebrated its 25th anniversary by opening a spa in a brownstone for a month — this store will help **Wired** burnish its role as the arbiter of what's cool, all of which in turn creates more buzz for



Wired's advertisers.

And it allows Wired to extend its brand in much the same way the New Yorker Festival helps its Condé Nast sister publication. "Media companies are challenged more and more to show their brands in other ways," Mr. Lauf said.

One selection criterion was, "Do these products reflect well on our brand?" He said many of the products on display were from companies that don't advertise in Wired, lest anyone think the wall separating the editorial and advertising teams at Wired has been breached.

Mr. Grewal said for a pop-up store to succeed, it has to create an experience different from that of traditional retail stores. So he wasn't surprised that Wired's store will offer live music, ex-

pert shopping advice from Mr. McClusky, and even rides in the environmentally friendly Infiniti sedan for shoppers heading to their next errand.

He certainly wasn't surprised to learn that Wired hadn't even considered locations above 14th Street. "It's important for retailers to get the Manhattan cachet," said Mr. Grewal. Indeed, this is Wired's only store in America.

That quest for Manhattan cachet also explains why Palm is finally opening a Manhattan store this month, adding to its stores at decidedly unhip Newark and La Guardia airports. The company declined to disclose the exact opening date, but anyone walking by its storefront on 50th Street last week could see workers applying the finishing touches.



STEVE DUNCAN

WIRED FOR SUCCESS? The trendy SoHo store is open only until the end of December.

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