

Mushrooming cube stores help small businesses grow

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 BANDAR SERI BEGAWAN

RENTING a cube has allowed Farah Hanani Suryani Hussin to build her home-based accessories business.

By just paying \$70 a month, the 23-year-old entrepreneur can showcase handmade necklaces and rings which she markets under the brand Heartbead in a retail outlet, attract more customers and increase her daily sales.

In a month's time, Farah can sell as much as 100 items through the three boxes that she's renting in several cube shops – not bad for a two-year old business that grew from posting photos on her Instagram account.

"It (the cube shop) helped me a lot. I don't need to save up or borrow money to start up a shop just to have a physical shop. I just have to pay my rent," she said.

She added that renting a box in a cube shop helped her manage her time.

In the past, she had to stay home most of the day, waiting for customers who called in to pick up their items.

These days, she can just leave her items at the cube shops, freeing her time to do her other tasks.

Farah is just one among the many entrepreneurs who, despite a tiny capital, managed to start and grow a business with a little help from the cube stores.

Entrepreneurs interviewed by *The Brunei Times* will attest that the rising number of cube stores in the Sultanate helped in developing small businesses – providing livelihood for some, while giving extra cash to those who need supplementary incomes.

Thanks to these cube shops, aspiring entrepreneurs can launch their business with just a small inventory, free Instagram and Facebook accounts for marketing, and

monthly rent that costs as little as \$50.

"We are building entrepreneurs, and we want them to be successful," said Vinz Tien, owner of SCG Enterprise – the pioneering cube shop in Brunei).

Tien, who set up a cube shop three years ago to provide retail space for fellow gadget traders, has witnessed how many of SCG vendors have grown their client base – and revenues – by renting boxes in his cube shop.

"Some started with renting a locker, and moved on, opened their own shop and make a lot of money. They still stay with us while they continue to run their own shop," he said.

Bootstrapping a business

The cube shop idea started in Japan in 2000, where these boxes were rented to sell toys.

The idea has since spread to other countries like Hong Kong where expensive real property can discourage any entrepreneur who wants to open up a shop.

Cube shops proved to be a low cost solution, which in turn boosted the number of cube shops in Hong Kong.

The same can be said for Brunei, where in the past year, cube shops have sprouted in shopping centres, selling all kinds of stuff - pastries, books, cosmetics, gadgets, accessories, home decors, etc.

More than just offering a variety of goods to shoppers, cube shops gave bootstrapping entrepreneurs a way to avoid renting expensive retail space which may not pay off in the end.

According to Joanne Thong, proprietor of B Younique cube store at Times Square Shopping Centre, cube stores "are in trend now" because renting a box limits the business risk.

"They (entrepreneurs) need to spend a lot for the rent, (to hire) the staff. They need to bring in and buy the stocks (that they will be

selling)," she said.

While any business will naturally entail risk, Thong notes that it's especially risky for entrepreneurs in Brunei to open their own stores as their sales may not even cover the cost of their operations given the small size of the local market.

She added that Bruneians also tend to shop overseas, squeezing further the market for local retailers. Cube shops mitigate these risks.

Tien of SCG Enterprise said this is the reason why selling through cube shops is the cheapest and low risk way to start a new business.

"When you launch a new product, you need to test the market. You have to see whether the (market) response is good or not. This (cube shop) is the best place to test it out," he said.

Tien said renting a box in a cube shop is "a stepping stone to the next level" of your business.

Most cube shops provide business advice and marketing services as well to their vendors.

Apart from the monthly rent, cube shop owners gets between five and ten per cent of monthly gross sales of each vendor.

The money will be used by the cube shop to market the vendors' products through holding of special events and compensating sales staff.

Tien said that he always advises his vendors how to manage their cubes and give them feedback on what sells.

"From the outside it looks very simple, but at the back, you have to grow them (vendors), make sure they understand their business," Tien said.

Through the years, Tien said that he has helped his vendors learn more about financial and inventory management and "how to grow bigger".

"I encourage to open up their own business, open up their own



shops and to have their own core business," he said, adding that some of his success stories include a coin trader and anime product merchandiser who each set up their own shops.

Indeed, Farah, who rented two boxes at SCG for her accessories, is one entrepreneur who has taken this advice to heart. While she's happy with her sales, she's still keen to open her own boutique as she wants to touch base with her customers.

"There's no interaction between me and my customers. It's important too that you can talk to

them," she said.

Thong, whose cube shop business is only a month old, also has the same aspiration for the 80 or so vendors that have since found a home in B Younique.

She always talks with her vendors on how to market and price their items.

"We want these businesses to survive. We help to make their products sellable and by doing so, we hope to have loyal vendors as well. It can work both ways," Thong said. - with reports from Koo Jin Shen

The Brunei Times



(Top) Farah Hanani Suryani, founder of homebased jewellery business Heartbead, rents spaces at different cube stores in order to reach to more customers. (Above) File photo shows visitors taking a look at the items on display at SCG Enterprise during at its branch in Citis Square, Berakas. Pictures: BT file

Foreign Exchange Rates

06/07/2015

Brunei Dollars to 1 unit of foreign currency	Selling TT/OD	Selling Notes
US DOLLAR	USD 1.3620	1.3900
STERLING POUND	GBP 2.1316	2.1700
EURO	EUR 1.5209	1.5300
AUSTRALIAN DOLLAR	AUD 1.0385	1.0700
CANADIAN DOLLAR	CAD 1.0932	1.1262
NEW ZEALAND DOLLAR	NZD 0.9283	0.9500

Foreign currency to 1 unit of Brunei Dollars

SWISS FRANC	CHF 0.6931	0.61
HONG KONG DOLLAR	HKD 5.5900	4.99
INDONESIAN RUPIAH	IDR 9,441	n/a
INDIAN RUPEES	INR 45.13	n/a
JAPANESE YEN	JPY 89.45	82.46
PHILIPPINE PESO	PHP 32.06	n/a
SAUDI ARABIAN RIYAL	SAR 2.70	n/a
THAI BAHT	THB 24.01	n/a
YUAN RENMINBI	CNY 4.42	3.99

Short Commentary

Euro fell after Greeks voted to reject terms of a rescue package, deepening the country's financial crisis that could splinter Europe if creditors refuse further aid. The European Central Bank, which holds a conference call later, is likely to maintain emergency funding for Greek banks at their current restricted level, people familiar with the matter said. Malaysian ringgit hit a 16-year low after reports linked the country's prime minister to probes into alleged corruption, while most emerging Asian currencies slid as Greeks rejected austerity measures for bailout money.

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