

Pewter and Pearl

How two old brands stay strong

MALAYSIA'S YONG POH KON and Japan's Mikimoto Tiyohiko share one distinction: they are both keepers of a revered Asian brand name. Yong, 51, is the grandson of Yong Koon, a Chinese emigrant who founded Selangor Pewter in 1885. Mikimoto, 50, is the fourth-generation chief of the Mikimoto pearl empire, which was started by Mikimoto Kokichi, a noodle vendor's son, in 1893. Royal Selangor -- Yong changed the original name in 1992 -- has become synonymous with Malaysia, where it has 70% of the high-end gift market. Closely identified with Japan, Mikimoto is the country's single largest player in the \$2.7-billion pearl jewelry retail industry, with a 10% share -- and it is a major producer, wholesaler and retailer of the lustrous gem the world over.

What's the secret? "Consistent advertising and continuous development of good, well-designed and well-made products," says Yong. "And word-of-mouth. We get at least 150,000 visitors to our main factory every year, and most of them bring back with them a few pieces of pewter." In all, Royal Selangor crafts some 1.5 million items annually. "Every piece will touch somebody else," says Yong. "It's an enduring process because a pewter piece lasts for many, many years. What we want is to create a loyal group of customers who will be delighted every time they visit the showroom to see something new and to receive, buy or give Royal Selangor items."

The durability of their products helps explain the steady popularity of Royal Selangor and Mikimoto. Pewter is an alloy comprising at least 92% pure tin mixed with antimony and copper. Properly cared for, a pewter picture frame, mug or tea service could remain untarnished for a long time. The same is true of Mikimoto's cultured pearls, which are grown inside Japanese akoya oysters for up to 18 months. The best cultured pearls are heavier, rounder and more long-lasting than those occurring in nature. That could mean hundreds of years -- one prized jewelry item is a 53-piece strand of natural pearls once owned by Marie Antoinette of France.

But that's only part of the story. There are other pewter makers in Malaysia and Mikimoto has dozens of rivals in Japan and elsewhere, yet the two brands remain No. 1. Being first helps. When Mikimoto marked its 100th year in 1993, the pearl-maker organized a lavish year-long campaign. Magazines reminded their readers of how Mikimoto Kokichi invented the process that gave the world the cultured pearl. Stores held special promotions. Image is another reason. "We're certainly not mass merchandise," says Yong. "We position ourselves as an upmarket gift or collectible. It is sometimes very tempting to sell in large quantities to lower-end marketers. But in positioning your product, you're only allowed one first time to be seen in the best stores." A large Royal Selangor vase retails for upwards of \$1,160. The company's aristocratic association adds cachet. On his visits abroad, the Sultan of the Malaysian state of Selangor was pleasantly surprised to find that many foreigners had heard of his realm because of Yong's pewter. He made the company the royal pewtersmith in 1979.

Mikimoto is even more upscale. In 1995, it moved its New York store from 608 Fifth Avenue to a choicer location at No. 730 on the same street -- in the same neighborhood as Tiffany's, Bulgari, Van Cleef & Arpels and Harry Winston. One of the most expensive items on sale was a \$600,000 diamond-and-pearl necklace. In Japan, pearls have traditionally been the jewelry of choice of the imperial family and the upper class. Mikimoto assiduously nurtures the image. When cheap imported pearls swamped Japan in the 1980s, young women began wearing them with sweaters and jeans. Mikimoto kept aloof from the trend.

It was rewarded when graduate student Kiko Kawashima married Prince Aya in 1989 and career diplomat Masako Owada wed his elder brother, Crown Prince Naruhito, four years later. Both young women wore pearls when their engagements were announced. Japanese assumed the pieces came from Mikimoto because of the firm's reputation. (Protocol prevents Mikimoto from confirming or denying it.) Besotted by the two commoners who married into royalty, Japanese women took a renewed interest in Mikimoto pearls.

For all the stress on history and image, however, Mikimoto and Royal Selangor are also on the move. After becoming CEO in 1993, Mikimoto unveiled his company's vision for the next century: more cosmopolitan and diverse designs, expansion into non-pearl jewelry and a stronger push in overseas markets. For his part, Yong has launched new products such as pewter hip flasks for liquor and desk accessories that incorporate wood, glass and ceramics. "This gives a new look and a new feel," says the Royal Selangor chief. "A strong brand needs to be nurtured. It also needs to be seen as innovative." The challenge is to look to the future without losing sight of the past. --By Steven K.C. Poh / Kuala Lumpur and Murakami Mutsuko / Tokyo