



# The Growth of a Giant

## How Pearl River Piano's Became An Industry Behemoth

**T**he Zengcheng District – a district of Guangzhou, China – features a balmy climate with high-yielding, fertile land, an average yearly rainfall of 73.6 inches, and an average temperature of 72 degrees. Now the Zengcheng District's features make it suitable for the growth of tropical and subtropical crops, most notably the lychee. But, something more unexpected has taken root and grown in the fruitful soil of Guangzhou: the Chinese piano-making industry.

Think of The Pearl River Piano Group as a seed. A seed is comprised of many pieces that help it to not only survive, but to germinate and flourish. An avocado seed, for example, features a seedcoat, an embryo, a hypocotyl, a radicle, and cotyledons. A piano has five main components: resonator, action, keyboard, pedals, and outer frame, or cabinet.

A seed is something small with an enormous amount of potential. Like a seed, and in a sense like the very instrument they produce, Pearl River too has many different “pieces,” which allowed them to germinate and prosper in China, parts they themselves credit for their dramatic growth over the last 50 years, “China’s liberalized economic policies, a Chinese tradition of manufacturing expertise, [and] a loyal and skilled work force.”

### China’s liberalized economic policies

Pearl River was established in 1954 through the consolidation of several piano-making facilities. The company was named for its first and present day factory location on the banks of the Pearl River in southern China.

To contextualize that time, in 1954, the Battle of Dienbienphu had taken place, and the Geneva Conference took place that same year after the French suffered a great loss in that battle. In 1954, President Eisenhower feared what he called a “domino effect” of communism spreading to Indo-China. Chiang Kai-shek became president of Nationalist China.

Due in large part to economic liberalization policies from the late seventies on, China’s GDP has increased exponentially, with some added help from foreign investment. China surpassed Germany as the world’s third-largest economy in 2007, and surpassed Japan as the second largest in 2010. The economic freedom of the Chinese

people has increased since the seventies, and internal markets have not only developed, but flourished. Some economic reforms were spurred by Hong Kong. With this new economic freedom came a rise in economic potential for the people, freeing up the market.

China’s humble aspirations of being a workforce for the world have expanded, and now Chinese companies are trying to compete internationally with not only high quality products, but lower costs and higher profit margins.

Some of the coastal cities have benefitted immensely from the increasingly open trade policies. Cities like Shanghai, Tianjin, and Guangzhou are China’s main ports. When it comes to the story of Pearl River Pianos and its success in China, we must turn our eyes to Guangzhou.

### Chinese tradition of manufacturing expertise

Since around 206 B.C.E, during the Western Han Dynasty, the

craftsmen of Guangdong/Guangzhou have produced intricate works of art. Artifacts from the Guangzhou region – porcelain vases, statuettes, cabinets, and stone pillows – are amongst the most highly coveted and prized possessions of collectors, many featured across the globe in museums. This storied history and dedication to craftsmanship is, perhaps, the reason why industry behemoths like Audi, Apple Computers, and Siemens are amongst the international companies choosing to produce and manufacture goods in the region today.

Pearl River has shown, over the years, a commitment to value through innovation and the use of technology. Scale and cost are two of the main reasons Pearl River is successful in driving the price of their product down while still maintaining – and at times increasing – the quality of the finished product.

The establishment of the Engineering Technique Research Development Center (ETRDC) in 2008 has specifically helped Pearl River to expedite new technique applications, new product development, and helps assure Pearl River lead the domestic Chinese music industry. The work being done at the ETRDC focuses specifically on innovating and creating core techniques, which can be patented by Pearl River, and the result has been several advanced science, technology, and craft applications for which Pearl River owns the patents.

In addition to the ETRDC's research, the Pearl River Piano Group has found ways to continually revolutionize traditional piano manufacturing through the use of digital technology. The application of state-of-the-art technology to design has helped speed up the design cycle and greatly increase the work's precision. What does all of this mean? The innovations are converted quickly into increased productivity, or to put it simply, better products are being created quicker.

The Pearl River factory of yesterday had humble beginnings, but the factory of today encompasses 1.2 million square feet. The main building is a quarter mile long, stands seven stories tall, and has the capacity to build over 100,000 units a year. Today, Pearl River counts itself as not only China's best-known domestic brand, but also the best-selling piano worldwide. Pearl River sales, when tallied in 2009, accounted for 28 percent of the Chinese market, 18 percent of the American market, and 15 percent of the European market. Those percentages have only grown. In terms of Pearl River's 2014 production, 85% were to be sold in China, while the rest would find homes in over 100 other countries Pearl River does business with, primarily the United States and Europe.

Dan Skelley, of Skelley's Pianos in Tacoma, WA, is one of the top American dealers of Pearl River pianos and he's sold some of the new Ritmüllers being rolled out of the Guangzhou factory. With an emphasis in piano technology, Skelley has been working with pianos for about 36 years. Only within the last five years or so has he started doing piano sales.

"I especially like the EU122," said Skelley. "I think it competes with the Yamaha products. It's a great piano. I do sell a lot of the 115M5's,

I think that's the model number; it's a small studio upright, and the pricepoint is right. If you compare it to other pianos – for example I have another brand of piano that sits right next to it, it's a used piano and it's priced higher, and as a new piano it's priced higher. It just doesn't sound as good. The Ritmüller pianos, they're fabulous. They're great, great instruments. The Ritmüller pianos I use for concerts, which I sponsor in the town I'm in. We get some pretty high profile performers in who just love the piano."



### **A Loyal and Skilled Work Force**

The road on which China traveled to become the world's second largest economy was built on the backs of the skilled Chinese workers, one of China's most important exports. The current population of China today hovers somewhere between 1.3 and 1.4 billion people, according to statistics from the World Bank and the United States Census Bureau in 2013.

Regardless of population size, China's workforce size has been declining – the National Bureau of Statistics reported that the country's working age population dropped by 2.44 million people to 919.54 million in 2013. Some analysts predict this trend will continue. Sanjeev Sanyal, a global strategist at Deutsche Bank, wrote in a report dated September 2013 that he believed China's workforce would "decline modestly from 853.7 million in 2015 to 848.9 million by 2020."

In the midst of these occurrences, some companies are taking the opportunity to consolidate and reevaluate their production strategies. Though production numbers continue to increase, Pearl River reduced its workforce by 1,000 people to roughly 2,500. This will result in lower costs for the company, better prices, and superior value for consumers, as well as benefit the dealers. Yet in order to achieve those aforementioned goals, more is demanded of those Pearl River technicians. The usage of this modern technology and sophisticated machinery is no simple task, which is why Pearl River technicians are required to receive, and do receive, three years of campus education, and two years of apprenticeship in the factory.

The education a Pearl River technician receives has two prongs. The campus-based education focuses primarily on a strong base knowledge of music, music theory, and the basic construction/design of the piano. The factory apprenticeship, however, is a little more hands on. Throughout the duration of their apprenticeship, Pearl River technicians spend copious amounts of time honing their piano assembly skills, as well as putting into practice everything they have learned about voicing, tuning, and regulation.

### **Innovative Thinking**

Though established in 1954, and introduced to the American market 30 years later, Pearl River didn't fully institute a strong dealer network in the United States until 1999.

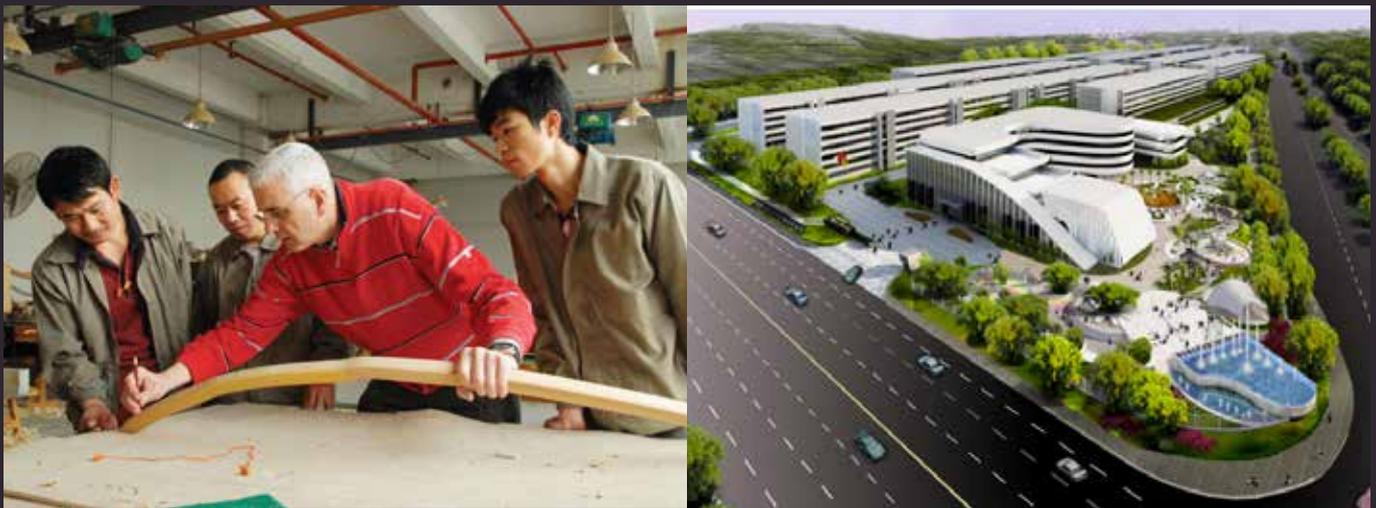
Shawn Hoar of Shawn's Pianos in Connecticut has been in the pi-

ano business for 30, almost 40 years. Shawn's Pianos is another one of America's major dealers of Pearl River Pianos – he's been selling them for 15 years – and has no desire for that to change. "I don't need to sell any other manufacturers," said Hoar. "The other manufacturers are after me, and I have no interest." He chocks Pearl River's success up to a variety of factors. It's imperative, according to Hoar, that a piano's "ingredients" are at the highest quality. "Since 2001, my background is in piano rebuilding," said Hoar. "I look at the piano through the ingredients, it all starts with the casting. The materials, the rim, the piano back, the screws, all down to the hardware – [Pearl River] starts off with fantastic ingredients."

and research and development processes. He also served as the director of both the German Piano Manufacturers' Association and the European Piano Manufacturers' Association. Mohler is a Swiss piano maker who brings 31 years of piano manufacturing experience to the table. He had previously apprenticed under and worked with Lothar Thomma at a few other piano companies.

Mohler and Thomma's combined years of experience in European manufacturing became integral in helping Pearl River achieve their goal with a new brand, Kayserburg: Build the best pianos in the world.

"The biggest consumer of pianos today is China. Who would be the best to build the newest most modern piano: China. Everyone



The Pearl River Piano Group does pride itself on high-quality ingredients, and owns one of the world's largest lumberyards with sixteen computer-controlled kilns. This is important considering a piano is approximately 60 percent lumber. Pearl River can guarantee quality and adaptability of the instrument to different weather environments worldwide because of strict processing standards at the lumberyard.

Once you've got great ingredients, the features are second. "The touch and tone is fabulous. There's never been a piano made in this price range that's been so good," said Hoar. Third, price point is among the most important things that make Pearl River a stand out. "If [Pearl River] wants to compete in the piano market, they can't be just as good. They have to be better," said Hoar. "Because no one is going to buy Pearl River over one of the major manufacturers if they're not better. Between the instrument work and the finish, the instrument is fantastic. If they were just equal to everyone else, people would just buy the bigger names. So I go for who is trying the hardest. In the history of all the other piano makers, they all have their good and bad periods. So I look at Pearl River Ritmüller as being the best out there. They're trying the hardest, they have the best ingredients."

Perhaps the most important factor, not just by Hoar's standards, but in the history of Pearl River's success has been the pursuit of new ideas: innovation.

Pearl River called upon Swiss piano designer Lothar Thomma as well as Swiss master production engineer Stephan Mohler to help design and craft a new line of pianos. Thomma has spent more than 30 years as both a teacher and a consultant for 20 different major piano brands. He was chosen for his expertise and hands-on experience in piano rebuilding, manufacturing, concert tuning services,

takes everyone's ideas. What Pearl River's done is take everyone else's ideas and create a state of the art modern piano," said Hoar. And Hoar has struck an interesting chord here. What Pearl River did by hiring Thomma and Mohler in 2009 was not only commit to creating the world's best pianos, but commit to collaborating with some of the world's best minds to create the world's best pianos.

To tackle that task, Mohler and Thomma cherry picked the most dedicated Pearl River craftsmen and put them through a rigorous training regiment, which included dissection of instruments from some of the most famous pianos in the world, and a program where select Pearl River craftsmen worked, side by side, with visiting European craftsmen. This worldly approach helped Thomma and Mohler revise and streamline the new model line-ups.

Mohler revealed in an interview with China Daily that he has seen some extremely impressive students while working at Pearl River. "[Zhang Zhengwei] made it nearly perfect his first try. That's a talent you don't see often."

The new Ritmüller line features a solid maple capped vertically laminated bridge, pin blocks (cross-laminated of hard rock maple), tuning pins, chrome plated steel with cut thread, German Rösela strings and hand-wound bass strings, Louis Renner Premium hammers from Germany, and ebony wood for sharps.

Larry Fine, the publisher and editor of pianobuyer.com as well as "The Piano Book," had nothing but praise for Pearl River's innovative, transformative endeavors with the Ritmüller. "I like the Ritmüller pianos, and think the transformation of the Ritmüller line over the last few years has been one of the more authentic and musically successful changes in the piano industry," said Fine.

Concert pianist Judith Cohen echoed Fine's sentiments in a review for pianobuyer.com. "I was more impressed with the Ritmüller's tonal color, and its sustained singing quality in the midtreble than with those of any of the other instruments reviewed. The tone didn't decay as rapidly as with some Asian pianos I've played, and the tonal color was more complex and varied... The clarity of the high treble was good."

### Moving Forward

With 100,000 plus units being produced per year, Pearl River has certainly distinguished itself amongst the pack of other big name piano manufacturers. 2014 marked the 60<sup>th</sup> anniversary since The Pearl River Piano Group's inception, and the 30<sup>th</sup> anniversary of the company's introduction into the North American market. With an anniversary tagline of "It's been a great 30 years, but we've only just begun," it's clear Pearl River has big plans to continue innovating the art of piano manufacturing in China.

To celebrate their 30<sup>th</sup> anniversary in North America, the company is sponsoring a special incentive for dealers in the U.S. and Canada. The top performing dealers were qualified for a trip to see the new 1.2 million square foot production facility in Guangzhou, China. Additionally, six new vertical models will be introduced at Winter NAMM this year – all of which were created in collaboration with Lothar Thomma – including the EU131, a 52" concert upright. Pearl River commented, "[We] remain committed to the North American market and a company-wide determination to reach perfection."

### Humble Beginnings

A seed is a humble thing with extraordinary potential. Humble is a word that comes to mind when speaking about Pearl River. The Pearl

River Piano Group is a company that started with humble beginnings – a company that has committed to creating a humble high-quality instrument for a humble, reasonable price. Now, at 60 years old, Pearl River has grown into its extraordinary potential, holding the title for largest piano manufacturer in the world. Though the new 1.2 million square foot production facility is far from humble, the product is frank and straightforward.

Dan Skelley, an admittedly humble piano seller himself, values that. "I don't have data about my pianos versus other pianos. I mean there's some things like Ritmüller has the ebony sharps, I mention a few things, but I'm not the kind of guy that says, 'you have to buy this piano because of this feature, this feature, and this feature.' I just try to make the piano sound as good as I can, and feel as good as I can... I don't have the resources to have chandeliers and all that stuff. I can't sell a piano for \$40,000. You have to have a certain ambience to sell pianos over a certain price. The pricepoint for Ritmüller is really good. If you have an artist coming in to look at a piano, you get one shot. If there's a little problem, they're not coming back. And I don't really have any problems with these."

For Hoar and Skelley, Pearl River is the only choice, and will continue to be. "I prefer to order Ritmüller pianos," said Skelley. The Pearl River Piano for me has been a really good seller. Like I said, I don't go out and promote other dealers. It's the type of piano that the pricepoint is a lot lower than it should be." That reasonable pricepoint, as well as the value and quality of the instrument, are what keep Pearl River buyers coming back for more. **MMR**

**1997** – The Pearl River Piano Group obtained the ISO 9001 Certificate from the Chinese and International Certification Organization.

**1999** – The Pearl River Piano Group obtained the first *Famous Trade Mark* in the Chinese musical instrument industry.

**2001** – The Pearl River Piano Group ranked first in world piano sales.

**2002** – The Pearl River Piano Group becomes one of 16 Chinese corporations worthy of *world famous brands* status.

**2003** – The Pearl River Piano Group receives the *Chinese Famous Brand Product*.

**2004** – The Pearl River Piano Group is honored as *National Enterprise of Outstanding Quality Management*.

**2006** – The Pearl River Piano Group receives the *Milestone Award* distributed for the first time in its 104-years history by the International Music Product Association to a non-U.S. musical instrument enterprise.

**2006** – The Pearl River Piano Group becomes the first Chinese piano manufacturer to produce over one million units.

**2007** – The Pearl River Piano Group obtains the ISO 4001 Certificate of Environmental Management Systems.

**2007** – The Pearl River Piano Group recognized as a *New High-Tech Enterprise*.

**2007** – The Pearl River Piano Group bring on Lothar Thomma and Stephan Mohler.

**2013** – The Pearl River Piano Group opens the world's largest piano factory.

**Peak Music Stands**