

A century of pearls

FROM THE EARLY ENTREPRENEURS TO PEARL-ONLY RETAIL STORES, SCIENCE, ARTISTRY AND BUSINESS-SENSE HAVE KEPT THE PEARL INDUSTRY EVOLVING.

BY BETH BRAVERMAN

The modern history of pearl jewelry began almost exactly 100 hundred years ago when a fledgling cultured pearl industry set out to prove that the lustrous gemstones, plucked all too rarely from the depths of the sea by underwater divers, no longer needed to be a product of sheer luck.

Known as "Tears of Gods," natural pearls found before the turn of the century were so rare and valuable that only the extremely wealthy could afford strands of round, matched pearls. A harvest of thousands of mollusks might yield only a handful of natural pearls that were suitable for jewelry.

The iridescent baubles were in fact so rare that, according to legend, Jacques Cartier bought his Fifth Avenue flagship store in 1917 by plunking down \$100 in cash, plus a strand of perfectly matched natural pearls.

Attempts to create cultured pearls took place throughout Europe and Asia from the 13th century on, but the trials met with minimal success until nearly the turn of the 20th century.

Pearl giant Mikimoto contends that its founder Kokichi Mikimoto created the first cultured pearl in 1893. But other sources claim that it was two other men, biologist Tokichi Nishikawa and carpenter Tatsuhei Mise, who first created the process of making a cultured pearl.

Nishikawa and Mise patented their method in 1907, but the men apparently did not possess the same ambition and business acumen as Mikimoto, who would eventually purchase the rights to their patent and begin creating cultured pearls on mass levels, thereby revolutionizing the pearl industry.

Mikimoto, a born promoter and bold entrepreneur, spent the rest of his life championing cultured pearls. He understood the value of marketing and public relations decades ahead of his time, creating fabulous pearl structures and displaying them at international exhibitions to capture the imaginations of consumers and garner attention for the new product. In 1926, he created a five-storied Japanese pagoda out of cultured pearls, displaying his handiwork at the Philadelphia World's Fair. In 1933, he brought a pearl-fashioned model of George Washington's

home to the Chicago World's Fair, and in 1939, he unveiled a cultured pearl replica of the Liberty Bell at the New York World's Fair.

Cultured pearls out of their shells

As for selling pearls, Mikimoto opened the world's first pearl-focused store in Tokyo's Ginza shopping district in 1906.

Soon Mikimoto was exporting fine saltwater pearls to partners throughout the United States and Europe, where consumers of that era had more disposable income than those in Japan. The first overseas Mikimoto pearl store opened in London in 1913, followed by outposts in Shanghai, Bombay, New York, Los Angeles, Chicago and Paris.

Natural pearls were already part of the jewelry tradition in the United States, where they were associated with weddings in the early 1900s. Prior to De Beers' famous "A Diamond is Forever" campaign, which emerged after World War II, pearls were a popular choice for engagement rings.

Pearls continue to dominate the bridal jewelry market today, where they remain an important wedding present from a groom (or his parents) to a bride, as well as trendy accessory for a wedding gown.

However the success of cultured pearls on the world market did not come immediately. The new cultured pearls appeared rounder and larger than natural pearls, and producing them was far easier than procuring natural pearls. This upset some in the industry who perceived a grave threat to the quality of rarity established by the natural pearl industry. In 1912,

jewelers in Paris and London asked European courts to ban the sale of cultured pearl jewelry. Some established pearl traders claimed that cultured pearls were inferior to natural pearls, and others went so far as to call them fakes. Scientists soon proved that natural and cultured pearls had the same composition and by the 1920s, the public had begun to embrace cultured pearls as chic accessories.

In the United States, ultra-long strands of pearls became a fashion must during the 1920s flapper era, growing even more entrenched in U.S. fashion when couturier Gabrielle "Coco" Chanel famously paired them with her celebrated little black dresses and business suits. The baubles got an added boost following World War II when U.S. servicemen stationed in Japan brought strands back home as gifts for loved ones.

By the 1950s, Mikimoto produced the great majority of the world's pearls.

But the success of cultured pearls contributed to the demise of the natural pearl industry and brought the end of an era for divers, in the Indian Ocean, the Persian Gulf, the Gulf of Mannar and even South America, who had earned their living for generations. It might have ended anyway: The natural pearl availability in those pearl-producing seas had already begun to dwindle due to over-fishing and the impacts of industrialization.

In 1954, the Federal Trade Commission (FTC) officially distinguished between natural and cultured pearls, creating guidelines requiring that those selling cultured pearls mark them as such. To this day, any item advertised or sold in the United States merely as a "pearl" must, under FTC guides, be a natural pearl.

Pearl farms proliferate

Meanwhile, in Japan, entrepreneurs who saw Mikimoto's success soon set up pearl farms of their own, and Japan became the world's authority on cultured pearls, despite a slowdown in production during World War II and financial setbacks in the 1970s.

For most of the 20th century, akoya pearls, the saltwater specialty of Japanese pearl farms, served as the unrivaled top product and the bedrock of the retail pearl industry.

Following the success of the Japanese akoya pearls, entrepreneurs in China and the South Pacific began to emulate the pearl-making processes with various degrees of success. After World War II, pearl farms began sprouting up in French Polynesia, Indonesia, India, Australia and the Philippines, where much larger oysters could produce bigger pearls.

Japanese pearl farmers (including Mikimoto) looking to expand started many of the first Southeast Asian pearl farms, where they employed Japanese technicians and laborers. Over time, native entrepreneurs like Robert Wan in Tahiti and the Paspaley family in Australia, entered the industry. Tahitian islands farms produced larger pearls than the akoyas in new colors like dark gray, peacock green, and gold, while Australia yielded creamy colored pearls in off-the-charts sizes up to 20 millimeters. These larger pearls slowly gained a following in Europe, but took a few decades to catch on in the United States.

As their status climbed in the 1980s and 1990s, Tahitian and South Sea pearl producers suffered from too much supply, which hurt prices and damaged their

reputation among U.S. buyers. But in recent years, prices for Tahitian and South Sea pearls have begun to rebound, thanks in part to tightened supply constraints imposed by the Tahitian government.

Today's Tahitian pearl industry has also benefited from focused marketing by Perles de Tahiti. This year, Perles de Tahiti's advertising campaign will also include jewelry by South Sea pearl producer Autore Group.

Like the Tahitian government, the current Australian government maintains tight control over the quality of its pearl exports, driving prices up. However, prices have fallen in recent years in response to competition from growing pearl industries in Indonesia, the Philippines and Myanmar, where the governments do not impose as strict regulations on pearl exports.

Japan slips, Chinese freshwaters rise

As akoya and South Sea pearls began growing in popularity in the 1970s and 1980s, the market began clamoring for cheaper alternatives. Soon, Japanese pearl farmers learned how to create pearls in freshwater, the first of which appeared in Lake Biwa, near Kyoto.

The Biwa pearl farms thrived for decades, with the freshwater crop available in a variety of colors and sizes, and at lower prices than akoyas. Pearls produced in Lake Biwa were so successful that many people still refer to all freshwater pearls as "Biwa pearls," although in the United States, it is illegal to advertise freshwater pearls from sources outside of Lake Biwa as such.

In the 1990s, an oyster virus, together with pollutants and poor weather, nearly decimated the Japanese pearl production of both freshwater and akoya pearls, and the Japanese pearl industry entered a decade-long slump from which it has only recently begun to emerge. Though

they remain rare, high-quality Japanese akoyas still command top dollar.

Chinese freshwater pearls came onto the market in the 1970s, but the quality was notoriously low because freshwater pearls need slightly more sophisticated implanting and harvesting techniques, which farmers there had not yet mastered. The market mockingly referred to early Chinese pearls as "rice krispie" pearls, making a snide reference to their irregular, elongated shape.

Over the next 20 years, however, Chinese pearl farmers increased the size, shape, color and quality of the pearls, making them a powerful force in the retail pearl industry and creating pearl offerings that can fit into any budget. Once the Chinese had figured out the process for creating high-quality freshwater pearls, several factors allowed the pearl variety to quickly grow into a powerful force: the availability of cheap labor, growing competition among Chinese pearl farmers, the accessibility of thousands of miles of freshwater shores, and a positive international exchange rate.

Chinese freshwater pearl farmers can also produce multiple pearls in a single mussel, giving them yet another edge over Japanese akoya farmers who can only grow one per oyster.

Current Chinese freshwater pearl production ensures a veritable rainbow of pastel-colored pearls in all shapes and sizes. The supply of freshwaters—which have flooded the market for several years—has finally begun to stabilize, but the diversity of freshwater product has increased. The availability of round and nearly-round pearls has also grown to the point that they have begun to

rival the quality of South Sea and Tahitian pearls. Still, prices stay relatively low thanks to China's efficient farming techniques and cheap labor force, and this affordability has especially drawn female self-purchasers.

A continued fashion favorite

The availability of Chinese freshwater pearls has also helped fuel an explosion of interest in all pearl jewelry.

Throughout the century, pearls have remained in fashion's favor in the United States, although they have experienced particular boons during certain eras. Following their success in the Roaring '20s, the baubles came in vogue again with the prim, ladylike attire that

reigned in the 1950s and again during the opulent 1980s.

In 2006, the accessibility of Chinese cultured freshwater pearls, at affordable, entry-level price points has helped fuel interest in pearl jewelry across the board. Pearls have a broad

appeal, drawing interest from conservative women seeking traditional strands as well as fashion-forward shoppers who pursue pearl jewelry that will set them apart with unique designs and eye-catching color.

While simple strands and studs remain an important category, today's consumers also want edgier pearl jewelry, like cocktail rings with a Tahitian pearl center stone, drop earrings punctuated with dangling akoyas or colorful necklaces made from a spectrum of freshwater pearls.

Recent trade shows including JA New York and those held during Las Vegas market week demonstrated an amplified interest in baroque pearls and

pearl button earrings. Hair clips featuring pearls have also become popular, and pearls also fit into the current fashion trend toward romantic, Victorian-inspired jewelry and clothing.

Because of the strong demand for uniform pearls, many pearls now go through extra coloring processes. Bleaching or dyeing pearls has become routine in many parts of the world, but pearls that go through those processes should be labeled as such. American freshwater pearls, South Sea pearls and black Tahitian pearls generally do not go through such processes.

Other increasingly common methods of altering pearls, including excessive tumbling, wax coating and buffing, may better the appearance of pearls, but can damage the long-term durability of the gems.

Rise of pearl-only retailers

Cultured pearls have become such a key part of the jewelry industry that pearl-only retail stores now thrive throughout the United States, where the entrepreneurial spirit of selling pearls is very much alive.

Mikimoto entered the United States as a retailer in 1959 with a pearl salon in the New York Takashimaya department store. In 1975, Mikimoto opened its own store on Fifth Avenue in Manhattan. The company now operates four U.S. stores with outlets in New York, Las Vegas, Costa Mesa, Calif.; and Beverly Hills, Calif.

Jim Cupit, another retail jeweler who helped lead the pearl-only concept, opened the Black Pearl, specializing in Tahitian pearls, in Aspen, Colo., in 1987, and now runs three others in Aspen and Hawaii.

In 2004, Iridesse, a Tiffany-owned retail chain that sells only pearls, burst onto the scene with stores in posh retail outlets such as Tyson's Galleria in McClean, Va., and at the Mall at Short Hills in Short Hills, N.J. The chain has steadily grown in more of the country's top luxury markets since its launch, with nine stores currently comprising the chain and plans for three more stores this year and at least eight more within five years.

Pearl supplier Honora has also announced plans to get into the retail business, with the opening of its first retail store in Manhattan this fall. Company president Joel Schechter says that depending on the level of the store's success, he may move into key markets in Las Vegas, Chicago or Bal Harbour, Fla.