

BP de Silva and the Rebranding of RISIS

Daniel Koh¹

¹SIM University, School of Business, 461 Clementi Road, Singapore 599491

Abstract: *RISIS (the reversed acronym of SISIR which stands for Singapore Institute of Standards and Research) is a home-grown brand of Singapore which has its root started in 1976, when a scientist sought to immortalize a rare orchid breed and use it as a gift to his wife. Since then, RISIS has turned into a well-recognized, iconic brand around the world. One of the key factors to their success was their ability to charter through great uncertainty with the help of strong leadership that envisioned a better future. In 2000, B.P. de Silva – a Singapore conglomerate - acquired RISIS and turned it into an iconic brand of Singapore's success. Today, many Singaporeans - especially the older generation – remember Singapore's history by its gold-plated orchid. This case study explores RISIS's history, marketing activities, implementation of CRM system to help them in their business operation and strategic expansion. It was never easy for RISIS to grow in the midst of thriving environment. Nonetheless, they have successfully made their way onto the international stage, retelling the success and history of Singapore to people around the world.*

Keywords: marketing, international expansion, crm, singapore

1. Introduction

Founded in 1872 by Balage Porolis de Silva, B.P. de Silva had its early beginnings as a jewelry manufacturer and retailer on the banks of the Singapore River. It was founded by a man who foresaw the future of Singapore and relentlessly drove his company with a manifest destiny. Today, it has grown into a diversified group across a multitude of industries which stay true to the founder's principles and reputation. A selection of companies includes B.P. de Silva Jewellers for bespoke pieces; RISIS, known for gold plated orchids and sculptures; and The 1872 Clipper Tea Company which features the finest in Sri Lankan tea. Family owned and run after 143 years in the luxury goods business, they plan to continue the lasting legacy through building home grown brands.

B.P. de. was recently awarded the 2014 EY-Barclays Family Business Award of Excellence. It operates in several countries both regionally and internationally. It is recognized for their diversification strategy, which focuses around luxury goods brands on one end, and commodities such as tea, water and energy on the other.

B.P. de. Silva has always had a culture of philanthropy, stemming back to its founder. This philanthropic philosophy has instilled a culture of social mission and a good practice in giving back to the society, which enables them to build trusting relationship with people in Singapore. B.P. de. Silva is committed to find ways to address its impact in the wider world. Fifth generation director Navin Amarasuriya explains "We know we are not perfect, but we do believe that our intergenerational perspective allows us to tread more lightly on the world at large." They firmly believe that companies shouldn't just focus singularly on shareholder return but also taking care of their staff and protecting the environment.

Among brands that are managed by B.P. de. Silva, RISIS remains the unique home-grown story. It was born in 1976 when a [Singaporean] wife wistfully exclaimed that she wished for those beautiful orchids which she saw in the botanical garden to last forever. In fulfilling her wish, her

husband who was a young scientist working for the Singapore government quietly spent late nights in his laboratory, with the faint hope that he could achieve the impossible by exploring and experimenting methods to immortalize the orchids.

Christened as the RISIS Orchid, it remains as an enduring national icon. Since those early days, RISIS has directed the talents of her artists and designers to produce collections of jewelry, sculpture and lifestyle pieces that represent the many facets of a global city rooted in Asia. Today, it continues to gold-plate products that symbolizes the unique culture and aspiration of a modern Asian.

2. RISIS

In 2000, Sunil Amarasuriya who is the fourth generation leader found a fit between RISIS and BP de Silva and eventually acquired RISIS as part of their brand portfolio. Some of his staff thought he was "crazy" as RISIS had made several years of losses prior.[1] Today, RISIS operates extensively in Asia, particularly in neighboring countries around Singapore. RISIS' stores are found at Gardens by the Bay, Takashimaya, Changi Airport Terminal 3 and other accessible locations that are reachable by both Singaporeans and tourists. Kam Chong Phoh who has been involved in the building up of RISIS gave his opinions on his role in RISIS. He was a chemist in the early days and is now the senior manager for development and production.

"I believe BP de Silva saw the Synergy between RISIS and themselves. Back then RISIS did not have strong marketing function and it was struggling to sell the products. BP de Silva's acquisition helped us to distribute the products to the market. I believe this was one of the reasons why BP de Silva acquired us." – Kam Chong Phoh

RISIS is the reversal of the acronym for the Singapore Institute of Standards and Industrial Research (SISIR) which was led by Dr Lee Kum Tat – the aspiring and hopeful husband who spent many hours in the laboratory,

Volume 4 Issue 10, October 2015

www.ijsr.net

[Licensed Under Creative Commons Attribution CC BY](http://www.ijsr.net)

immortalizing the RISIS orchid. Its name serves as a reminder for its founder and staffs of their creative ideas and innovation that had arisen at the SISIR laboratories where countless trials and errors were conducted and the plating process of the orchid was patented.[2]

In addition to gold-plated orchid, RISIS has also created casted jewelry collections that underscore an Asian heritage which is being presented through contemporary design. It is also well known for its intricate sculptures, which exhibit classical form that undeniably motivates modern and stylized interpretations. While RISIS is known for its signature work in the medium of gold, it has branched out into rhodium, precious and semi precious gemstones, fine enamel and many other exotic materials. These are the rare elements that form the craftsmen's palette in expressing RISIS to the world.

In this SG50 commemoration where Singapore celebrates its 50th anniversary in nation building since its independence, RISIS encourages the members of the public to use the national flower to promote happiness among people. RISIS believes that even a simple flower is able to bring joy and happiness. Alongside this word of encouragement, RISIS has initiated a SG50 & RISIS Orchid Pendant Design Competition, where participants can submit their creative ideas in designing an orchid pendant. RISIS will produce the final winning design and then sell it to the market at SGD\$50, with proceeds going to charity: a walking testimony of their continuing commitment in giving back to the society.

3. Never Giving Up

Like any other established brands in Singapore, RISIS has its fair share of weathering through challenges and competitions. The then CEO of RISIS Pte Ltd – Wee Swee Poh – knew the sale of gold-plated orchids couldn't sustain the growth of the company. Swee Poh faced the challenge of alluring exotic appeals in Singapore, especially when bolts and nuts (i.e. infrastructures and skyscrapers) were attracting visitors more than the exotic attraction of an orchid. Swee Poh had to also battle against the Asian currency crisis in the 1990s when the tourism industry faced the declining rate of visitors coming to Singapore. The Asian currency crisis affected Singapore's economy from 8% GDP growth rate in the year 1997 to 1.5% GDP growth rate in 1998.[3] Visitors were also making shorter stays in Singapore, spending lesser money as before[4]. Swee Poh foresaw the need for a solution and proposed a range of products that could appeal to the consumers.

"If you talk to locals, they still remember the gold-plated orchid, which is good, but we need to tell them that beyond the gold-plated orchids, we have gifts for all occasions. So there were two things we had to communicate: one was that we are not just [about] souvenirs, we are gifts for all occasions. Second, we have things for practically everybody. When you step into our store, whatever is your budget, we probably have something to offer you." – Swee Poh in an interview that was conducted by the authors of

Strategic Innovation at RISIS (B): Redefining Design Values.[5]

To offer a range of products that reflects contemporary trends, timely and appropriate marketing that could attract and appeal consumers was needed. In 2000, Sunil Amarasuriya, chairman of BP de Silva Holdings who by then had bought over RISIS Pte Ltd reinvented RISIS by targeting the younger Singaporeans who were well-travelled. Sunil wanted to appeal to this young group of individuals by gathering the right people in his trusted team. Sunil then approached Swee Poh to lead a new team at RISIS Pte Ltd, with the constant involvement and contributions of the younger generation individuals in designing new products. The new team then shifted their focus from manufacturing to design.

"Back then in the early days [1970s], everyone took on multiple hats. We did not have the marketing team or the business development team. Everyone was a designer, a marketer and a researcher. But thankfully, we eventually had in-house designers when B.P. de. Silva acquired RISIS in 2003. They designed the sculptures and figurines." – Kam Chong Phoh

From manufacturing to design, RISIS embarked on a journey of exploring a typical RISIS's customer lifestyle. They adopted a customization approach in their marketing, ensuring that their customers received products that fit their lifestyle. To ensure that its range of products fit their customers' lifestyle, several changes were made, such as using a new material - rhodium - to plate products and changing the color of gold to less yellow steen to appeal to the younger crowd. These changes were made to suit the tastes of the younger generation and also to retain existing customers who might potentially switch to competitors' brand. Today, RISIS meets the needs of consumers by creating appealing gifts and souvenirs that can be bought over counters in various locations in Singapore. And with the help of 3D printing, RISIS further charts forward with greater trusts amidst intense competitions. Inspired by the success of Zara's information management systems, RISIS is looking at implementing an in-house information system that collects vital information which allow designers to approximate the types of fashions that are selling well and decide the type of fabric, cut and colors to use in designing new clothes or modifying existing ones. By doing so, RISIS hopes to shorten the time it takes from product conception to placement of products on stores' rack. Navin Amarasuriya who is the fifth generation leader of the Amarasuriya family shared about the need to be adaptable in terms of innovating new products or altering existing ones.

"I think adaptability is the key point. With the stream of data that we have, we can better decide which products to launch in the market based on the responses we gathered from the consumers. We can also decide on which products to concentrate on. These data also give us the ability to make decision quicker. We also use a visualization tool that sits on

top of our accounting software.” – Navin Amarasuriya

4. Creativity and Innovation

With the right stream of data coming in, RISIS needs to pay attention to creativity and innovation which plays a big role in RISIS's success in the market. The constant push for quality in whatever they do demands them to have in-house creativity and innovation. Unlike companies that outsource the operations of the business, RISIS does not outsource their operations as they believe that they can rely on their own imagination to create any kind of product, even if it is just one piece.[6] This imagination enables them to marry the form and meaning of their products closely, removing most of the abstract obstacles that might hinder their operations.

In the early days, RISIS did not have in-house designers or marketers. The chemists were the designers and there was no marketing. Business was driven by mere pushing of products to the market, with a hope that it might succeed. Today, RISIS understands the need for integrated marketing and social media outreach and has created a strong team of in-house designers, PR professionals and technical staffs. Everyone in RISIS has a stake in the entire process.

Their innovation process involves six stages: sketching, clay and wire sculpting, wax sculpting, resin moulding, pewter casting and finally gold plating.[7] Each stage involves careful paper-and-pencil design and workmanship by hand. While the designers draw on paper or design products using sophisticated software, the technical team contributes extensively to the creation of new products by using machinery and equipments to manufacture their products. At times, the technical team may disapprove designs that are not viable for manufacturing, especially when the proposed design reaches technological limitation. Because of their focus in these delicate tasks, they have earned the reputation of the provider for top-quality jewelry in Singapore and abroad.

Designers are given the opportunity to attend master classes and travel overseas to visit their production partners.[8] These opportunities have allowed them to contribute innovative ideas that are both relevant and impactful. This is a clear alignment of their effort in creating modern and contemporary designs that appeal to younger generation of their day. Today, the designers continue to explore fresh ideas that could potentially appeal their customers towards greater satisfaction.

The holistic integration of design and business strategy is crucial to the success of RISIS. RISIS ensures that the design of their product fits the business strategy and vice versa and both complements each other together to achieve common objective. For this reason RISIS heavily emphasize on the need to have in-house professionals from conceptualization stage to the manufacturing stage and finally to the go-to-market stage. The ability to innovate successfully depends on the ability in understanding customers and anticipating market evolutions.[9]

“In the early days we first designed a brooch, then modified it with a slider, and then modified it again with other accessories. They weren't really new products. They were simply existing products that were value-added. That was how we created our products in the 70s. Today, instead of value-adding existing products, we look beyond the existing products and look towards customers' thinking about our products. That's the reason why we have in-house designers that design new products for RISIS and we need them to go all out and understand what the customers think and want.” – Kam Chong Phoh

5. Product, Marketing and Expansion

The need for RISIS to innovate new products for the market reflects their dependence on product marketing in the market. In a fast-changing consumerist environment and rapid advancement in technological landscape, RISIS has to hear the voices of consumers and create innovative and fresh products that specifically answer the needs of their customers. This challenge imposes an impact on the overarching philosophy of understanding how their business should be driven for better profitability. Particularly in product life-cycle, the increase in demand for new products from the market often surges as the demand for older products diminishes and the urgency to meet the market gap is strongly evident when competitors raise their pace to compete for greater market share amidst dynamic shifts in demand. And the greater need to provide discounts for older products in the markets and recycling of materials intensifies the need to monitor their product life-cycles closely. In this aspect, Navin gave his opinion on the importance of product marketing and how product life-cycle looks like for RISIS:

“It's pretty simple, we use the same 4 stage system that you read about everywhere, supported by data we get from our distribution locations. And for RISIS, the lifespan of our product can be longer for those which are more unique...To tackle the passing away of older products, we offer discounts for products that are at the end of the product life-cycle to our customers.” – Navin Amarasuriya

Although the life-cycle of a product is unpredictable, nothing is impossible. When Sony employees were “skeptical about the profitability” of the portable cassette idea, Akio Morita remained firm and he refused to give it up. He was right. On Walkman's 20th Anniversary, more than 180 million units were sold: a clear reflection of success. Mr Morita's belief was that Sony “doesn't serve markets; it creates markets”. Similarly, RISIS has not only created for market naturalists alone but also for all Singaporeans to obtain the symbol of national success.

While the needs to cater to the market are evident, the approach in product marketing varies across countries and cultures and Navin understands that not every product appeals to every consumers. This is fundamentally true when overseas expansion and international marketing strategy becomes the key essential driving forces for the company's

survival and that the appeal of their products has to be customized to fit the expectations of the local consumers.

“We are looking to expand to emerging markets all over Asia, particularly in China. IE Singapore is assisting us in our journey outwards.” – Navin Amarasuriya

Since the inception of RISIS, consumers’ perception of RISIS’ contribution of gold-plating the national flower has been acknowledged and well received in the market. However, consumers often perceive RISIS as “*too Singaporean*” (a local colloquy that describes the strong country-of-origin, local branding). This perception may not do good for RISIS as the strong ethnocentric element of the brand may entail a perception of inferior quality due to the perceived assumption of being unable to market to other countries. Nonetheless, this perception may also do good as the strong country-of-origin attribute, which gives much credibility and prestige in other developing countries, helps them to establish trusts among the locals and distributors in other countries.

“Typically when we expand to overseas market, our first point of contact is the local distributor. They are the first to conduct market research and to see whether the products are of value to them... We have to acknowledge that we don’t live there and we need to be culturally sensitive. We have to try to understand the history and culture of the country. No matter how deep you go, we are still foreigners and we still need the local partners to guide and help us. We also have local contacts in Singapore that help us understand the overseas market before we expand.” – Navin Amarasuriya

RISIS resonates with older Singaporeans that had the chance to travel. Their encounters with the RISIS brand were seen at the airport and other populated places, where tourists often visit when they holiday in Singapore. However, the younger generation may not position RISIS at the top of their mind. RISIS struggles to relate and associate the perception of being a locally based brand with the fast and uprising development of Singapore. Consumers would often perceive a strong local brand to have a strong footprint in the international market. Such a perception has compelled RISIS to consider rebranding themselves by looking at how consumers perceive them in the market.

In Singapore, the perception of having gold as safe haven or gifts is fading away. The fundamental needs-for-recognition among consumers still exist but the definition of recognition among consumers has shifted from one that has strong country-of-origin to needs-for-social-acceptance. Particularly among the millennial, the younger Singaporeans do not treat gold as much favored as the older generation Singaporeans who were born in the early days of Singapore did as gold may not be seen as the vibe and fashion in modern days. This shift in perception that has resulted from globalization and social media has compelled RISIS to consider glocalization as one of their marketing strategies: a strategy that creates

customized marketing and products in culture or country specific context for international brand.

“To me, RISIS is like a near-to-40, affluent lady who is modern and elegant. She has an “atas”¹ taste and often goes out with her friends for high-tea. She visits Shangri-la often and likes the purple color. She brings her dog out for a walk and does yoga in the morning and watch TV at night.” – Grace Tan, Finance Executive, 32, personifying the RISIS brand.

Although RISIS is facing tough challenges, RISIS leverages on local expertise to innovate, develop and manufacture products using their patented technology. A rub on their 24k gold-plated products for 15 minutes reveal the true quality of their manufacturing: an inferior quality of gold is characterized by the turning of color to sheen yellow when it is rubbed for 15 minutes or more.

“I challenge you [the interviewer] to pick up a gold-plated product at Chinatown and rub it for 15 minutes. The results will prove our top-notch quality as RISIS products do not decolorize in similar attempts.” – Navin Amarasuriya

Moving forward, Navin hopes to establish RISIS as the regional brand for top-quality gift-provider. With the help of their patented technology in gold-plating objects, he foresees greater future for RISIS and its greater presence in Asia. He hopes to use RISIS’ electroforming technology to develop new products such as gold-plated lotus leaves and home-ware.

A decade ago, Swee Poh shared about the challenges that RISIS was facing. And one of them was re-branding of RISIS. She faced tough challenges in re-crafting marketing strategies and plans so to change consumers’ perceptions of RISIS. Today, as Navin takes on the helm and leads the company to greater heights, he looks beyond the current re-branding efforts and seek to extend his reach to overseas markets, aggressively stretching out to, yet carefully pounce on, all possible opportunities that might bring to RISIS. It will take more than just Navin’s fondest passion for cycling to establish RISIS as the regional and global brand.

“RISIS will never die, unless we are not innovative. If we have the appropriate idea, the right group of talents and the required resources, we will survive” – Kam Chong Phoh

References

- [1] Wee, B. G. & Seow, J. M. (2005). *Strategic Innovation at RISIS (A)*. Retrieved from Nanyang Technological University, The Asian Business Case Centre site: <http://www.asiacase.com/case/ntuAbcc/risis-A.html>, accessed 9th April 2015.
- [2] Ibid.

- [3] Tan, A. H. H. (1999). *The Asian Economic Crisis: The Way Ahead For Singapore*, Economic Society of Singapore:
<http://www.fas.nus.edu.sg/ecs/pub/wp/previous/AHTAN4.pdf>, accessed 9th April 2015.
- [4] Dhaliwal, R. (1997, June 25). Shorter visits, less spending. *The Straits Times Singapore*, pp. 32
- [5] Wee, B. G. & Seow, J. M. (2006). *Strategic Innovation at RISIS (B)*. Retrieved from Nanyang Technological University, The Asian Business Case Centre site:
http://www.designsingapore.org/Files/Bcs/RISIS_B.pdf, accessed 9th April 2015.
- [6] Ng, D. (January 2015). More Than Meets the Eyes, ZbBZ, p. 1-21
- [7] Bazaar Art Magazine, Singapore Press Holding, Issue 3
- [8] RISIS, Best of Singapore Magazine, Volume 6, p.67
- [9] GE Global Innovation Barometer, (January, 201). Retrieved from:
https://www.ge.com/sites/default/files/Innovation_Overview.pdf, p. 11, accessed 9th April 2015.

Author Profile



Daniel Koh received the B.S. degree in Marketing (Merit) from SIM University and M.S. degree in Marketing and Consumer Insight from Nanyang Technological University in 2012 and 2014, respectively. He was an analytics instructor with Singapore Management University and now he is an associate faculty member with SIM University, teaching Marketing modules to undergraduate students. He is also the co-founder of ELCViet, educating and assisting Vietnamese who are living in Singapore.