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Move to SoHo uncramps Chinatown store's style

Pearl River's success flows through design

BY LISA FICKENSCHER

FOR NEARLY TWO DECADES, Pearl River Inc. buzzed with shoppers in a cramped second- and third-floor space on Canal Street.

Over the past few years, SoHo designers and celebrities had discovered its eclectic mix of bargain-priced merchandise—traditional Chinese clothing, kitchenware, furniture and fun tchotchkes.

But the owners, Ming Yi Chen and his wife, Ching Yeh Chen, realized that the department store had become too successful to remain in the neighborhood where it grew up. They wanted it to be more than Chinatown's best-kept secret.

Elegantly modern

Last month, Pearl River relocated, opening an elegantly modern 20,000-square-foot store at 477 Broadway in SoHo. The move

meant that Pearl River had to abandon in part the frugality on which it was built.

The Chens shelled out between \$1.5 million and \$2 million over 18 months to renovate the landmarked building. Their 10-year lease will cost them nearly \$1 million each year.

Hiring architect Robert Tribocia and following his vision was difficult for the entrepreneurial pair. "The old store had no design," says Ms. Chen. "We had to remind ourselves to keep to his plan. That was part of the struggle."

The new store has plenty of style, including a 15-foot waterfall, a café and two spacious floors of beautifully arranged merchandise—a far cry from the cluttered look of the old store.

The 13,000-square-foot space at 277 Canal St. not only lacked style, but also caused Pearl River problems. Some of its neighbors in the building were selling counterfeit merchandise, which attracted police raids and ensnared Pearl River in a lawsuit from a company affected by the counterfeiting several years ago.

"We were ready to leave China-

town, but we didn't want to turn away from it," says Ms. Chen, president of Pearl River's parent company, Chinese Native.

While the Chens splurged on design, using money that they had saved over the years, they kept costs down in other ways. Mr. Chen, for example, acted as Pearl River's general contractor.

Chinese culture

The couple also avoided hiring a real estate broker to represent them. Richard Du, associate director of Helmsley Spear Inc., was retained by the building's owner, Nathan Baden of 477 Co.

"We don't spend money unless we think that it's necessary," says Ms. Chen. "It has something to do with our Chinese culture."

On the other hand, Ms. Chen knows that Pearl River cannot be the same lean operation it once was. Its new customers are demanding better service.

So the Chens are hiring a customer service manager, offering employee training and updating the store's technology by installing a bar code reader. "We are going to improve," Ms. Chen says. ■

SPOTLIGHT