

# The Art of Mechanical Music



An Interview with Kurt Kupper,  
Chief Executive Officer, Reuge SA

**EDITORS' NOTE** After obtaining Swiss federal diplomas in advertising and sales management, Kurt Kupper followed MBA studies at New York University. He began his career with the shop-fitting group Umdasch, and then became CEO of the U.S. branch of a leading Swiss beverage company. After this, he moved into watchmaking, first working for Hublot as Chief Executive of the U.S. branch, and then for Binda, an Italian producer and distributor of Longines and Breitling watches. Kupper returned to Hublot as Chief Executive, at its headquarters in Nyon, Switzerland where he led the company's turnaround. He was appointed to his current position in September 2006.



Kurt Kupper

**COMPANY BRIEF** With a history dating back to 1865, when its first workshop was established by Charles Reuge, Sainte-Croix, Switzerland-based Reuge SA ([www.reuge.com](http://www.reuge.com)) is a market leader in the design and manufacture of music boxes, mechanical singing bird cages and bird boxes, and musical watches. With approximately 100 employees, Reuge operates exclusive boutiques in Hong Kong, Shanghai, and Sainte-Croix, Switzerland, and has additional distribution channels in Japan, China, Eastern and Western Europe, the United States, and the Middle East.

**Are you happy with the current level of brand awareness for Reuge? How do you plan to further build recognition?**

I'm happy about the first steps we have taken but I'm never entirely satisfied. If our brand building were a marathon, we'd have run the first five miles. We've had a lot of success, but there is much more to do. Reuge has recently changed, in that rather than making small musical movements to place in toys and such, as we have done in the past, we are now concentrating on sophisticated, one-of-a-kind pieces, which showcase the art of mechanical music. Given those circumstances, we have had a lot of success in 2006. We have been able to attract the interest of other brands on the same level as us in the luxury market, like Ferrari, Maybach, Peninsula Hotels, and Steuben Glass, to name a few. We have also had a strong increase in VIP visits to our manufacturing facility. People often

come directly by helicopter or limousine, to get one-to-one insight into our unique manufacturing process.

**How broad is your product range, from a price point of view?**

Today, our products range from around \$400 up to about \$140,000 a piece. So it really is a wide range. We have four main categories. First, the traditional music boxes, with high-quality wood inlay and traditional design. Second, we have the contemporary pieces, which can be made from wood, glass, metal, carbon, and almost any other kinds of materials. The third category is the singing birds, which are handcrafted and are made with real bird feathers. Last but not least, we produce exclusive, custom-made gifts.

**Japan is one market where this type of product is popular. Is that a key market for you?**

Japan has traditionally been a very good market for us. We're very proud of that, because it means that the quality of our products is among the best in the world. The Japanese customer is well known to be very demanding when it comes to quality. In Japan, we are the market leader, although there is a local competitor. We have also expanded into China, where we opened our fourth exclusive Reuge boutique last December. That's quite significant for us. All that having been said, we expect our greatest sales increase in 2008 and 2009 to come from the U.S. market.

**Your products are handcrafted throughout. Is technology changing either your design or your production process?**

The biggest part of the production process will always rely on craftsmanship. That said, there are areas where modern technology can help. For instance, the latest technology in 3D design enables customers to see prototypes from all angles on a computer. Tuning the music relies on a different technology. The tuning is a very critical element for us, because we want to please the most demanding customers. In the old days, this tuning was done by ear. Today, we have machines that actually measure sound to ensure that we have exactly the right tune. Those are just two examples of how tradition is matched with modern technology.

**Can a client choose the music? How many songs can be put on a music box?**

Let me give you one example. Right now, we have a customized product for which Phil Collins is composing the music. He is creating the music exclusively for that specific music box. As each cylinder can hold three different pieces of music, three compositions have been made. He will send us the music in an MP3 file. We will then work with specialists from the music industry to create the music as it will sound on the music box. Then we'll send it back to Phil Collins, in this case, and check with him if the rendering is perfect or if he wants to change or fine tune it. Once he is in agreement, we'll make the physical music drum. Thanks to modern technology, sending these files back and forth is an easy process. But the most important point is that this process ensures that the customer gets the music he wants. So we can make music boxes with a corporate jingle, for example. In short we can custom-make not only the music, but also the form and shape of the "box." Indeed, I wouldn't even call them music boxes anymore. They become musical pieces of art that continue to remind the recipient of the giver.

**Have you been able to find younger people who are interested in becoming the next generation of music box craftsmen?**

Definitely. In 2006, we had a staff of 69 people. Today, we are at 100 and still hiring. This product is so special that people are very happy to work on it. This is something different; there is no school for this kind of work. Therefore, we do get people from many different fields coming into the business. They come to us and we train them on the job: The only place where you can learn how to do all the different activities that have to be done is inside Reuge.

**How do you define the term "luxury"?**

There are several important elements to luxury. The first is quality. That is the primary element that any luxury item must have. Secondly, luxury is not necessarily about money; it's not about how much the product costs. Something that costs \$5 million isn't necessarily going to be more luxurious than something that costs \$500,000. Third, luxury has to be personalized. You cannot mass produce a luxury item. You must have personalization and uniqueness. Ultimately, luxury is all about emotion. It's about what an individual product does to the heart – not just the wallet. ●

*Reuge SA's Reverse, a modern musical sculpture*