THE WAY FORWARD - THE NEED FOR INDUSTRY STEWARDSHIP:

THE ***NEW*** SUPPLIER OF CHOICE



David A. Bouffard Consulting, LLC

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Thank you!!



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Why I'm here

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Why I'm here



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Why

I'm

also here





India's Diamond Industry Faces Decadal-Low Revenues Amid Demand Slump

01/10/2024

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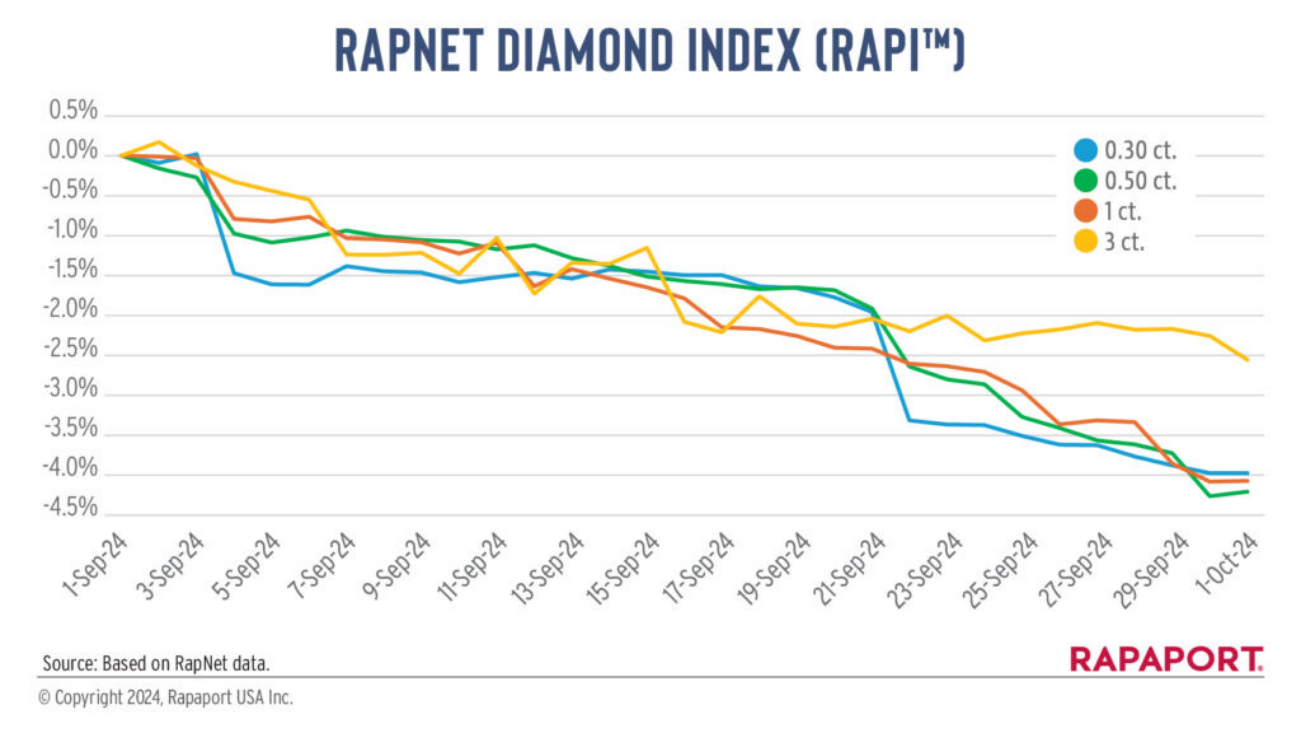
More Doom and Gloom



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It is

YOU

who must take the lead

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Today's Topics



Indian companies achieve greater success and sustainable growth



Compete and *win*

Highly fragmented

Digital industry



Sustainable development

Message to consumers

Drive demand



The *New* Supplier of Choice



Industry stewardship

Large *and* Small-to-Medium Enterprises

Table stakes:

RJC and OECD-based Due Diligence Programs



Open Discussion

Questions and Answers

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Corporate Compliance: Table Stakes

- G7 Ban on Russian Diamonds
- Banking and Finance Strategies Across the Global Supply Chain
- RJC Membership and Audit Requirements
- OECD-based Due Diligence Practices
- Global Entry Strategies to the North American Market

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Industry Stewardship:

Long-term best interests of the industry ahead of personal or individual company goals.

The acceptance of responsibility to shepherd, safeguard and GROW the future of the industry.

A caretaker, preserving and nurturing.

A century of DeBeers and A Diamond Is Forever®

Decades of Signet Jewelers Ltd. "category advertising"

Suite of behaviors & tech applied to protect, restore and sustainably use the environment.

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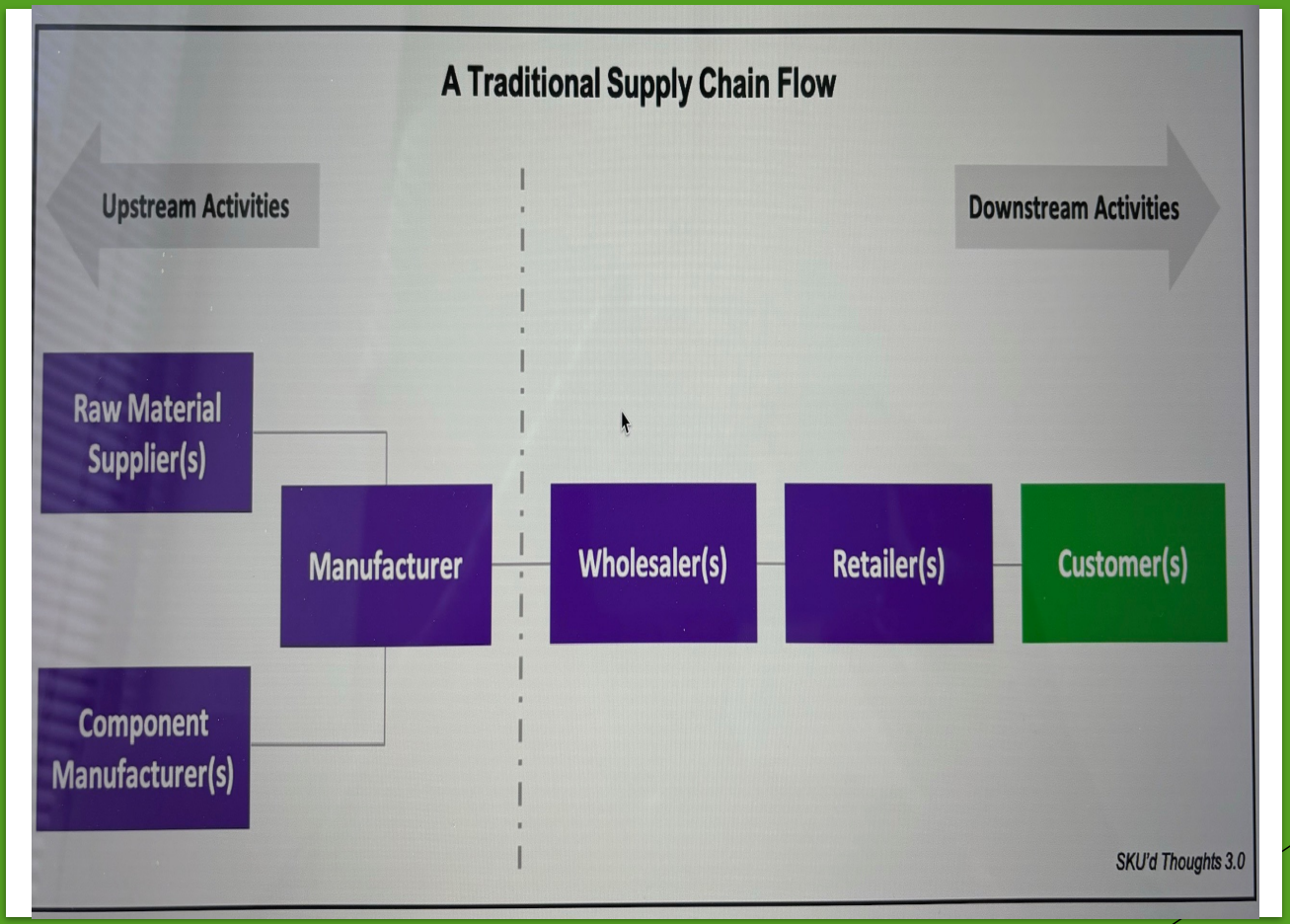

The way it is

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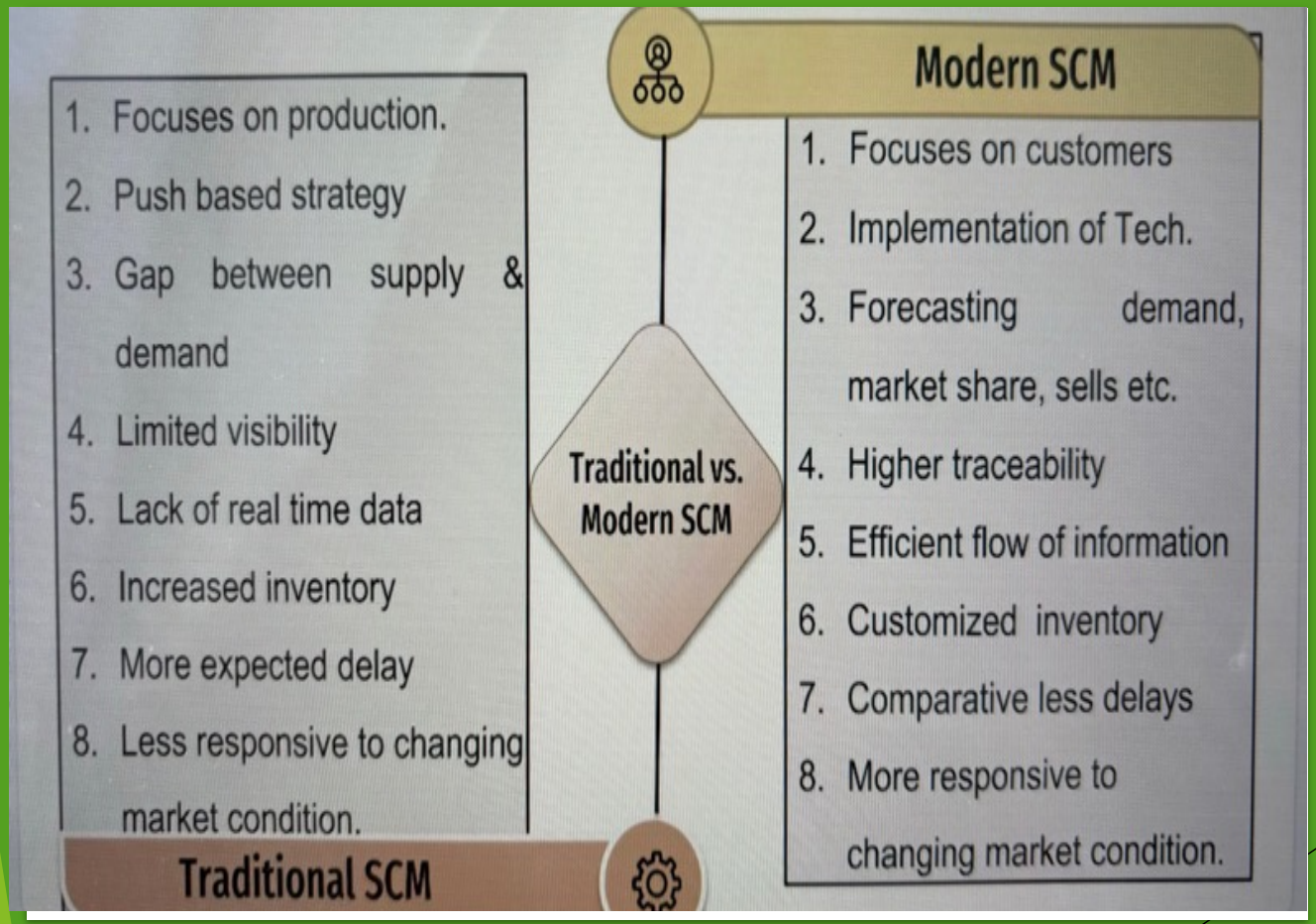

The way it should be

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The way it is

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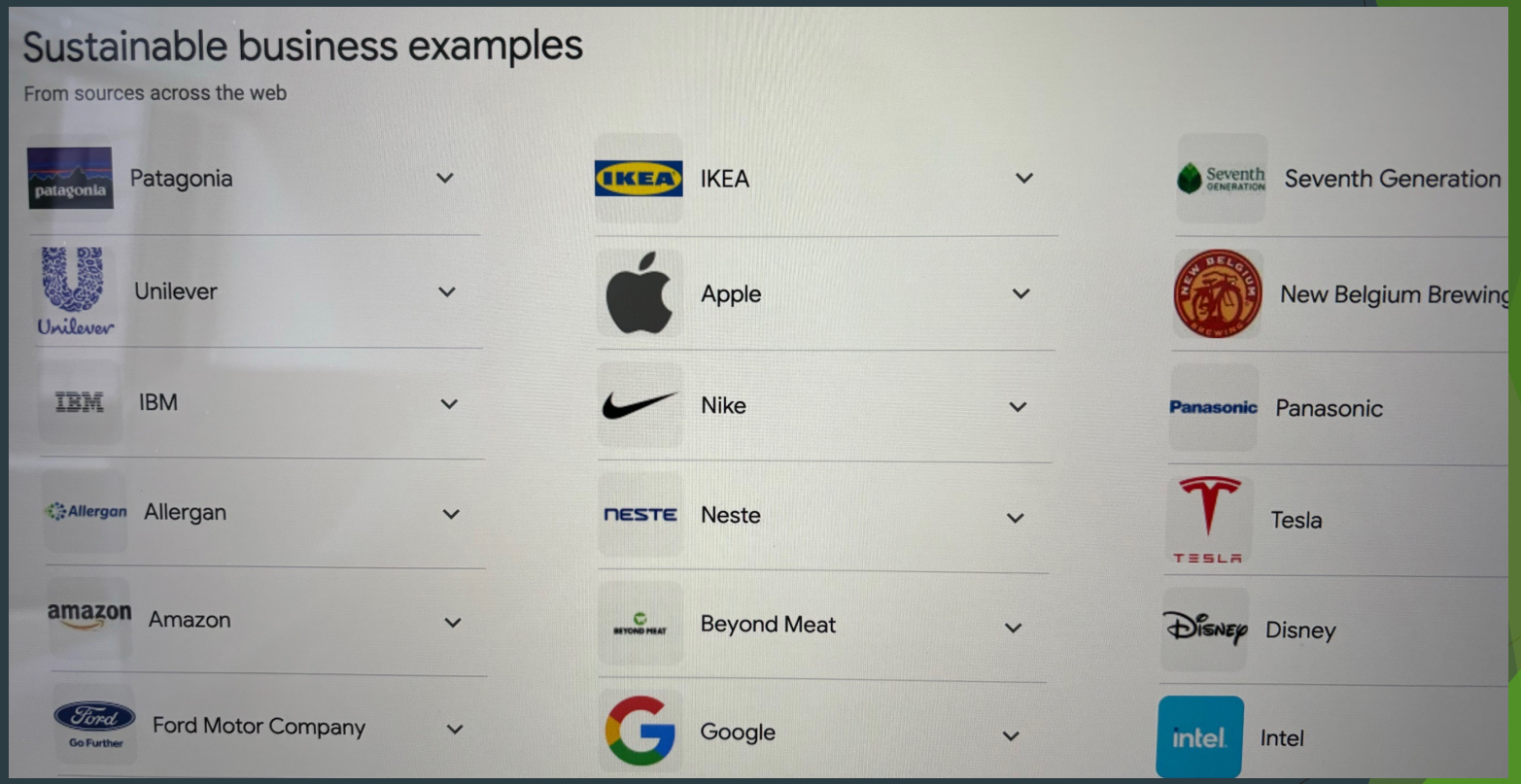

The way it needs to be

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- **Trust drives behavior and, ultimately, business outcomes.**
  - Trusting employees are:
    - More motivated to work,
    - Lower rates of absenteeism, and
    - Less likely to look for another job.
  - Trusting customers are:
    - More likely to choose a brand over competitors,
    - Buy it again, and
    - Promote it.



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Where to focus: Consumers Care about Sustainability

78% of consumers claim a sustainable lifestyle is important (NRF)

30% of consumers are more likely to purchase sustainability-focused products (NRF)

Sustainability is a critical differentiator, not a primary purchasing driver

Sustainability-related factors do drive purchasing decisions

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Defining Sustainability: Our Opportunity



Consumers do not understand key sustainability terms



Younger generations understand sustainability differently



Consumers are skeptical



85% claim sustainability certifications are important when purchasing a product.

Impacts of the manufacturing process: this is our opportunity.

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What Is Sustainable Marketing?



Sustainability and green are two different concepts.



Sustainability is about the longevity of the product/service.



Sustainable marketing involves showcasing a business's sustainable efforts.



A successful marketing strategy should have a clear and compelling story and a deep understanding of its goals.

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Industry Stewardship: Getting the Message Directly to Consumers (D2C)



Past

Push/Pull Marketing

- The Push on industry: the role of DeBeers, Beacon programs, DPS, WDC, KP, RJC, DEF/DDG, NDC, others
- The Pull: the role of Signet, Tiffany &Co., LVMH, Kering Group, Richemont Group, and other majors

Present

Self-inflicted undermining with synthetics

Consumer confusion and economic pressures

The margins are not there today, and siloed mid-sized manufacturers suffer the whims of the retailers

Siloed operators cannot sustain themselves with low single-digit margins

Indian employment suffers!

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The 2023 US Jewelry Market was Valued at $73.32B

- CAGR of 4.1% from 2024 to 2030.
- Growing disposable income
- Online shopping
- Celebrity influence
- Demand for fine jewelry
- Technology
- 20.76% of the global jewelry market.

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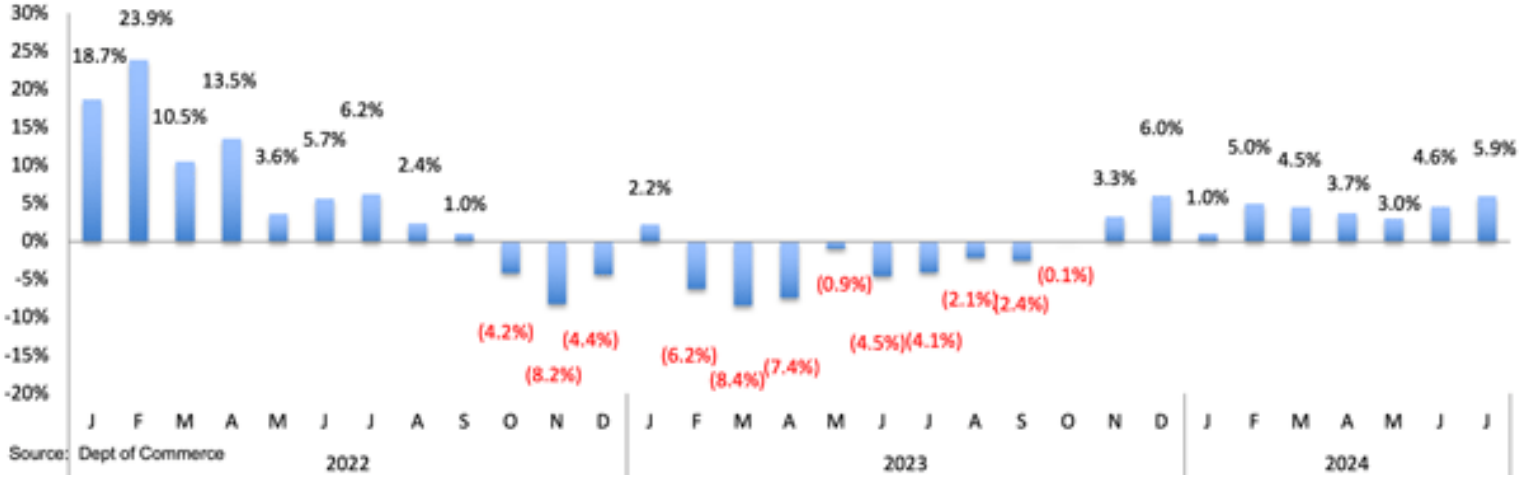
U.S. Total Jewelry & Watch Sales Trends
2022 - 2024
% Change Y/Y



Source: Dept of Commerce

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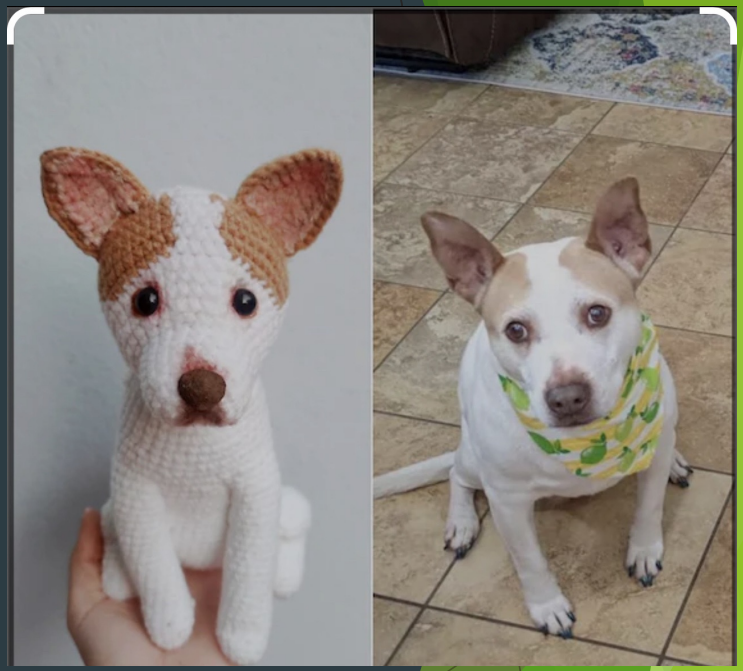
Let’s say you own a pet store…





Is this Love?

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Industry Stewardship: Sustainable Development



Future: The new Supplier of Choice: YOU!

- No DeBeers and Signet driving demand: what would we do?
- How do Indian diamond and jewelry manufacturers step in?
- Today, Indian manufacturers need to take the lead in industry stewardship!
- Skip a level in the value chain – D2C
- Full-service provider of desirable goods and support services – that's where the margins are!
- Set your own terms, not those of retailers.
- Take Control!

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Industry Stewardship: NOW

The New Push/Pull

- Tell your story:
  - People,
  - Planet and
  - Product

Today's Table Stakes

- RJC Certified Member
- Auditable OECD-based due diligence programs:
  - SRSP
  - DeBeers' BPP, or
  - JA's DSW

Merchandising

- Conduct market research
- Differentiated merchandise programs
- Clearly position natural and synthetic diamonds

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The NEW Supplier of Choice: Some Characteristics

- Innovation
- Reliability
- On-time Delivery
- Quality and Safety
- Flexibility
- Cost
- Customer Service

In other words, focus on what the retailer cannot do.

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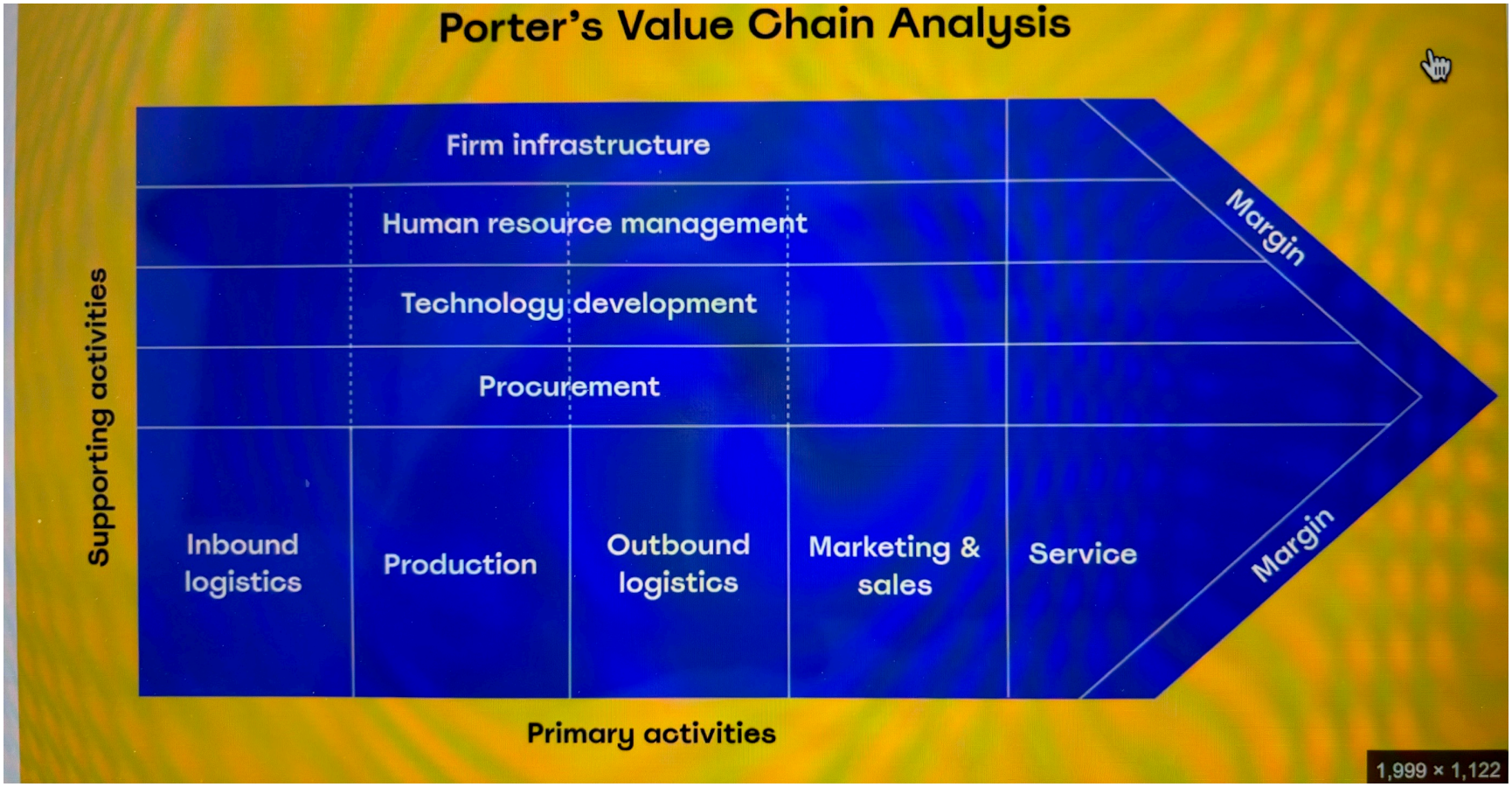

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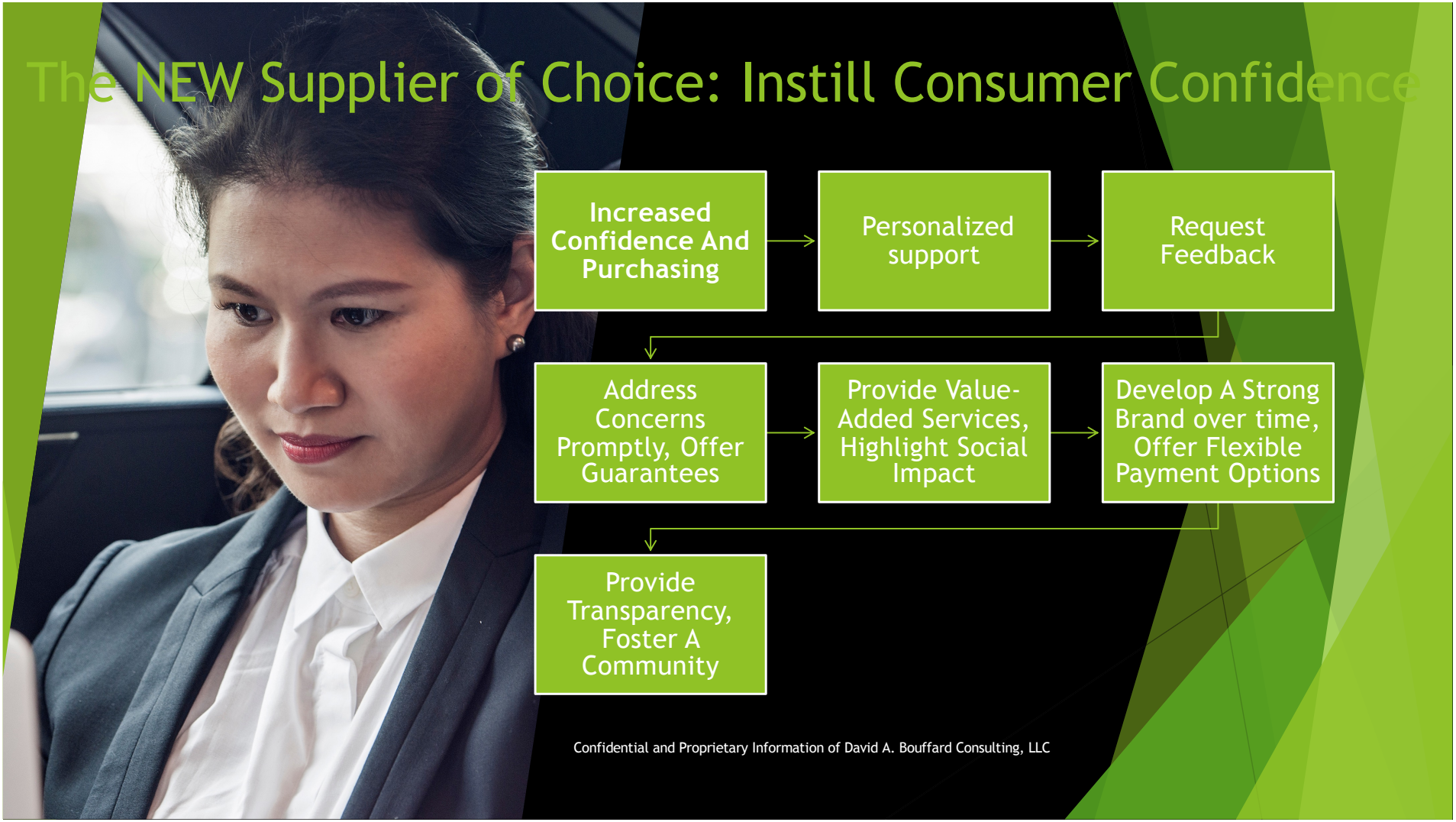
The NEW Supplier of Choice: Instill Consumer Confidence



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The NEW Supplier of Choice: Customer Service and Margin

Provide	An agency-like customer service representatives for retailers' sales teams
Provide	Repair service centers for your product
Provide	Warranty services on your product
Provide	Replacements for, and accept returns on your product

- On-line training modules for your product
- Marketing collateral for your product (signage)
- Semi-annual in-person training programs
- Generate social media and PR marketing for your product: tell your story
- Product, CSR and Sustainability Information

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Open Discussion

and

Q&A

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