

# Jewel Insights:

Crafting Excellence Through Expert Interviews



## Mr. Prasad Kapre

CEO, Director of Style Quotient Jewellery Pvt. Ltd

*In this edition of Jewel Insights, we are honored to feature Mr. Prasad Kapre, the visionary CEO and Director of Style Quotient Jewellery Pvt. Ltd.*

*With an impressive 29+ years in the industry, Prasad Kapre has been a pivotal force in the transformation of the Indian diamond jewellery sector.*

*As the first employee and later the Business Director of De Beers India, he led a remarkable journey, driving the market from \$400 million to \$8 billion in just 14 years. His expertise spans Business Strategy, Development and Planning, Natural and Lab-Grown Diamonds, making him a true leader in the field.*

*Join us as we delve into an insightful conversation with Mr. Prasad Kapre, exploring his experiences, strategies, and the future of diamond jewellery.*

## Could you take us back to the early days of your career at De Beers India? What initially drew you to the diamond Jewellery industry, and how did your role evolve over time?

*Starting my career at Diamond Promotion Service of De Beers India was an exciting opportunity and a very satisfying journey. Initially, what drew me to the diamond Jewellery industry was its unique blend of creativity, luxury, and the allure of working with one of the most prestigious companies in the world. The diamond industry has a fascinating history and a significant impact on global markets, which piqued my interest from the start. The brief given to me on the first day of my joining in 1995, was “India is a gold loving country make it diamond loving too”. In 1995 the total consumption of diamonds in the domestic market was only USD 400 million and it was at the number 12 position in the world in terms of total consumption. By the time I left De Beers in 2008, India became the number 3 market in the world in terms of consumption and the research figures showed the total market to be worth USD 6 billion now. It became one of the fastest growing markets in the world.*

*In the early days, my role was primarily focused on market research at both the trade level and the consumers level to understand the barriers to diamond purchase. This research not only helped in understanding the barriers to diamond purchase in consumers mind but it also helped in doing the consumer segmentation of the market. This consumer segmentation helped develop an emotional connect with the consumers with different brands that DeBeers introduced over a period of time. This experience provided me with a deep understanding of the industry's dynamics and the intricate processes involved in bringing a diamond from the mine to the market.*

*As time progressed, my role evolved significantly. I took on more responsibilities, including strategic planning, leadership positions and encouraging the trade to build the emotional connect with their end customers by trading in the brands initiated by DeBeers or help them create their own brands. This growth allowed me to contribute to key initiatives that shaped the company's direction and success in the region.*

*Working at De Beers India offered me invaluable insights and opportunities to collaborate with talented professionals, further enhancing my skills and knowledge in the diamond Jewellery industry.*

## With over 29 years of experience, what aspects of your work do you find most fulfilling and challenging in the Jewellery industry?

*With over 29 years of experience in the Jewellery industry, there are several aspects of my work that I find both fulfilling and challenging. One of the most fulfilling aspects is witnessing the joy and emotional connection that people have with diamond Jewellery. I always say we the people connected with the diamond industry are the “Dream Merchants”. We are in a business of fulfilling dreams and not selling just another stone. Being part of an industry that creates pieces for some of the most significant moments in people's lives is incredibly rewarding. Whether it's an engagement ring, a wedding band, or an heirloom piece, knowing that our work contributes to these cherished memories is truly gratifying.*

*Another fulfilling aspect is the opportunity to innovate and drive creativity to meet every consumer's dream. The Jewellery industry is a perfect blend of art and science, where design, craftsmanship, and technological advancements come together. Being able to push the boundaries of design and introduce new concepts and collections keeps the work exciting and inspiring.*

*On the other hand, one of the most challenging aspects is navigating the complexities of the global market. The diamond Jewellery industry is influenced by various factors such as economic fluctuations, changing consumer preferences, and geopolitical events. Staying ahead of these changes requires continuous learning, adaptability, and strategic planning. Ensuring ethical sourcing and sustainability is another significant challenge of today. The industry has made great strides in promoting responsible practices, but maintaining transparency and ensuring that all diamonds are sourced responsibly remains an ongoing effort. Balancing business growth with ethical considerations is crucial and often challenging.*

*Additionally, managing the high expectations of consumers in terms of quality and service can be demanding. Today's consumers are well-informed and discerning, which means that every aspect of the product and customer experience must be flawless. Meeting these expectations requires meticulous attention to detail and a commitment to excellence.*

*Overall, the dynamic nature of the Jewellery industry, combined with its rich heritage and the emotional value of its products, makes it both a fulfilling and challenging field to work in.*

**Lab-grown diamonds have been a significant focus for you. How do you see these innovations impacting the traditional diamond market, and what opportunities do they present?**

*Lab-grown diamonds have indeed been a significant focus for not just for me but also the trade, and their impact on the traditional diamond market, along with the opportunities they present, is profound.*

*Lab-grown diamonds represent a groundbreaking innovation in the industry, offering consumers an alternative that is both, claimed to be (as I understand, yet to be proved conclusively), ethically produced and environmentally sustainable using significant amount of renewable energy. These diamonds are virtually identical to natural diamonds in terms of physical, chemical, and optical properties.*

*One of the most significant impacts of lab-grown diamonds on the traditional market is the shift in consumer preferences and perceptions. Increasingly, consumers, particularly younger generations, are prioritising sustainability and ethical considerations in their purchasing decisions for any product. The perception is that Lab-grown diamonds cater to these values, providing a guilt-free option that does not compromise on quality or beauty. This shift is likely to drive a change in market dynamics, with more young consumers opting for lab-grown diamonds and the 45+ age group of consumers preferring the rarity element of natural diamonds.*

*Furthermore, lab-grown diamonds present a unique opportunity for innovation in design and*

*affordability. The controlled production process allows for the creation of diamonds that might be rare or challenging to find in nature, enabling more creative and diverse jewellery designs. Additionally, lab-grown diamonds are generally more affordable than their mined counterparts, making diamond jewellery accessible to a broader audience. This affordability can expand the market, attracting new customers who may have previously considered diamonds out of reach.*

*From an industry perspective, the rise of lab-grown diamonds encourages a re-evaluation of traditional business models and supply chains. Companies are investing in new technologies and adapting their marketing strategies to highlight the benefits of lab-grown diamonds. This evolution not only stimulates competition but also fosters a more innovative and resilient industry.*

*In summary, lab-grown diamonds are poised to significantly impact the traditional diamond market by aligning with contemporary consumer values, offering new design possibilities, and making diamond jewellery more accessible. These innovations present exciting opportunities for growth and transformation within the industry, paving the way for a more inclusive future.*

**From a market perspective, natural and lab-grown diamonds exhibit substantial differences that affect consumer behavior, pricing, and industry dynamics.**

#### ***Origin and Production play a crucial role:***

*Natural diamonds are formed over billions of years under extreme conditions deep within the Earth's mantle and are mined through processes with significant geological, environmental, and ethical implications.*

*In contrast, lab-grown diamonds are produced in a controlled laboratory setting using advanced technologies that replicate these natural conditions, leading to a much faster production cycle of just a few weeks.*

#### ***Cost and Pricing reflect these differences:***

*Natural diamonds generally command higher prices due to their rarity, the substantial costs involved in mining, and the value attributed to their natural origin. Factors such as market demand and the diamond's characteristics (cut, color, clarity, and carat weight) also influence their pricing.*

*Lab-grown diamonds, however, are typically priced lower due to their more controlled and expedited production process. As technology advances and production scales up, lab-grown diamond prices are expected to remain competitive, with increased demand from emerging markets like India and China potentially impacting pricing.*

#### ***Consumer Perception and Demand further distinguish the two:***

*Natural diamonds are often seen as symbols of luxury and prestige due to their natural origin and rarity, with many consumers valuing their traditional and romantic significance.*

*On the other hand, lab-grown diamonds are gaining traction among environmentally and ethically conscious buyers, who view them as a sustainable and responsible choice that does not compromise on quality or aesthetics.*



### ***Market Dynamics and Industry Impact are also shifting:***

*The natural diamond market is shaped by long-standing traditions, established supply chains, and influential players like De Beers, with the value of natural diamonds supported by their perceived rarity and uniqueness.*

*Conversely, lab-grown diamonds are disrupting this market by offering an alternative that appeals to a growing consumer segment. This shift is prompting traditional diamond companies to innovate and adapt, leading to a more dynamic and competitive industry.*

### ***Certification and Identification of both types are rigorous:***

*Natural diamonds are certified by major gemmological laboratories with a well-established grading and authenticity verification system.*

*Lab-grown diamonds are also certified and graded but are clearly marked to indicate their lab-grown origin, with advanced technologies employed to distinguish them from natural diamonds.*

*In summary, while natural and lab-grown diamonds are nearly identical in appearance and physical properties, their differences in origin, cost, consumer perception, and market dynamics create distinct segments within the industry. Each type of diamond offers unique value propositions, catering to varied consumer preferences and shaping the evolving landscape of the diamond market. Today's consumers have the distinct choice between these two types of diamonds.*

### ***How do you think lab-grown diamonds will influence consumer behaviour in the coming years?***

*In my perception and understanding of the market, Lab-grown diamonds are poised to significantly influence consumer behaviour in the coming years, driven by several key factors:*

***Increased Awareness and Acceptance:*** *As consumers become more educated about lab-grown diamonds and their benefits, acceptance and demand are likely to grow. Enhanced marketing efforts and transparency about the origins of lab-grown diamonds will help build trust and interest.*

***Affordability and Accessibility:*** *The lower price point of lab-grown diamonds makes them more accessible to a broader audience. As production technologies advance and economies of scale are realized, prices may continue to decrease, further increasing their appeal to cost-conscious consumers without sacrificing quality.*

***Customization and Innovation:*** *Lab-grown diamonds offer greater opportunities for customization and innovative designs due to the controlled production process. Consumers seeking unique, personalized jewellery will find lab-grown diamonds an attractive option. This flexibility can lead to more creative and diverse offerings in the market.*

***Changing Perceptions of Value:*** *Traditional views of value associated with natural diamonds may evolve as lab-grown diamonds gain legitimacy and acceptance. The emphasis may shift from rarity and natural origin to quality, design, and ethical considerations. This change in perception could redefine what consumers consider valuable in a diamond.*