

LDC Inc.: A Case Study in Adaptation
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The terms politics and government are often viewed as words associated with Presidents, global issues, power, and debate. However, the influence of government and politics on the world of fashion is underrated. The presentation by Jennifer Brousseau and Raymond Esposito from LDC Inc. discussed the issues surrounding the jewelry industry and how politics are affecting the business.

The jewelry manufacturing industry was previously a very large trade, with 80,000 people in Rhode Island involved in the market. However, in 2000 the number of people involved with jewelry manufacturing dropped to 12,000 people and today in 2018, stands at about 3,000 people. The history of LDC Inc. started with being founded in 1985 by Lawrence DeCristofaro. The company originated as a tool and die manufacturer, supplying tools to make parts and pieces needed by other manufacturers. The manufacturer then took the finished products and sold them to the wholesaler who in turn sold directly to the retailer. However, the arrival in the 1980s of imports made wholesalers less important and customers and consumers demanded “value added.”

The government then became involved in the jewelry industry when the North American Free Trade Agreement and associated agreements opened the door to help imports, flooding the US with cheap overseas competition. Free trade agreements were helping businesses by importing, but hurt manufacturers in the process. The government failed to help increase exporting which additionally hurt the jewelry industry. The Narragansett Bay Commission pressured local plating companies to pay large sums to meet compliance for clean water in the 1980s, which was and still is, one of the highest corporate taxes in the nation at 9%. This tax had a direct impact on Rhode Island’s unemployment rate, which forced many jewelry manufacturers to close their doors. The government’s decision to impose a tax negatively impacted the lives of community and individuals employed in the jewelry manufacturing industry. This shows how a government’s actions can affect a portion of the textile industry so drastically.

The jewelry manufacturing industry proved to be unique in nature. Rhode Island’s jewelry manufacturing companies were all run by the heads of families, and were reluctant to change. However, LDC distinguished itself repeatedly by adapting to the changes at hand. LDC sells unfinished goods to the supplier and sells to the manufacturer. The sterling silver supplier sells to the wholesaler, and the finished goods maker is now selling to the wholesaler as well. Because the jewelry manufacturing industry was losing customers at a rapid pace, LDC made the decision to eliminate the middle man, and to restructure the business. Today, LDC sells directly to the retailer. This evolution in the industry, and specifically the changes made within the company structure of LDC, all relate back to the political attributes and governments decision to impose imports and not help to increase exports for the jewelry business.

LDC’s creation of the Alexys Ryan brand in 2017 was an attempt to stay relevant in the unpredictable market of jewelry manufacturing. The company relies on digital marketing to drive traffic and the brand’s development continues today. “Digital marketing is not the future, it is here.” For this reason, LDC is not just manufacturing for the customer, but becoming the customer, and selling directly to the consumer. In the future, side stepping the retailer altogether will take place. The development of 3D-Printers to create plastic models, increase speed, and lower costs has contributed to an improved method of communication and approval.

The textile industry is unpredictable, but the world of jewelry requires being future oriented, and providing values of honesty, integrity and perseverance in order to stay relevant. LDC Inc. has continued to prosper into the company it is today with these values in mind. As politics change our country, the jewelry manufacturing will have to adapt as a result.