

## ABSTRACT

The main purpose of this study is to prove that the current method of operation in the gem industry in Sri Lanka could be improved with the integration of innovation and differentiation methods in the appropriate situation which would allow even the smallest of the mine owners a fighting chance of gaining a competitive advantage over their competitors. For this he has chosen his home-town because he is much familiar with the people and practices in the area where he would carry-out interviews and distribute questionnaires to gather data regarding the research topic. At the same time, he would be creating an awareness of the technologies available with the hope of some of the stakeholders would consider implementing them.

In the beginning, he discusses the reasons why the innovation and differentiation methods need to be implemented. Where he discusses the problems the gem industry face in the present time (Agarwal et al (2017)). Taking these problems into consideration he suggests that the industry should turn to innovative technology and product differentiation to support overcome these problems. The researcher discusses the relationship between innovation and product differentiation with the competitive advantage they provide to the mine owners and the other stakeholders, while finding how the innovation and differentiation methods can improve the chances of gaining a competitive advantage, the researcher would also consider the technological advances implemented currently and why they are not popularized as expected. At the same time, he would be educating the stakeholders on the options available for them to boost their industry in the means of innovation and differentiation.