Diamond E-Guide for Retailers

SARINE

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DIAMOND AND JEWELRY RETAILERS FACE NEW CHALLENGES.

DIAMOND GUIDES NEED TO BE SIMPLE, HONEST AND TRANSPARENT

Ever looked for a diamond guide to get a deep understanding of what kind of diamond you should buy and came away feeling confused, frustrated and dissatisfied? If it's any consolation, you're not the only one.

Unlike almost any other kind of consumer purchase you can think of, guides for diamonds tend to be technical and rather dry. And the diamond industry has always had a reputation for secrecy which makes consumers nervous regarding prices because they have no idea what a reasonable price is for any particular item. Compare that with shopping for a TV, washing machine, car or house where pricing information is open and detailed.

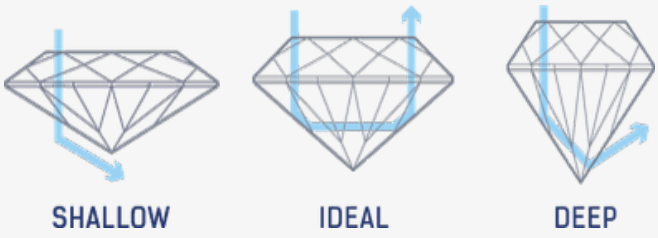
What are the basics of diamond grading?

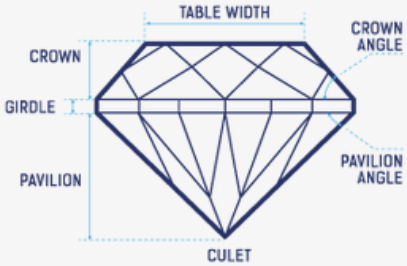
Many people know about the famous so-called 4Cs: Color, Clarity, Carat and Cut. The industry has always proudly said that these universal parameters enable consumers to know exactly what they are getting, but is that the case? The 4Cs is really only the starting point.

Color – the less color the more expensive a transparent, or white, diamond. D is the best color and Z is the worst. Why does it start at D? Nobody really knows! Are there any Z color diamonds for sale? No. The bread-and-butter stones are in the H-K range.

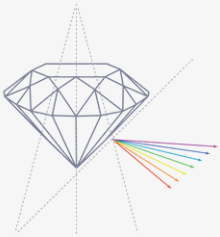
Clarity – naturally a product that does not have any flaws commands a high price, and the same applies to diamonds. Surface scratches and internal inclusions, or black spots formed during the creation of the diamond within the Earth, and where they are located in the stone, influence the cutter's decision on what shape to cut the diamond.

This leads us to Cut. There's no point buying a diamond that doesn't have sparkle, brilliance and fire. That's why the Cut is critical. How do you get all those, but still maintain a high yield from the original rough stone, perfect symmetry and polish? That is the question at the heart of diamond cutting and polishing.





Sarine's Light Performance Grading is the latest scientific method to measure these parameters, while taking into account other factors that affect them, such as the location and type of inclusions. It looks at 4 key parameters: Brilliance, Fire, Sparkle and Light Symmetry.



Carat refers to the diamond's weight. You want the 3Cs above but you don't want a tiny diamond. By the way, most polished diamonds weigh less than a carat, indeed less than half a carat. Huge stones and colored diamonds sold at auctions weighing tens of carats may grab the headlines, but jewelry retailers generally make a living from smaller stones. And to give you some perspective: 1 carat = 0.2 grams/100 points: in other words, a 5-carat stone that can cost tens of thousands of dollars weighs just 1 gram.

What about shapes and colors of diamonds?

Now we have spoken about the 4Cs. Let's look at shapes and colors. While the classic round diamond is by far the most popular and in demand (an estimated three-quarters of all diamond sales), there is a large number of what are called fancy-shape stones.

The leading shapes are:

The princess cut diamond created in 1980, is the most popular fancy diamond shape, especially for engagement rings.

The oval shape also possesses a similar fire and brilliance. The elongated shape creates the illusion of greater size.

The marquise cut has an American football-shape, long and narrow, and also creates the llusion of larger size.

The pear shape with a combination of a round and a marquise shape with a tapered point, creates exceptional elegance.

The cushion cut diamond combines a square cut with rounded corners, much like a pillow (which gives it its name). It has existed for about 200 years.

The emerald cut features a large, open table (or top of the stone) and step cuts underneath.

There are many other cuts which can be easily found in an online search.

Colored diamonds – rare with prices to match

The most affordable (and remember, this is all relative!) are yellow diamonds, followed by pink stones. The most expensive are red, blue and green diamonds which can easily break the $1 million per carat range, as can pinks, especially those that have a great story and the backing of the media machines at big auctioneers such as Sotheby's and Christie's.

The newcomer: lab-grown diamonds

Perhaps the biggest story in diamonds in recent years is the rise of lab-grown diamonds (LGDs). Nowadays, they are actually mass-produced in factories, particularly in India and China.

They still comprise a relatively small part of global polished diamond volumes, estimated at around 3-4%, but have gained huge media attention and are reportedly in demand from Millennials attracted by LGD makers' claims of being eco-friendly.

Most LGDs are made using the CVD (Chemical Vapor Deposition) where a tiny piece of diamond is placed on another material and then gases (usually hydrogen and methane) and high temperatures lead to the growth of the 'diamond'.
A long-standing method of creating diamonds is HPHT (high-pressure high-temperature) developed in the 1950s. Cheaper diamonds with a poorer appearance are put through the HPHT process to make better looking gems that can be sold at a much higher price or to turn discolored diamonds into more desirable (and thus higher-priced) colorless, pink, blue, or canary yellow diamonds).

The main issue with LGDs is that they must be fully disclosed for what they are and not passed off as being real, or mined, diamonds. Unfortunately, there have been instances where LGDs have been mixed in with natural diamonds to secure a higher price for a stone that costs considerably less.

What about grading reports?

Demand for reports has grown significantly over the past 20 years. Today, diamonds as small 0.2 carats are sold only with a report from a reputed lab to provide buyers, particularly consumers, with reassurance. However, reports for the same type of diamonds can have differences that translate into 20-40% lower prices.
This is one of the reasons that Sarine Technologies has created Artificial Intelligence-based grading systems based on machine learning, and monitored by expert gemologists, where data from thousands of diamonds is entered into the system. Unlike humans who can be tired or simply having a bad day, the AI system delivers objective and consistent grading results time after time.
The well-know paper certificates are likely to become a thing of the past, as digital reports replace them. Sarine is leading the way with the Sarine Profile which aims to create a complete customer experience by highlighting a wide range of parameters that the layman can understand.

Helping consumers visualize diamonds on them

The retail sector of the diamond journey – the so-called last 18 inches – has to become a full shopping experience and this is an area where technology can guide buyers. First of all, though, salespeople have to be able to give a potential buyer the romantic back-story of how diamonds were created billions of years ago, where they were mined, and how each one is individual just like a human being with its own beauty marks and characteristics.

Retailers also need to use technology such as 3D jewelry imaging to enable buyers to see the diamond on their finger, around the neck on their wrist such as the Verto solution offered by Sarine.

The world is changing; consumers are demanding more information and need to be persuaded more than ever; traditional diamond guides are showing their age and becoming increasingly irrelevant; and technology can provide information at a touch and sales solutions for a new era.

2020 is here, it's time for a new vision!