



Diamond eGuide for Retailers



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DIAMOND AND JEWELRY RETAILERS FACE NEW CHALLENGES.



DIAMOND GUIDES NEED TO BE SIMPLE, HONEST AND TRANSPARENT

Have you ever looked for a diamond guide to get a deeper understanding of what kind of diamond you should buy, only to feel confused, frustrated and dissatisfied? If it's any consolation, you're not alone.

Unlike almost any other kind of consumer purchase you can think of, guides for diamonds tend to be technical and dry. Not to mention that opposed to transparency, 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 gem. 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 4Cs: Color, Clarity, Carat and Cut. The diamond industry has always proudly stated that these universal parameters enable consumers to know exactly what they're getting, but is that the case? The 4Cs is actually only the starting point.

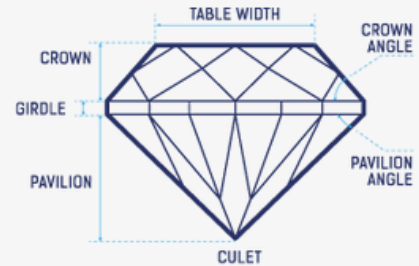
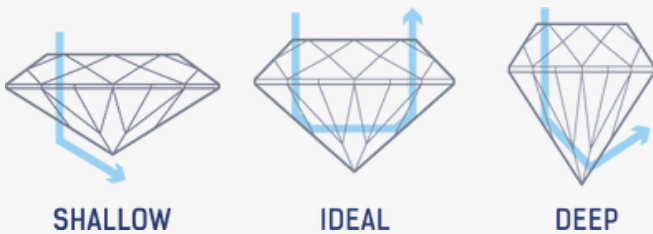
Color – the less color, the more expensive a transparent, or white, diamond. D is the best color and Z is the worst. Why does it start at D? Nobody has a clue! Are there any Z color diamonds for sale? No. The bread-and-butter of stones lies in the H-K range.



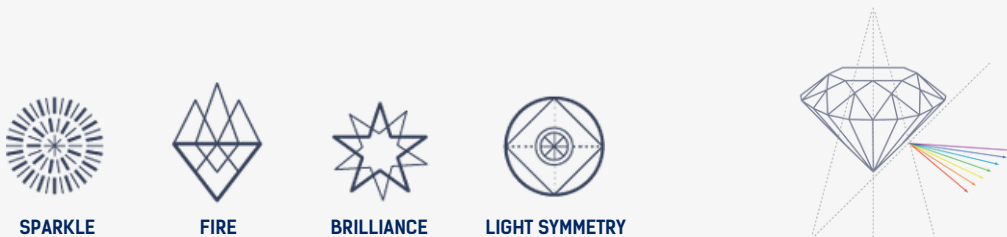
Clarity – naturally, a product that does not have any flaws commands a high price, and the same applies to diamonds. Surface scratches and internal inclusions, or black spots formed during the formation of a diamond within the Earth, and where they are located in the stone, influence the cutter's decision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



When it comes to accurately and efficiently measuring the 4Cs, Sarine eGrading™ is the industry's most technologically cutting-edge method of doing so. This AI-based grading solution expands diamond evaluation to 4 key parameters: Brilliance, Fire, Sparkle and Light Symmetry.



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.



Back to the 4Cs. Carat refers to the diamond's weight. Everyone wants the 3Cs above, but nobody wants a tiny diamond. That said, keep in mind that most polished diamonds weigh less than a carat, in most cases even 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 the vast majority of their profits from smaller stones. 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, it is the most popular fancy diamond shape, especially for engagement rings.

The Oval Shape - A shape that also possesses a similar fire and brilliance. The elongated shape creates the illusion of greater size.

The Marquise - It has an American football-shape, long and narrow, and also the illusion of being bigger than it really is.

The Pear Shape - This shape produces the feel of exceptional elegance. It does so by being the combination of a round and a marquise shape with a tapered point.

The Cushion Cut Diamond - This cut has existed for about 200 years. It combines a square cut with rounded corners and is very reminiscent of a pillow.

The Emerald Cut - This cut features a large, open table-like top and is equipped step cuts underneath.

There are an array of other diamond cuts which can be easily found online.



Colored diamonds – rare with prices to match

The most affordable (and remember, this is all relative!) are yellow diamonds. This is 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 and big auctioneers, such as Sotheby's and Christie's.

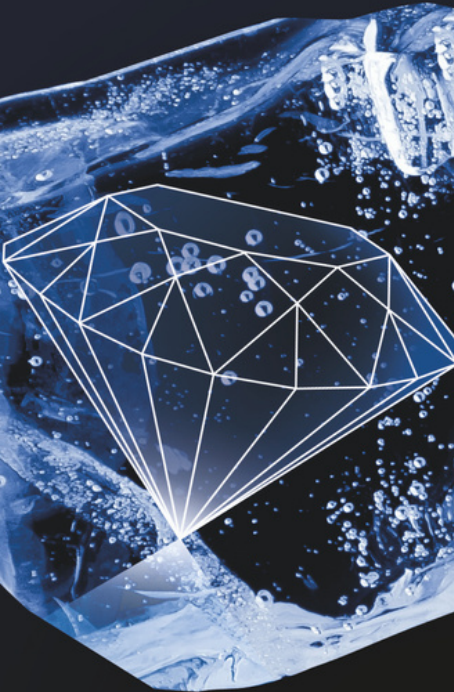
The newcomer: lab-grown diamonds

Today, one of the most talked about topics within the diamond industry is the rise of lab-grown diamonds (LGDs). These gems are mass-produced in factories, particularly in India and China and still comprise a relatively small part of global polished diamond volumes, estimated at around 3-4%. That said, they have gained huge media attention and are reportedly in demand from Gen Z and Millennial consumers attracted by LGD makers' claims that they are 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.

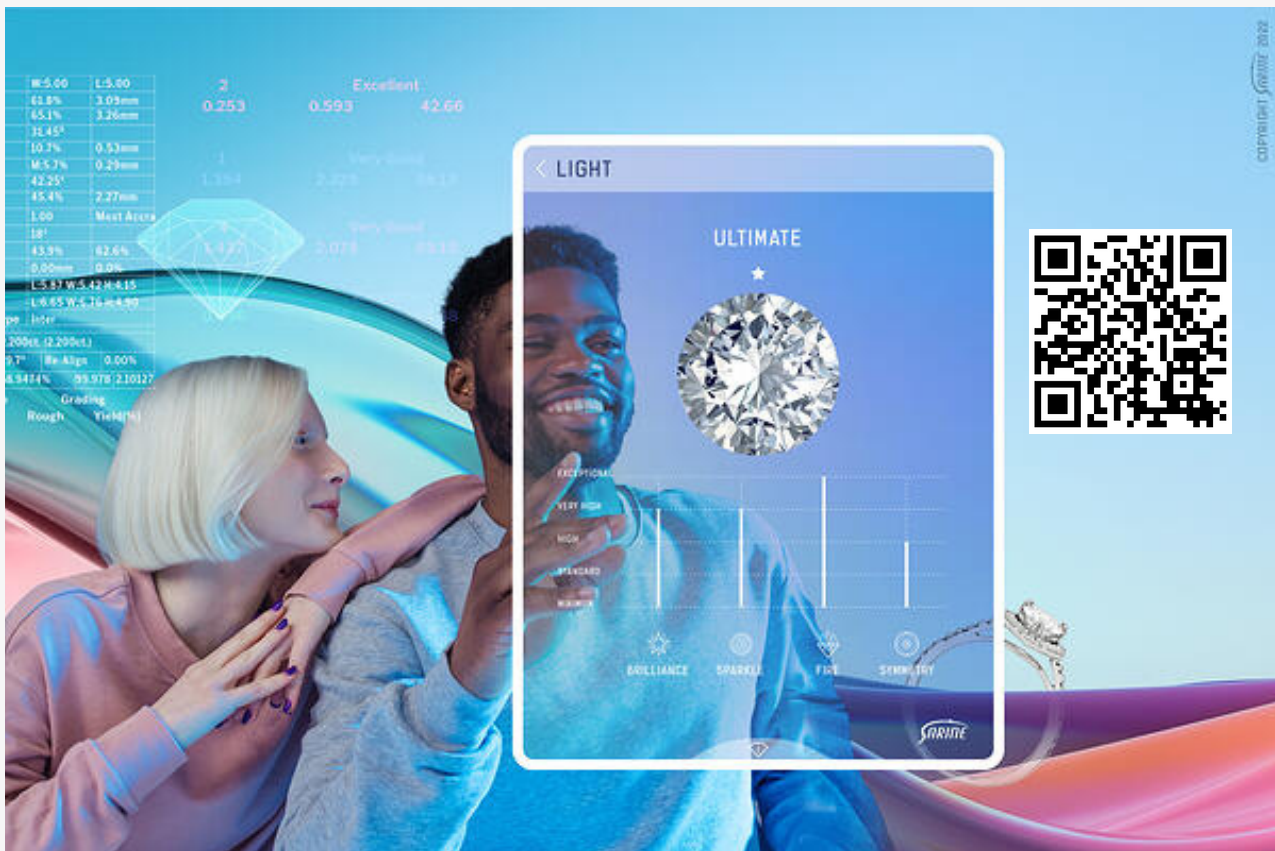


What about grading reports?

The demand for reports has grown significantly over the past 20 years. Today, most diamonds as small as 0.2 carats are only sold with a report from a reputed lab to provide consumers with reassurance. However, additional reports for the exact same diamonds will always have differences that translate into 20-40% lower prices.

This is one of the reasons that Sarine has created our AI-based eGrading. With its machine learning capabilities, it has taken data from millions of diamonds that have been entered into our system and has perfected the grading process. Unlike humans, who's work quality can decline with fatigue or even a bad day, the AI system delivers objective and consistent grading results time after time.

With technological innovations reimagining our industry by the day, the well-known paper certificates are likely to become a thing of the past, as digital reports begin to replace them. Sarine has already led the way with the data-based Sarine diamond report. It aims to create a complete customer experience by highlighting a wide range of parameters that the layman can understand.



The Diamond Journey

Up until recent years, price and product were the end all and be all when it came to purchasing diamonds. However, today, modern consumers demand transparency and luxury goods that come with a sustainable story. Sarine delivers just that with the Sarine Diamond Journey report.

This data-based and fully digitalized sales solution takes consumers into a diamond's origin starting with its billion year formation process beneath the earth. It then reveals the mine where the gem was discovered in its rough form and then onto the lab floor of the manufacturer where consumers can see how their diamond was planned and processed into its current shape. Providing a diamond origin doesn't just leave for a more engaging salesfloor experience, but also gives socially conscious consumers zero doubts about their gem's past.

This is especially true with the use of additional traceability tools like the new [Diamond Journey Traceability website](#). It is a multipurpose sales tool and educational resource displaying the sustainable impact each diamond has on its way to its final destination. Starting from the mine, passing through the manufacturer and finally to the store, diamonds are impacting millions of lives in an unbelievable way. From turning impoverished villages to bustling mining communities, to constructing hospital and schools to giving opportunities to women in places where its less common.



Helping consumers visualize diamonds on them

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As of now, traditional diamond guides are showing their age and becoming increasingly irrelevant. On the other hand, technology is providing information at a touch and sales solutions for a new era.

2023 is here, it's time for a new vision!

