

SARINE



# DIAMOND GUIDE FOR RETAILERS

OCTOBER 2024



# 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, whose work quality can decline due to 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.



**4CS AI GRADING REPORT**



**DIAMOND JOURNEY**



**TRACEABILITY**



**LIGHT PERFORMANCE**



**BUNDLE REPORT**

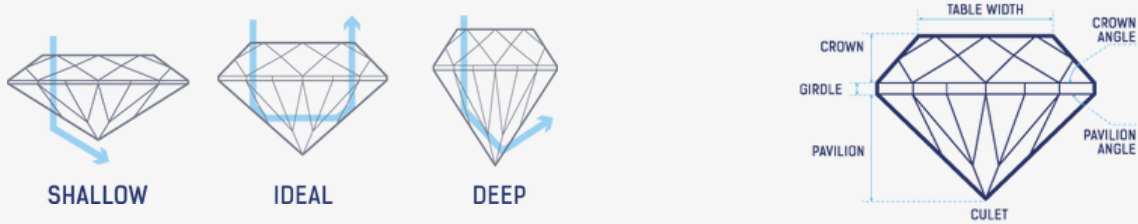


**LAB-GROWN 4CS**

# 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.

**Cut** – a diamond's cut refers to the quality of the angles, proportions, facets, and finishing details.



**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 diamond that does not have any flaws commands a high price. Internal inclusions, black spots formed during the formation within the Earth, and where they are located in the stone, influence the cutter's decision on what exact shape to cut the diamond.



**Carat** – Most polished diamonds weigh less than a carat, in most cases even less than half a carat. 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.



## 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.



# 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 create a more engaging salesfloor experience, but also gives socially conscious consumers zero doubts about their gem's past.



## Birth Registration

Registration at rough diamond stage.



## Rough to Rough Change of Ownership Registration

Each time a rough diamond switches ownership.



## Part Final Plan Registration

Polished diamond final plan on a rough part from which a single diamond will be extracted.



## Polish Registration

Registration of the fully polished diamond.



## Rough to Polish and Ownership Trail Verification

Final measurement of polished diamond that enables rough to polish verification and ownership trail.



## Traceability Report

Multiple direct measurements from the rough origin to polished culminates in a detailed digital or printed traceability report.





## THE NEWCOMER: LAB-GROWN DIAMONDS

The past decade or two has brought significant shifts to the diamond industry, and lab-grown diamonds definitely top the list. LGDs have disrupted the market, opening up a new world of options that are more affordable and accessible for consumers. However, for retailers this means needing to learn new things and adopt new sales techniques.

### What to Tell Customers About Natural vs LGD

When consumers understand the nuances between natural and lab-grown diamonds, their diamond decision is made much easier. Retailers should focus on educating consumers about their similarities and differences, bringing an expertise to the retail sales floor that boosts trust, confidence, and ultimately, sales.

Here are some key points to highlight:

- **Chemical and physical identity:** Emphasize that lab-grown diamonds are real diamonds with identical properties to natural diamonds.
- **Origin stories:** Explain the different formation processes, highlighting the natural formation deep within the earth versus the controlled lab environment. Despite the physical similarities, each diamond has its own history that impacts its unique narrative.
- **Optical properties:** Assure consumers that lab-grown diamonds have the same brilliance and fire as natural diamonds and can be graded for light performance in the same way.
- **Fancy colors:** Inform customers about the availability and treatment of fancy-colored lab-grown diamonds. Most LGDs are color-treated post-growth phase, which affects their ability to withstand heat.
- **Clarity and inclusions:** Explain the differences in the definitions of inclusions for natural vs. LGD diamonds. Make it clear that both types of diamonds are graded on the same scale but may exhibit different features as a result of the growth conditions.

While natural diamonds and LGDs have most characteristics in common, the subtle nuances are important to customers in the diamond buying process. As the market for lab-grown diamonds continues to grow, accurately communicating the differences between natural diamonds and LGD will be a key to transparency on the sales floor, and building customer relationships based on trust.

# 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**  
Has an American football shape, long and narrow, and also the illusion of being bigger than it is.



**The Pear Shape**  
Produces the feel of exceptional elegance. It does so by being the combination of a round and a marquise shape.



**The Cushion Cut Diamond**  
Has existed for about 200 years. It combines a square cut with rounded corners and is 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

Fancy color diamonds are diamonds that have a naturally occurring color.

Fancy diamonds come in the whole color spectrum, from blue to pink, red to yellow, green to black.

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.



## TOP TRENDS SHAPING THE DIAMONDSCAPE

In the past, diamond purchases were largely driven by price and product. But today's consumers are looking for much more. The modern diamond market is being transformed by trends such as sustainability and traceability, transparency, digital experiences, storytelling, and AI. These shifts are redefining consumer demands and expectations.

Despite the ongoing challenges posed by geopolitical and economic uncertainties, industry leaders are gearing up for pivotal times. The silver lining? We have technology as our ally. Forward-thinking companies are embracing AI and digital solutions to not only navigate these challenges but to thrive. With a clear vision and unwavering resolve, they are prepared to rise above adversity, turning the exciting journey ahead into one of unparalleled innovation and success. Let's seize this moment to lead the industry into a new era of innovation.

