



KULSEN & HENNIG DOMINIK KULSEN

Nature's Brilliant Colours

Newsletter No. 20

09/2014

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All about Natural Fancy Coloured Diamonds

On-line versus Off-line

Today, many jewellery and diamond suppliers are available on-line. On the one hand, there are traditional companies, like Tiffany or Wempe, that have reacted to changing buyer behaviour by adding an Internet retail site to their typical retail outlets. The newest generation of jewellery and diamond portals, however, exists only on the web. Yorxs AG is one example.

YORXS
Up to 70% cheaper than retail | Independent expert advice | 100 days right of return | Free Ring Resizing | Set price Radar | Excellent customer | Certified online shop

DIAMONDS | RINGS | EARRINGS | TRAILER | JEWELRY | SERVICE & ADVICE | Art.Nr. / Stichwort suchen

Zertifizierte Diamanten bis zu 70% günstiger als beim traditionellen Juwelier

Der exakt gleiche Diamant deutlich günstiger durch eine reine Online-Vertriebsstruktur, ohne Zwischenhändler.

DIAMANT WÄHLEN

ENGAGEMENTS & WEDDINGS
Engagement Ring
Diamond ring

DIAMANT JEWELRY
Diamond Earrings
Diamond pendant

DIAMANTS
All about diamonds
Search Diamonds

SEARCH FOR DIAMONDS
Select a diamond shape to start searching for your perfect diamond.

Brilliant | Princess | Emerald | Asscher | Navette | Oval | Baguette | Drops | Heart | Cushion

DIAMANT FACHWISSEN
VIDEO DIE 4C's

DIAMANT ZERTIFIKATE
GIA | HRD | AGS

KONFLIKTFREIE DIAMANTEN

PRODUCT REVIEWS: Sensational Studs - reputable internet site with lots of interesting information about diamonds!!!

SPECIAL OFFERS AND NEWSLETTERS: Trends, deals and coupons via e-mail! Join now and receive a 50 Euro voucher.

Gutschein 50 €

SIGN UP NOW

Yorxs AG

The company was started in 2012 with the objective of becoming the leading on-line portal of "loose diamonds and diamond jewellery". Yorxs AG was financed by the venture capital firm, High-Tech Gründerfond (HTGF), the K5 venture capital firm and private funding. The founders are Sven Kielgas, Dr. Joachim Giehl and Casimir Graf von Maltzan, a trained diamond expert and expert in antique jewellery.

The Target Audience

The Frankfurt-based agency Triple Sense Reply noted in studies that most on-line stores are heavily male dominated. This is also true for the Yorxs site. The home page presents facts and benefits against a plain white background: prices up to 70% cheaper than retail, independent expert advice, 100 day return policy, as well as technical details like a price radar and ring configurator that speak more to men than to women.

According to S. Kielgas, Yorxs wants to reach "ascension' oriented, successful people", "who have already proven their performance but now want to go further but do not want to be cheated. Most men have no desire to be hauled into a jewellery store during what little spare time they might have and where they cut a poor figure. We offer them the convenience of being able to buy easily from their office. We want to be a brand for smart consumers who can afford the product and who want to know what they are buying."



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The condescending tone used towards the classic retailers is characteristic of the way this company promotes itself. They create the impression that traditional retailers offer poor service, provide little transparency and charge excessive prices. The legend of the original idea was built on these allusions.

The Business Model

Yorxs AG's business model is simple: "no middlemen, no stock, no capital costs, no fixed costs for expensive shop rents and sales staff, and no increased security costs". Accordingly, the company advertises diamond prices up to 70% cheaper than those of the IDEX (International Diamond Exchange), the average worldwide retail jewellery prices that are calculated monthly. "In reality, you will still find significant differences, as the average German price is well above the world price." In addition, a "Best Price Guarantee" is offered. If the customer can find the same diamonds at a cheaper price, Yorxs will undercut that price by 1%. Emphasis is especially placed on outstanding value for money.

Quality Standards

Yorxs claims that its quality standards belong "to the most sophisticated in the world of jewellers". Accordingly, all diamonds offered by Yorxs are pre-selected according to strict quality criteria and certified by the GIA, the HRD or the IGI.

As specialists in Natural Fancy Coloured Diamonds, we decided to randomly compare the coloured diamonds offered for sale by Yorxs AG with those offered on the databases for diamond dealers like RapNet or IDEX. We found that many of the stones offered by Yorxs actually come from these sources. Although this is, of course, not illegal, the company does suggest to its customers that its diamonds were personally selected by Yorxs AG's experienced professionals.

We might wonder then, have the Yorxs experts ever even seen any of these diamonds before on-line purchase by a customer? Jewellers and goldsmiths personally and professionally examine any diamond before selling it to a customer.

An "Exciting" Diamond Search

We wanted to know how to buy Natural Fancy Coloured Diamonds with Yorxs, so we went on their website and followed the link "Colored Diamonds" under the menu item "Diamonds"

More than 9 000 stones were offered for sale!

The screenshot shows the Yorxs website's search interface for colored diamonds. The top navigation bar includes 'YORXS' logo, 'Login / Register', 'Wish List', and 'Shopping Cart'. Below the navigation, there are several promotional banners: 'Up to 70% cheaper than retail', 'Independent expert advice', '100 days right of return', 'Free Ring Resizing', 'Set price Radar', 'Excellent customer', and 'Certified online shop'. The main search area is titled 'DIAMONDS' and includes filters for 'WHITE DIAMONDS' and 'COLORED DIAMONDS'. The 'COLORED DIAMONDS' filter is active, showing options for 'COLOR' (Blue, Green, Purple, etc.), 'FORM (Shape)', 'COLOR INTENSITY (Intensity)', and 'CARAT (Carat)'. There are also checkboxes for 'OVERTONES (Overtones)', 'PURITY (Clarity)', 'SYMMETRY (Symmetry)', 'FLUORESCENCE (Fluorescence)', 'GRINDING DEGREE (Cut)', 'POLISH (Polish)', and 'CERTIFICATES'. The search results section shows 'RESULTS: 9.474 DIAMONDS' and a table with columns for 'Color', 'Intensity', 'Form', 'Carat', 'Price / carat €', and 'PRICE €'. The table lists several blue diamonds with varying intensities and carat weights, along with their prices per carat and total prices.

Color	Intensity	Form	Carat	Price / carat €	PRICE €
Blue	Very Light		1.26	15,609.16	19,668.00
Blue	Very Light		1.43	17,666.58	25,263.00
Blue	KA		2.15	121,056.03	260,270.00
Blue	Light		1.90	37,270.49	70,814.00
Blue	Light		1.52	47,429.84	72,093.00
Blue	Faint		0.83	7977.56	3910.00
Blue	Very Light		0.85	15,660.78	13,312.00
Blue	Intense		0.15	47,984.30	7198.00
Blue	Intense		0.15	47,984.30	7198.00
Blue	Faint		0.34	19,310.56	6565.00



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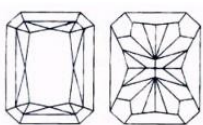
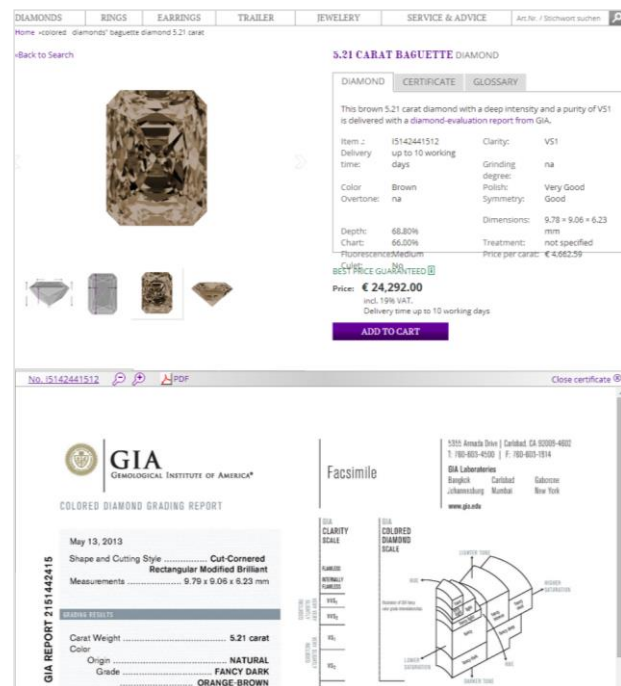
During our research, we noticed several inaccuracies and inconsistencies. First, we noticed that all the example images, whether the cut was round, pear, princess, etc., always showed the same stone – sometimes showing a more intense colour, sometimes a slightly paler one. In nature, stones usually look different. It is not stated that the pictures are only samples.



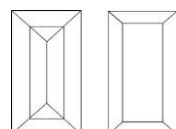
Furthermore, we found that the promised certificate would not open for many diamonds. In that case, the customer must trust the description provided by Yorxs. When it was actually possible to view the certificate, however, in certain cases, we observed serious discrepancies between the certificate and the description:

Thus, we found examples where the colour specified by Yorxs did not match. A 5.21 ct "Deep Brown Baguette Diamond" was described in the GIA certificate as "Fancy Dark Orange Brown" and another 4.09 ct "Deep Brown Baguette Diamond" was graded by the GIA as "Fancy Dark Yellowish Brown". Apart from the fact that each additional colour changes a diamond, the diamond experts at Yorxs do not seem to attach any particular importance to the difference between "Deep" and "Dark".

Moreover, this time concerning cuts, the stones were not actually baguettes, but rather radiant cuts described on the GIA certificate as "Cut Cornered Rectangular Modified Brilliant". On the Yorxs website, we found the following information concerning the baguette cut: "Baguette: also often called radiant. Octagonal shape with star facets underneath". This statement is incorrect as is clearly shown on the illustrations below.



Radiant



Baguette

Even worse, we found an example of a 1.71 ct "Light Gray Brilliant Diamond," whose colour is specified on the IGI Certificate as Light Grayish Brown. The international rules for colour grading indicate that the main colour of a diamond is always mentioned last, so this, in fact, is not a gray diamond, but a grayish brown diamond.



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YORX'S
Up to 70% Cheaper
High quality

DIAMONDS RINGS EARRINGS TRAILER JEWELRY SERVICE & ADVICE

BRILLIANT 1.71 CARAT DIAMOND

This gray 1.71 carat diamond with a light intensity is delivered with a diamond-evaluation report from the IGI.

Item #: G7067935 Purity: not specified
Delivery time: up to 12 working days Cut Grade: Good
Clarity: I1 Inclusions: Very good
Girdle: Brownish Symmetry: Very good

Measurements: 7.32 x 7.35 x 4.80 mm
Depth: 65.50% mm
Chart: 65.50% Treatment: not specified
Fluorescence: none Price per carat: € 1,100.48
"Clarity": I1

BEST PRICE GUARANTEED
Price: € 1,882.00
incl. 19% VAT, Delivery time up to 12 working days

ADD TO CART

No. G7067935

Jewelry Report
Colored Stone Report
Security Seal
Laserwrite
Terms & Conditions
Webb Your Report

GEVSTONE GUIDE
Diamonds Kcs

Number: S3E57607
Report Cte + Date: MUMBAI October 8 2012
Description: Natural Diamond
Shape And Cut: Round Brilliant
Carat Weight: 1.71 Carat
Color Grade: LIGHT BROWNISH GRAY
Clarity Grade: I1

KG IND Round 1.72 Fancy Gray VS2 VG EX - - GIA 61.9% 59% 7.64-7.68x4.74
GALAXYUS USA Round 1.72 Fancy Gray - - GIA 7.74-7.79x4.68
AKSHTIMP IND Round 1.71 Light Brownish Gray I1 G VG VG \$900 \$1,539 IGI N 65.5% 62% 7.32-7.35x4.80

IGI S3E57607 Stock # AD2035

Shape Round Report date -
Size 1.71 Measurements 7.32-7.35x4.80
Color Light Brownish Gray Culet -
Clarity I1 Girdle -
Cut Good Crown -
Polish Very Good Pavilion -
Symmetry Very Good Treatment -
Fluorescence None Inscription -
Depth % 65.5% Ratio -
Table % 62% Star length -
Report comments -
Key to symbols -

RapNet

Escrow Contact Seller

Lot # 49504361
Availability Guaranteed
Lot location Mumbai, India

AKSHT IMPEX
RapID/Code 92174, AKSHTIMP
Name Kalpesh Ghoghari
Telephone qbc-9042189337 +91 7498351949 +91 ...
Fax -
Location Mumbai, India
Rate member AKSHT IMPEX

Additional Information
Brand - Shade -
Lab location - Updated 7/10/2014 3:25 AM
Inclusions -
Member comment -

colour terms are to be understood on the Yorx's site, so the end user can not appreciate the difference between "Light Gray" and "Light Grayish Brown".

Conclusion

A customer who wants to find a Natural Fancy Coloured Diamond on the Yorx's website should be happy to be already sitting on his couch with his laptop because he will spend a long time looking. Processing the massive amounts of information is likely to be more exhausting than enlightening and unlikely to lead to a well-informed purchase decision.

The inaccurate or incorrect statements about Natural Fancy Coloured Diamonds used without verification on the dealer database show little evidence of expert and trustworthy care in dealing with these rare gemstones. The focus is not on knowledge, experience and passion, but on the price. We suggest you read our article on pricing, "Really Cheaper? Natural Fancy Coloured Diamonds on the Net", in this newsletter.

Our Opinion

Using on-line databases of Natural Fancy Coloured Diamonds can be a way to locate a stone. In order to make a real purchase decision, though, a coloured diamond, as opposed to a colourless diamond, must be examined in person. This is possible with a goldsmith or jeweller. Here, the customer also benefits from the jeweller's personal commitment and expert advice - a clear advantage over on-line retail.

By the way, in an interview the founders of Yorx's recently announced that they wanted to go "off-line" by creating "info-shops".