

Blue Nile Launches Diamond Buy-Back Service

The new service pays for diamonds using an algorithm based on their price on Blue Nile

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Blue Nile is rolling out a new service that will buy back consumers' diamonds of 30 points or more using an algorithm based on their Blue Nile price.

Mondiamo, a new company, will run the service out of its New York City office, in conjunction with Blue Nile's Seattle-based customer service team. The service first launched on Blue Nile's site in June; based solely on word of mouth, it's already done "thousands" of transactions, says Oren Schneider, co-founder and senior vice president of Adama Partners, Mondiamo's parent.

The service works like this: Customers enter details of their stone's grading report on the site and receive a minimum guaranteed cash offer. (For non-GIA reports, the price is adjusted based on a proprietary algorithm.) If there is no report, no offer is given.

The minimum guaranteed cash offer is typically 60 to 65 percent of that diamond's lowest benchmarked retail price on Blue Nile. If the seller accepts the offer, he receives a shipping kit that instructs him on how to send in his diamond. After the diamond is evaluated, the company determines a final price, which includes any metal content; to date, all final prices have exceeded the minimum. The customer is generally paid within one business day after the stone is received. Mondiamo also takes a fee: 15 percent of the offer value, or \$200, whichever is higher.

Schneider says that, before the service launched, Mondiamo mystery-shopped other services and feels it offers the best price out there.

The service is currently limited to customers in the United States and Canada.

"One of Blue Nile's guiding principles is to provide transparency to consumers so they can make a diamond purchase that's right for them, and this partnership with Mondiamo provides that transparency to those who wish to sell their diamond jewelry," said Blue Nile chairman, CEO, and president Harvey Kanter in a statement.