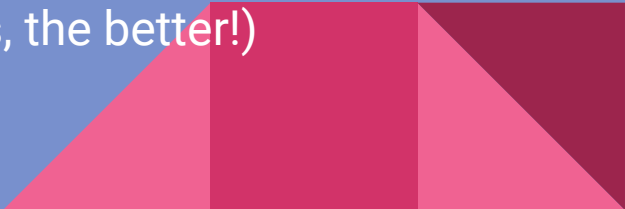




Diamond Pricing Analysis and Modeling

By Trinity Gahagen

So you want to get into the diamond business?

- It's important to understand the different facets of diamond grading
 - Namely, the *four "C"s*:
 - Cut
 - Clarity
 - Carat
 - Color
 - Cut grades the quality of how the diamond was cut
 - Clarity grades how flawless the diamond is
 - Carat is the weight of the diamond
 - Color grades how *color-less* the diamond is (the less, the better!)
- 

Consider adding a model to your website!

Utilize the four “C”s in a way that is meaningful for your business!

Every major jeweler with a website has a diamond pricing guide, so in order to stay competitive, consider adding a predictive model so that customers can get a sense of which diamonds are within their budget range!





How did I make
one?

Testing Results

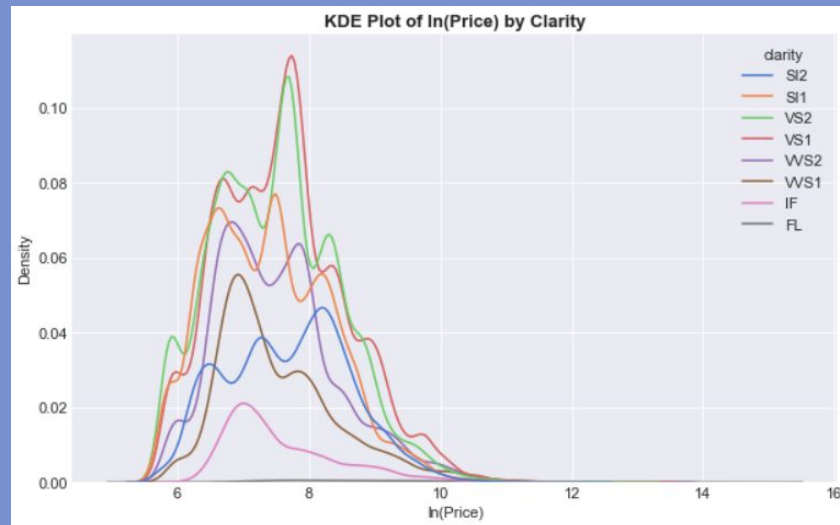
Before beginning the modeling process, several hypothesis tests were performed to get a sense of what information might be useful when creating the model.

In each categorical variable tested:

- Shape
- Color
- Cut
- Clarity
- Which lab the diamond was graded at
- Whether the diamond was natural or lab-created

...

All of the tests indicated there was some difference in price between the different grading scales/lab reports EXCEPT for the difference between natural and lab-created diamonds



External Sources

- Blog at worthy.com:

<https://blog.worthy.com/knowledge-center/diamonds/estimate-diamonds-value/>

- Diamonds.pro:

<https://www.diamonds.pro/education/diamond-prices/>

