



Miki Kahn / staff photo

Luring with price: Diamond retailer Eli Benisty buys from his own family in Israel and says he eliminates huge markups to keep prices down.

Tips for buying a diamond

- Don't rely on the person selling the diamond to tell you what it's worth.
- Do your homework and show up at the store with a diamond-buying book.
- Research the four C's of diamond-buying — carat, color, cut and clarity.
- Most diamonds are marked up at least 30 percent to 50 percent. Treat the purchase as a business deal, and negotiate a bargain.
- Don't buy any diamond that is not graded by the Gemological Institute of America, the American Gem Society or the International Gemmological Institute.
- Never buy a diamond in a rush. Your haste could result in a costly and foolish buying mistake.
- Reputable diamond stores have 30-day return policies. Set an appraisal appointment, buy the diamond and take it to the appraiser. If it does not appraise well, take it back.
- Pay with a credit card. If a store requires cash or check only, it's time to leave.

Source: *BridalTIPS.com*, National Jewelers Association and International Gemmological Institute.

Diamond salesman has ice in his veins



Eli Benisty

■ **Title:** Owner of Distinctive Diamonds Inc.
 ■ **Age:** 30

Previous career

- **1993-1998:** Worked for the Adeco Co., an Israeli-based diamond import company, selling diamonds to jewelry companies in Indiana, Ohio and Kentucky.
- **1998:** Opened Diamond Source Inc., a diamond wholesale company in Indianapolis.
- **July 2002:** Opened Distinctive Diamonds Inc. near Keystone at the Crossing.
- **Revenue goal for 2002:** \$1.5 million
- **Favorite diamond cut:** Princess, a square-cut stone.

By Dana Knight

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Eli Benisty doesn't really need the diamonds. He has a sparkling charm all his own.

The 30-year-old jeweler is laid back with a sweet-talking sales tactic — no pressure, just what he claims are rock-bottom prices on rocks.

But dig deeper and a ruthless businessman emerges, a brutal competitor who puts his rivals down in radio ads and billboards splashed across the city.

Benisty is driving the competition crazy on so-called Diamond Row at Keystone at the Crossing, where nearly a dozen jewelers sit within miles.

The Israel-born Benisty recently swooped down on the affluent area, selling gems at wholesale prices at his new store, Distinctive Diamonds Inc.

"We don't have to pressure customers," he said. "We beg people to go shopping (at) other places. They always come back."

Benisty says he is changing the way diamonds are sold in Indianapolis, with no markup, just a stone sold at value. His goal this year is to pull in \$1.5 million in revenue.

He can sell at wholesale, he said,

Distinctive Diamonds

This Northeastside retail store

is tucked away on the fourth floor of an office building.



E. Weaver / staff graphic

because he is the middleman. Benisty travels to Israel every three months to load up on the precious gems — buying from his own family, a well-known diamond-cutting

See Diamond, Page C2

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■ **Competitors say quality of stones could be an issue.**

From C1

dynasty.

"I don't make as much as a jeweler does, but I can make enough to be happy," he said. "The (other jewelers) have to make twice as much."

Benisty said he knows jewelers' secrets because the stores he competes with now once were his clients. He sold diamonds as a wholesaler in the Midwest for nearly a decade and watched as jewelers marked the prices up as much as 50 percent.

"I have no markup," he said. "I sell diamonds at what I used to sell to jewelers."

Benisty's competition isn't buying it. They say Benisty is a retailer, not a wholesaler, who is making big bucks on perception.

"It's not even close to truly wholesale," said B.J. Nichols, president of Reis-Nichols, which sits across the street from Distinctive Diamonds. "If you're truly wholesale, you're not buying billboards that cost \$3,000 a month and doing radio ads. You're basically a retailer creating a perception that you have wholesale value."

Nichols, whose company has been in the diamond business since 1919, said Benisty is taking a negative approach to selling — putting down other jewelers.

"Ninety-nine out of 100 times people like him will be out of business in three to five years," Nichols said. "He's not going to change the jewelry business. These guys come and go."

Beyond perception is the reality of diamond certification, said Nichols. All reputable diamond-sellers have their stones certified by the Gemological Institute of America. Price comparisons of those diamonds can be made on an apples-to-apples basis.

Some jewelers use the European Gemological Laboratory, a lower rating standard, and Nichols said customers of Benisty should beware he may be selling those stones.

Benisty fervently backs his diamonds' quality and says he uses ratings from both organizations, but prefers GIA.

"Nobody's bad-talking other jewelers. We just want to do decent business," he said. "And 90 percent of the customers that walk in end up buying here."

Not a bad record.

Distinctive Diamonds' location is different from the retail storefronts most jewelers occupy, located on the fourth floor of a commercial office building in front of The Fashion Mall.

Visitors walk into what looks like a business office, but once the door is opened, an elegant showroom appears.

There, Benisty will nitpick a diamond, putting it under the microscope for customers to see.

"Most of these other companies started in an office building. They've grown into these huge conglomerates," said Michelle Brogan, Distinctive Diamonds store manager. "We don't want to get any bigger. We always want to have a low-key atmosphere."

And, Brogan said, there's no reason other Indianapolis jewelers can't operate alongside Distinctive Diamonds.

"We're not trying to put any business down," Brogan said. "There's plenty of business to go around."

Indianapolis is a jewelry haven, with more stores than typical in a metropolitan city of its size, according to the National Jewelers Association. There are more than a dozen high-profile jewelers in Indianapolis, with hundreds of jewelers listed in the phone book.

What Benisty is doing could be legitimate, said James Sporrer, president of the jewelers association.

"Let's face it. You can sell things at whatever you want to sell it at," he said. "If you lose money, I guess that's your problem."

It is possible Benisty could sell at much lower prices. His overhead, costs such as rent and payroll, likely is lower than those jewelers in high-profile malls with dozens of employees.

"He could also be selling an inferior product," Sporrer said. He gives this example: A 2-carat diamond sold for \$16,000 at one store could be offered for \$8,000 at a wholesale shop down the street.

"On the surface it would appear I'm selling it wholesale, but how has it been cut?" he said. "The question is: Can you compare it?"

The advice Sporrer gives is to always make sure the jewel has been certified by an objective organization.

"People don't want to get taken advantage of, but everybody does who buys in a retail store," he said. "They get the good product. However, they pay right through the nose."

That's exactly what John Ruddock said he found when he shopped other jewelry retailers in Indianapolis. He ended up at Distinctive Diamonds after hearing an ad on the radio.

Ruddock already had a budget in mind to spend on the diamond that would upgrade his wife's engagement ring. At three other jewelers, that money was enough for a 1/2- to 1/4-carat diamond.

At Distinctive Diamonds, Ruddock could afford more than 2 carats.

"The price is probably what makes the decision so easy to buy from him," he said.

Pete Kirles, like Benisty's other jewelry rivals, said if it sounds too good to be true, maybe it is.

There are factors other than price to take into account, like the quality of the diamond, said Kirles, co-owner of Kirles Jewelers, located about five miles from Distinctive Diamonds.

"It's real easy to get a lower price," he said. "But the cut of the diamond can affect the price of the diamond up to 50 percent."

Customers should never buy a jewel simply by weight, but always take into account the quality, clarity and cut, he said.

Kirles said he isn't worried about Indianapolis' newest diamond competitor. "Absolutely not. I'll beat their brains out with service and quality."

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