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Online Success Pushes Gemvara to Cut Out Jewelry Stores

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[Gemvara](#), the online tool for customizing and buying jewelry, today decided to abandon its original go-to-market scheme of working with jewelry stores by cutting them out completely. The company previously allowed buyers to customize their jewelry in stores through web-connected displays.

Gemvara, previously Paragon Lake, has continued over the last year to move [toward selling directly from its website](#), but was still working with jewelry stores (50 in total) in an attempt to create ongoing relationships with the sellers and reach customers already in the market for jewelry.

I asked founder and chief executive Matt Lauzon why Gemvara has now decided to stop working with jewelry stores completely. He said the company believes the real opportunity for customized jewelry is online and that the amount of success the company has seen in such a short time frame is the validation.

Since selling online, Gemvara has seen quicker growth than in stores. The company claims to have seen a 47% increase in visits to the website from July to August and is averaging \$1,000 per sale. Lauzon said the company's main demographic is women that are 30 plus and buying 2 to 5 pieces per visit. Those pieces range from \$200 to \$12,000.

Lauzon also mentioned customer care as a large reason for continued growth. Something customers may not have been receiving in stores with jewelers. Gemvara appears to have gone the extra mile to differentiate itself from competitors like industry giant [Blue Nile](#). Over the past few months, the company has rolled out live online chat as well as email and phone support. Customer service is available 7 days a week, and apparently around 50% of customers speak to a representative before buying, says Lauzon — who also mentioned that return rates are less than 1%.

The Lexington, Mass. company, founded in 2008, has raised two rounds of funding totaling \$11 million from Highland Capital Partners and Canaan Partners.

Gemvara has landed a second round of funding for \$5.2 million, and the company wants to spend that online, not in stores. Paragon Lake spent much of its first round of funding in jewelry stores with limited success.