

# APPLIANCE DOCTOR

## Eye on service contracts



JOE GAGNON

For the past 20 years my feelings on service contracts for major home appliances have been quoted on or in television, radio, newspapers, magazines and any place I could get my mouth motoring. My viewpoints haven't been secret to any degree, and in this article I would like to re-

iterate some of these views plus add some new ones.

An extended service contract MIGHT BE a good thing to buy on a major home appliance if you bought a product that has a very low life expectancy. It is a very surprising fact to many homeowners today that the new product fails repeatedly and lasts only a period of five to seven years. In this case, wouldn't it be wise to spend a few hundred dollars to give you peace of mind? Or wouldn't it be smarter to spend a little more, do a little research and buy a better product? The decision is yours to make and yours to live with. My opinion is plain and simple: You get what you pay for in the world of consumerism. I can't change what manufacturers are putting into the market, but I can and have helped educate the American consumer so that many are more knowledgeable shoppers. In essence, my dear reader, what I'm trying to get across is the fact that there are good products produced in my industry, not enough to my liking, but there are and it is up to you to do the legwork and spend the necessary dollars to ensure that you have that product in your home. Then a service contract MIGHT NOT be a good thing.

An extended service contract MIGHT BE a good thing if your name is Rockefeller or if you've won the state lottery. The peace of mind that some folks need regarding future service can be easily afforded by those who have the bucks. I have talked to several thousand of these folks and been amazed to find out how much some of them have spent on a single product. It isn't surprising to find the homeowner who has spent more than \$1,000 on a service contract on his or her clothes dryer. It was surprising when I spoke with the older gentleman who had spent \$1,800 on his dryer. I have asked many how they fell into this trap and the answer has always been the same. Once you buy it, you're afraid not to buy it the next year for fear that it will break down. If this happens and your contract has expired, all the money you spent last year has gone to waste. So that you don't fall into this sad situation, I can assure you that your telephone will ring or you will receive a notice in the mail, informing you that your past year's extended service contract is about to expire and you should renew it immediately.

PRESSURE in the appliance industry to simply stay in business is more severe today than ever. Locally, we have seen the failure of Highland Appliance and read about the rough times others are having. Across the country, other big names are no more and in some cas-

es, new names are moving in. The Detroit area has become the most competitive price-conscious arena in the country when it comes to selling major home appliances. Is it any wonder that dealers desperately need to sell service contracts to make ends meet, and wasn't that exemplified just a few years ago in the front pages of a major newspaper? A certain dealer was being investigated because they had threatened to fire a dozen of their salespeople because they weren't selling enough service contracts. In the next few years ahead you will see others who will bite the dust, and you will see some of the old ways come back. I HOPE. Wouldn't it be nice to know you're getting quality, a smile, great delivery and a true promise of satisfaction?

Now ask yourself, how does this simple, straight talking, appliance doctor who never even achieved a college degree in economics know so much? It's simple, folks, you know prunes about anything until you have lived it. Be it a failed marriage, loss of a loved one, war, fright, whatever, you aren't an expert until you have lived the experience. Cut this column out of this paper and keep it somewhere for the next few years. Let's just see what happens in the future, but right now let's get back to the present with some inside SCOOP.

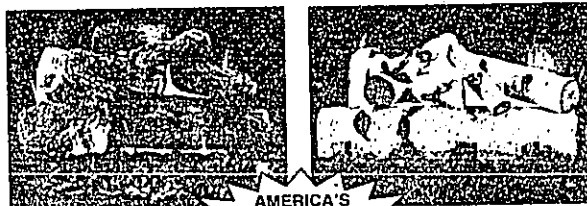
DETROIT AREA UTILITY COMPANIES OFFER SERVICE CONTRACTS ON MAJOR HOME APPLIANCES. For several years now the gas company has offered a service contract on your furnace and many have it. The other day I received a call from a heating contractor who wants to have me join a coalition of members to stop this from happening even though it has been going on for some time. Last week an appliance service company wanted me to stop Detroit Edison from carrying out their new program on appliance service contracts. They are angry because only select service companies will be hired to do this work and they aren't one of the companies. For that matter neither is Carmack Appliance, the company that I own. I choose to have it this way because of who I am and what I do. My participation with Detroit Edison in the development of this new appliance service contract division has been done without payment to me and I intend to keep my nose clean. I would ask you once again, cut out this column and when you get the information from Detroit Edison in your utility bill, read it over and make up your own mind. Thanks for the letters you send me, and stay tuned for next week's column that is written for you, the smarter consumer.

Joe Gagnon, the Appliance Doctor, will answer your questions about maintaining and repairing large appliances. Gagnon is president of Carmack Appliances in Garden City and does a weekly radio program on WJR-AM. He is author of "First Aid form the Appliance Doctor," available at area bookstores.

## Buy Where The Builders Buy!

# American Fireplaces Distributors

◆ MICHIGAN'S PREMIER FIREPLACE COMPANY ◆



AMERICA'S MOST REALISTIC GAS LOGS

by Hargrove

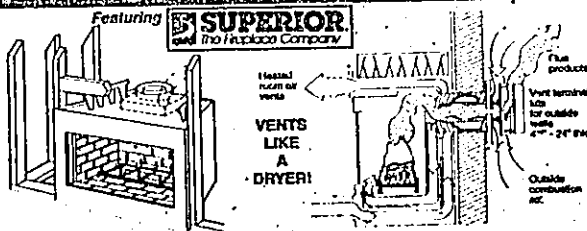
LIVE GAS LOG DISPLAYS

WE CAN CONVERT ANY FIREPLACE TO GAS



LICENSED & INSURED INSTALLERS

## Install A Fireplace Anywhere In Your Home!



Featuring

**SUPERIOR** and The Appliance Category

VENTS LIKE A DRYER!



MANTLES AND ACCESSORIES

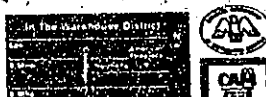


CUSTOM GLASS DOORS

LET US REFACE YOUR FIREPLACE

**American Fireplaces Distributors**

10662 Northend • Oak Park, Michigan  
**(810) 547-6777**



DISTINCTIVE & UNIQUE FIREPLACE FURNISHINGS