

The Active Consumer

Warranty Watch

(NAPSA)—Sales people in electronic stores these days spend more time trying to sell an extended warranty than the product you're buying.

Do you wonder why?

It's because extended warranties can make up more than half of profits at most big electronic retailers. The store makes more money from the extended warranty than from the manufacturer's product. That's why sales people are urged to promote these warranties.

Yet, most consumer watchdog groups generally caution against buying these plans. So why are they so popular?

"The reason may be how much we rely on technology, especially computers," says Rob Enderle, analyst at Enderle Group. "Having a computer crash at home may put some in an absolute panic. They pay for the peace of mind these extended warranties give."

So, if you want the peace of mind, it's important to choose who to buy the warranty from.

Experts agree it is best to buy it from the manufacturer. One reason is obvious. Who better to fix the product than the company that made it?

And buying a plan from the manufacturer can have additional benefits. While manufacturers have trained technicians who can help solve the problem over the phone in your home, retailers generally don't. Since the majority of issues can be solved over the phone, purchasing a manufacturer's warranty may save you time and help you avoid having to lug the computer down the street and wait in line.

Also, you get more time to decide if you need the protection. Unlike retailers who demand that you buy the extended warranty on



Is it wise to get that extended warranty? It depends.

the spot, most PC makers allow you to purchase an extended warranty up to a year later, and in some cases up to two years later.

As it happens, this can make sense because most computer problems happen later in the computer's life when viruses, spyware and old, unused files can bog it down. Some PC makers offer services with these problems in mind.

So, when should you buy a service plan?

"You really have to think of an extended warranty as a separate purchase. Decide whether it is something that will be worth having fixed," said Steve Baker, analyst for NPD Group.

Ask yourself the following questions to decide if it is worth the money:

- Is it a new technology such as a plasma TV?
- Are you comfortable tinkering with the product if it doesn't work?
- Is it a big investment?
- Who provides the service? What training do they have?
- Are you hard on products? Do they frequently break?
- Do you need a replacement product immediately if this breaks?
- Will you be ready for a new model by the time it breaks down?