

10 Reasons Why You Should Sell Trane Extended Warranties!

1. Locks you to the customer for the duration of the contract. You collect your normal labor rates and a liberal mark-up on parts.
2. Lets you maintain a customer when the house is sold. Contract can easily be transferred from one owner to the next.
3. Reduces your warranty reserve from 1 or 2 years to 90 days when labor option 1 or 3 is chosen and the extended warranty is sold at the time of installation.
(Average warranty reserve is 2% of the gross sale amount $\$2000 \times .02 = \40.00)
How much for 90 days?
4. Keeps customers happy when covered repairs are needed since they are free to the homeowner.
5. Eliminates your account receivable since you receive prompt payment from Trane for approved repairs. (Average bad debt in our industry is 1%)
6. It is often the most profitable portion of the replacement sale. (Plus warranty reserve and bad debt)
7. Use as Lead Generators. Great "Marketing Tool" for replacement sales.
8. Allows you to activate "inactive" customers when offered a one-year renewable contract on Trane equipment that is up to 5 years old.
9. Consumers want them. The auto and electronics industries have educated homeowners on the benefits of extended warranties. If you offer them, consumers will buy them. A survey of HVAC customers shows that six out of 10 homeowners would consider an extended warranty on their HVAC system if offered at the time of sale. Another survey showed that 28% of our end user consumers said they were not offered an extended warranty and would have bought one if the dealer had offered it.
10. Increases your "Precision Tune Up" sales which keeps your technicians busy during the slow season and keeps your customers' operating costs down. "Precision Tune Ups" help build a strong service force by training technicians and providing a career path.

They also keep your customers' equipment running during peak weather days so that you acquire new customers from your competitors. The competition is too busy during peak periods servicing customers who have not maintained their equipment.