

# More Consumers Say No to Retailer Warranties

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If you're fed up of listening to a blue-shirted electronics store employee explain why an extended warranty will help with the increasingly likely problem that a cat will pee on your new big-screen TV, thus setting off a catastrophic electrical chain reaction that will fry every electronic device in your home -- well, you're not alone.

According to retail analysts The NPD Group, more and more American consumers are opting to buy their warranties directly from the manufacturer, or from a third party.

However, the choices did vary. PC owners chose to do it themselves, as 52 percent of consumers surveyed said they bought their PC warranty either from the manufacturer or a third party, with 27 percent buying from a big-box retailer.

However, the big-box retailers also convinced a growing number of PC consumers to buy an extended warranty, covering additional years or levels of support. In general, PC OEMs either did not offer an extended warranty or were simply outsold by the big-box retailers, as manufacturers only captured between 7 and 8 percent of the PC extended-warranty market.

Independent installers convinced more consumers to buy a warranty for home theater installations, or 26 percent. But when it came to flat-panel TVs, the big-box retailers owned the secondary warranty business, NPD found.

Fifty-two percent of consumers who said they purchased installation services for their desktop computer in the past year did so from either an independent installer or directly from the manufacturer. Only 27 percent purchased installation services from big box retailers.

When it came time to solve a problem, however, twenty-three percent of consumers surveyed who required tech support for their consumer technology products in the past year received it through local or independent shops, NPD found, instead of turning to in-store services such as Best Buy's Geek Squad. The top two places consumers turned to when they needed tech support for their home computers, both desktops and notebooks, were independent providers and manufacturers. And for networking, one in four consumers also looked to outside consultants for help.

"Tech support and installation are solid ways to build customer service, branding, and revenue," said Stephen Baker, vice president of industry analysis with The NPD Group, in a statement. "The big guys are spending big bucks to try and capture service dollars, but consumers remain unconvinced that bigger is better. In many cases they prefer the comfort and personal service that the locally based service providers can offer."

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