



See you there March 5<sup>TH</sup> -7

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## Rivers Casino New York Grand opening Huge crowd turn out on opening day

SCHENECTADY, NY March 1<sup>st</sup>, 2017– There's a lot of excitement around the opening but things have been going smoothly. Many people visiting this weekend say they're happy to have a casino in the area and that it's better than they expected. Some say it's too crowded and that it's difficult to find parking.

But most seem to be having a fun time whether or not they won any money. There's a reason Tyrone Vignola is so excited. He's a winner on his first trip to Rivers Casino.

"I ended up walking away with \$95, so can't really complain," said Vignola. Others haven't been as lucky.

"We were up and then we were down. So we both lost like \$50 I think it was," said Donise King and Frank Salerno, who live in Schenectady. But they didn't come expecting to win. With the casino just opening on Wednesday, many want to check it out right away. Some traveled two hours from Massachusetts like Claire Varelas.



"When we heard this one was opening up, it's a little bit closer, and we thought we'd give it a try," said Varelas. She left with an extra \$400. "It's a lot of fun and that's what keeps you coming back. It's that little bit of money and you're out for the day. You go out to eat," said Varelas.



For the first Saturday, visitors had different views on the crowds. “I had a hard time at one point getting a slot machine because they were pretty full,” said Varelas. “I thought it would have been a lot more packed but really we could get on any machine you want,” said Salerno. Parking though was another story. “Took about 15 minutes just to look for a parking spot,” said Vignola. Despite this, many enjoyed their first visit to Rivers Casino, especially Vignola who will no doubt be back. “Come out winning you can’t really not go back. You know you gotta try again, see if I can win again, push my luck,” said Vignola. Schenectady Police say they have additional officers assigned to the casino area this weekend. The building has a capacity of 7,000 people and there are 1,800 parking spots.

As of the second week of February, The Rivers Casino & Resort reported a nearly 17 percent gain in gross gaming revenues in the second week its been open, and the first full week of operation, new figures from the state Gaming Commission reveal. Total gross gaming revenues -- the amount left after winnings have been paid but before all other expenses -- totaled \$3.55 million in the second week, up from \$3.04 million in its opening week. Gamblers played \$28.1 million at the casino's 1,150 slots and electronic table games. The amount was up nearly 22 percent from the week before, when the casino was open just six days, including an invitation-only soft opening day. Two snowstorms during the first week also may have reduced the number of gamblers. Gamblers dropped \$5.7 million at the casino's 67 table games -- games that are staffed by croupiers or dealers -- up from \$4.3 million during the opening week. Gross gaming revenues rose to \$735,000 from \$566,000 the week before.

The casino saw gross gaming revenues from its 15 poker tables rise nearly 48 percent in week two to \$164,649 from \$111,492 during the opening week. The Saratoga Casino Hotel apparently continues to feel the impact of the new Rivers Casino, although net revenue recovered somewhat from the previous week, when it also endured two snowstorms. Net revenue for the week ending Feb. 18 totaled \$2.44 million, up from \$2.33 million the week before. The figure was the lowest since the \$2.41 million in net revenues reported during the week ending Christmas Eve.

The weekly reporting period for video gaming operations such as Saratoga Casino is a day earlier than for casinos such as Rivers.

# Are Warranties a Friend or a Foe?

Per Merriam-Webster, a warranty is defined as a guarantee of the integrity of a product and of the maker's responsibility for the repair or replacement of defective parts.

Undoubtedly, these guarantees are crucial aspects to all links in the HVAC supply chain — from those who make the equipment to those who sell it and, of course, to those who install and ensure comfort systems continue to work appropriately.

It's important that HVAC owners have a firm grasp on warranties in order to understand their nuances and to ensure their customers are protected from faulty performance.

And, while warranties have been around for decades, today's agreements have evolved immensely from yesteryear. Once available as paper-only contracts, these documents are now often completed online, where all parties can track processes and conditions. As the warranty process has changed, so has the way in which they are sold, advertised, and structured.

## WARRANTY GUARANTEE

Warranties offer customers certain guarantees. These caveats ease customers' concerns and may help increase the likelihood of a sale. Additionally, warranties may help differentiate between different product tiers and, with extended service contracts, improve the value proposition to customers.

According to many in the industry, warranties add a certain level of attractiveness to the HVAC sales process.

People like knowing what safeguards are in place against future incidents, and companies offering warranties are often viewed as more honest and visible companies. When a customer is shopping around, a warranty can be the key selling point that makes them choose you or your product. This is what Ralph Perez, product manager, A.O. Smith Corp., sees on a daily basis.

“Contractors can use warranty tiers to help address concerns of customers who are comparison shopping retail products or worried about protecting a large investment in new equipment,” he said. “Warranties can provide a level of assurance about quality and durability to the consumer.”

It's not just the satisfaction of knowing the product is protected for years to come, but also viewing the warranty as an added value to the purchase.

“Warranties make a great closing tool,” Perez continued. “One way a lot of our dealers capitalize on this is by framing the warranty as



a value-added proposition. Given the reasonable wholesale cost of our warranties, it's very easy for dealers to 'throw it in' at the last minute as a way to get unsure customers to commit and buy," said William Newell, national account manager, HVACR & home solutions, AIG Warranty.

In addition to boosting sales, warranties also add value to contactors in the eyes of customers. If contractors tell customers they are guaranteed to come out and fix anything during the timeframe of the warranty, this tells customers the contractor is reliable. Now, customers not only see the warranty as a bonus, but contractors' extended services as a bonus, too.

"Selling warranties adds value to the products and services that a contractor offers," said Evan Meyers, partner, JB & Associates Extended Warranties, Irving, Texas. "At the end of the day when something fails, and it will, if a customer has a solid warranty plan behind the product, and he or she doesn't have to pay out of pocket for the repair, they will immediately see more value in that product and the contractor than if they had to pay money to fix the issue. This is especially the case if the failure occurs within the first few years of the product's life cycle, which is when most failures occur."

Extended warranty plans tie contactors to customers over time. This allows contractors the option to sell other goods and services to customers over the entirety of the warranty plan as the contractor maintains the system. This is an excellent additional source of revenue and extends the opportunity for sales with customers over time.

Beyond the sale, manufacturers benefit from warranties, as they can receive customer and contractor feedback when a warranty is claimed. Hilmor has utilized warranties as an opportunity to interact with its customers and contractors.

"Beyond confidence in the product, warranties and product registration provide an opportunity for manufacturers to hear from consumers," said Emily Bavaro, director of marketing, tools business segment, Newell Rubbermaid. "We've seen it all — the good, the bad, and the ugly. We've learned a lot about how technicians use our tools when we hear from them with a warranty claim. It's an opportunity for us to start a dialogue, and, very often, we're able to turn an unfortunate issue and an unhappy individual into a loyal customer."

Overall, having warranties sets you apart from the competition. If your warranty is better than your competitors, your company becomes more visible to the customer. They're looking for the best bang for their buck, and if you're advertising that, you are more likely to get a customer's business.

"Contractors now include their warranty program in advertisements and even run specific campaigns around 'having the best product with the best warranty,'" Meyers said. "Extended warranties can have a monumental impact on a contractor's business if they're done the right way. We're talking about increasing the average sale, revenue, and customer retention, which turns to the long-term stability of the company and increases the overall value of the company. I have never understood why some contractors don't offer extended service agreements on every job."

So, what is the average warranty term to ensure manufacturer, contractor, and customer satisfaction? When reviewing with manufacturers, the average amount of time is between five and 10 years. This is a newer trend that is emerging.

“Over the years, we have shifted away from the longer-term warranties and gone toward offering more short-term renewable options — short-term meaning five years or less,” Newell said. “One of the things we noticed that really resonated with us was the fact that the standard in the automotive industry is a three-year bumper-to-bumper warranty, which caused us to begin offering three-year parts-and-labor HVAC warranties recently.”

#### THE OTHER SIDE OF THE COIN

While most view warranties as no-brainers and added sales bonuses, there are some cons to the process. One problem contractors run into is the customer not understanding the difference between a manufacturer’s warranty and a contractor’s extended service warranty.

“A consumer might mistakenly believe a long manufacturer’s warranty on components will also have a comparable labor warranty from the contractor. It’s important to make sure consumers understand product warranties are only between them and the manufacturer,” said Perez.

Contractors may also feel warranties may make their services and products look inferior.

However, a solution to this train of thought is to view warranties as guarantees.

“One thing we hear a lot from dealers is, ‘I’ve spent all this time telling my potential customer about the quality of the product and the work done by my technicians only to have to follow that up with telling them they need a warranty because it might break.’ It’s for this reason that we like to frame them as a guarantee when speaking directly with consumers, as it gives a stronger implication of the dealer standing behind his work rather than the implication that the equipment will fail,” said Newell.

#### WARRANTY CLAIMS

Claiming warranties can be tedious and costly for all parties involved. It’s the process itself that can steer people and contractors from buying into a warranty plan. But to avoid a lengthy warranty process, companies are shortening their warranties on products and offering the warranty documents digitally to ease communication.

“We often run into distributors that don’t like being the middle men between the technician and hilmor,” said Bavaro. “It ties up our staff, their inventory, and can be costly on freight. It was that feedback that led to the development of the new two-year lifetime limited warranty on hilmor’s new vacuum pumps. After registering the product on our website, technicians can contact us directly for replacement parts or a replacement pump. This speeds up the exchange and allows us to hear first-hand from our users.”

While warranties are attractive to many in the sales process, they can be quite expensive.

“The only con of selling warranties that I have consistently come across is that adding a warranty makes the contractor come in too high on price,” Meyers said. “In these situations, I typically say it is best to look at your margin on equipment to see if you can find some wiggle room there. Worst case scenario, you can include the plan at cost to lock that homeowner into your service or simply back the warranty out of that particular job.”

While opinions vary on the concept of warranties, the key to their success seems to be in keeping warranties simple and easy for customers to understand and for an allotted amount of time that is fair to all parties involved. When done right, warranties allow contractors to sell both their product and their technicians’ work.

“Being able to reassure your potential customer that you will stand behind your work and not leave them high and dry in the event of a failure goes a long way,” said Newell.

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