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ENSURALL WARRANTY PLANS

Takes on business-office warranty plans with Internet offering

BY LAWRENCE PAPOFF

Shadi Jarjoura knows he's got his work cut out for him. Jarjoura is the sales director for Ensurall Warranty Plans, and Ensurall started selling warranties online about a year ago. That means outselling plans offered at the business office.

"That's the tough part," he admits. "There's a certain credibility that comes with dealing with someone face to face ... where you bought your car. That's the challenge of Internet selling."

By challenge, he means Internet selling involves dealing with someone the customer can't see about a big-ticket purchase.

But he's optimistic because Americans have taken to buying warranties online. So he figures it's just a matter of time until Canadians jump on board. It's going to take time, though.

"The people who buy extended warranties tend to be older people and they are the least likely to shop online. That's why this will build slowly," he admits.

One of the things he says Ensurall has going for it is the trend to cross-border vehicle shopping.

Some Canadian OEMs won't recognize their American counterparts' warranties. So the company offers new-car warranties as well as extended ones.

"We were getting calls without solicitation and that picked up last year when people who are going to the U.S. to buy new cars began calling us. As so we thought this could work."

The savings on an American-bought vehicle leave buyers with plenty of money to go warranty shopping online, he believes.

Jarjoura argues that the one clear advantage his product enjoys over dealership-bought warranties is price. He claims that the markup on a dealership extended warranty can run as high as "200 percent."

"Now the warranties we sell aren't sold at cost, but the markup is no where near 100 percent, let alone 200 percent."

Both new-car and extended warranties are competitive when it comes to coverage as well, he says.

Ensurall (Garantie V.C. in Quebec) is part of the Veri-Cheque Ltd. group of companies. In business since 1978, Veri-Cheque is a credit check company.

Although Ensurall's Internet effort is only a year old, with an "extensive dealer network in Quebec and Ontario," the company is a veteran when it comes to supplying warranties for the business office.

What does he say when dealers complain that Ensurall's online product is undercutting the ones they flog in the business office? He tells dealers not to worry — at least, for now.

"At this point, the dealer has the ultimate advantage. They have the customer face to face when they are selling the warranty, and there's the financial aspect."

Online buyers can pay by credit card; there's also an interest-free, four-month payment option. So customers have to balance the savings aspect with the low monthly payment the business office product affords.

As for undercutting, he denies the warranty company is undercutting its dealer customers, but the online product is selling at a cheaper price.

Getting back to the online product, Jarjoura says all Ensurall warranties are underwritten, while service departments will find the claims procedure offers no-waiting payment.



Shadi Jarjoura

He explains that the company pays the service department directly once the work's done to the customer's satisfaction. So there's no waiting for a cheque to come in the mail, he says.

Shoppers won't see Ensurall kiosks springing up in shopping malls or at their local Canadian Tire outlet, at least not yet.

"Our marketing strategy is the Internet. The best return comes from there and from word of mouth," Jarjoura says.