

# The Top 10 Mistakes Alarm Purchasers Make

## 1. Purchasing Proprietary Equipment that Locks You In

In today's alarm market, there's a very slim profit margin in equipment sales. Therefore, the alarm companies' first goal is getting equipment into the consumer's home. They then recuperate the cost of equipment in other, often inflated, charges. One of the worst mistakes consumers unknowingly make is purchasing equipment that is propriety or locked out. Once this type of equipment is installed, no one except the company who installed it can service or monitor the equipment. When a consumer tires of high monthly costs (that offset the company's low profit margins) and calls another alarm company to monitor the system at a lower rate, guess what happens? The new company cannot service the equipment unless the consumer changes out the expensive alarm panel and keypads. Essentially, this starts the cycle all over and creates unnecessary expense for the consumer. Remember, equipment that is locked out locks you in to one company. Check your contract to make sure the equipment is not propriety to the installer or that the panel is locked out for future monitoring purposes.

## 2. Believing Equipment is Free

Most people agree: nothing is truly "free". However, many consumers still believe that companies offer alarm equipment for free. And who can blame them? This myth has grown through hundreds of direct mail post cards, email advertising, repeated telephone and door-to-door solicitations, radio and television ads. No wonder the public perceives that alarm equipment is free! Generally, a presentation starts with a system valued at \$700 to \$900. The company then tells consumers that additional parts and pieces are "thrown in" or included in the price. Next, the consumer may be tempted with a free gift card, (the cost of which is usually passed along to the consumer). If you try to calculate your actual cost by reading the fine print of your contract, you'll find a host of costs, charges and restrictions that add up to paying a whole lot more than "free".

## 3. Not Reading and Understanding Your Paperwork, the Contract Terms and Automatic Renewal

Most consumers never read their alarm system contract. The most important item to understand is the term of your contract – this can be two, three or even five years long. Another often overlooked item the automatic renewal clause. This gives consumers a narrow window to cancel their contract before auto-renewal kicks in. If you're not careful, you could be stuck with one company for four, six or even 10 years. Remember, you're purchasing alarm system monitoring, not an alarm mortgage!

## 4. Thinking that the Most Up-To-Date Equipment is the Cheapest Peel and Stick System Available

Product marketers are well known for highlighting the most venerable part of their product. This is common with wireless security systems. Wireless equipment has existed for many years. If you listen to radio talk show hosts reading ad copy, you'd think it's new technology. They'll lead you to believe that any hardwired system is old and outdated. Not so. In reality, burglars can easily compromise an inexpensive wireless system. All that's required is purchasing a \$20 antenna kit, reading the public FCC frequency applications list and plugging that information into a laptop. With those simple steps, burglars can control your wireless alarm from the street or even better, trick you into not using your system by setting the alarm off repeatedly so you don't even turn it on. Even systems with anti-jamming features can be compromised. If you're set on a wireless system, get one that uses spread spectrum technology. Better yet, purchase a hardwired system. Alarm company installers can conceal wires so they're not seen by would-be burglars.



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## 5. Not Knowing Who You're Dealing with and Who is Coming Into Your House

Sometimes out of desperation or timing a consumer purchases a system from a telemarketer who isn't local. The telemarketer generates a work order for a prearranged contractor who is paid a flat fee to install the equipment. Who are these people? Does the telemarketer know their name? The main motivation of these installers is getting in and getting out. Quality diminishes and consumers are led to believe this is normal.

## 6. Purchasing a System from a Company with No Local Employees to Service Your System

Some national alarm companies contract out installation and service. Because of the high turnover in these fields, one company may install your system and another may service it. The homeowner is solicited by the service company and the relationship with the original installation company ends. In these situations, a simple service call becomes a frustrating nightmare for consumers who must endure several service calls to identify the problem and then have the company come back with the correct equipment.

## 7. Purchasing a System from a Company that Repeatedly Sells Their Monitored Accounts

Many large and small alarm companies amass a large block of monitored accounts, then "dump" them on the open alarm market. Some large monitoring companies even give dealers free alarm equipment just to get monitored accounts. In these instances, your account is essentially sold to the highest bidder. You have no say in the matter and have to live with the company who purchases the contract and their policies. When this happens, your system is proprietary and you're locked in.

## 8. Buying Your Alarm System from the Internet or a Big Box Store

In the security industry, something is better than nothing. That can be said for professionally installed systems and do-it-yourself systems, too. Remember, when and if there is an alarm event such as a burglary, false alarm or malfunction, the police and others can become involved. It's important that all systems are made and installed using the best practices. Peel and stick systems from the Internet or home improvement stores are inexpensive and convenient to install but have limitations. Over time, the double stick tape can fail, especially in cold weather. The result is repeated false alarms. In certain communities, homeowners can be fined when this happens. With the proliferation of DIY systems, more municipalities are likely to pass and enforce false alarm ordinances. In these scenarios, an Internet or home remodeling store is unlikely to come to your home to fix the problem. Instead, you have to box it up and ship it back for a replacement.

## 9. Thinking that One Company is the Only One that Can Provide Certain Features

Typically, alarm companies purchase equipment from four or five large alarm equipment manufactures. Some national companies have the equipment privately labeled, with their logo and name. They then market their alarm systems as having exclusivity on a particular feature or function. Consumers should know that in most cases, all systems are similar. What one does, they all do. No alarm company truly has exclusive features others cannot provide.

## 10. Using a Company That Bundles Your Alarm Monitoring with Other Services

Consumers need to exercise caution when having their alarm systems serviced. Here's why. Internet, telephone, cable and electric utility providers want your alarm system monitoring revenue. We are constantly called in to correct these providers' mistakes. From our experience, these service providers are trying, unsuccessfully, to focus on too many service areas. As a result, customer service and quality suffer.

