

CROWNING ACHIEVEMENT

With roots dating to the 1930s, Princess Auto is a private, Canadian-owned retailer operating more than 50 stores nationwide along with a thriving ecommerce site. The Winnipeg-based company offers a unique assortment of high-end farm, industrial and garage equipment for hands-on professionals.

Family owned and operated for its entire history, Princess Auto prides itself on deep customer relationships developed over nearly a century of dependable sales and service.

“Our customers love us, depend on us and stick with us, not just year after year, but generation after generation. Those relationships mean everything to us,” said Jake Arida, Traditional Channels Specialist at Princess Auto.

CHALLENGE

As part of its marketing efforts, Princess Auto uses Canada Post Neighbourhood Mail and Personalized Mail to connect with more than 500,000 potential and existing customers 26 times a year. Those frequent flyers have become an important touchpoint in building customer relationships.

“If we ever missed a week, it would impact our bottom line. No question. Our customers count on those flyers,” Arida said.

During routine budget planning, however, the Princess Auto team discovered a leaky bucket – a large (and growing) segment of customers who had not made a purchase in some time.

Customers are considered “at risk” if they go nine months without a purchase and “lapsed” if they go a full year. That means the three-month window between at risk and lapsed is a pivotal time for retention efforts.



The company had never specifically targeted this group in the past, but now saw an opportunity to reactivate by speaking directly to them. They needed a campaign to prevent these customers from slipping away.

RELEVANCE

Marketers understand the significance of customer win-back strategies, ones allowing them to put cold calls on hold and instead re-engage customers with an existing – if somewhat lapsed – relationship.

Research shows that retailers would be well served to focus on this group for a number of reasons:

1. These customers have already demonstrated a need for your products, making them a more valuable target.
2. They are familiar with you, thus eliminating the need for brand awareness expenses.
3. Their data is already in your system.

Direct mail leverages first-party data in such a way that it allows businesses to connect with lapsed customers on a personalized level, reminding them of the benefits of a product and enticing them in a tangible way to return.

INCITING ACTION

The Princess Auto team knew Personalized Mail would be the perfect tool for the campaign – mail had helped build these customer relationships; now it needed to help rekindle them.

Focusing on retention, Canada Post helped the company put together a multi-touch direct mail campaign that targeted at-risk customers with a maximum of three mail touchpoints. Each piece promoted a different aspect of the business, starting with its “buy online, pick up in store” service, then one featuring new products, and finally a “we miss you” message and coupon.

Working with mail service provider Prolific Group, a new piece was sent out every

COMPANY: Princess Auto | PRODUCT: Farm, industrial & garage equipment | COUNTRY: Canada

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two weeks until the customer either made a purchase or failed to respond and was placed in the lapsed category. The company pulled an updated list of at-risk customers every two weeks to start a new cycle.

“There is power in personalized messages, especially when retention is your goal,” Arida said. *“When we can address them by name, and deliver that right to their door, it gives the customer comfort and confidence that the messages are not only for them, but about them.”*

RESULTS

In Q2 2021, Princess Auto targeted nearly 12,000 at-risk customers with the multi-touch

retention campaign and saw an incredible 27.6% return to make a purchase. That number was not an outlier, as the campaign continued to find incredible success in bringing customers back – a win-back rate of 46.8% in Q3 2021, 57.1% in Q4 2021, and 34.4% in Q2 and Q3 2022.

Since it started in Q1 2021, the campaign has resulted in more than \$27 million in sales attributed to formerly at-risk customers – that includes more than \$3.5 million in six months of 2022 alone.

Going forward, the company plans to test its strategy by altering both content and creative, even tweaking the offer on the

final piece. But one thing is for certain – the direct mail plan isn’t going anywhere.

“When we were planning this, we thought, ‘Let’s try it for six months and see.’ It didn’t take us long to see the value in delivering on our personalization strategy,” Arida said. *“This is no longer just a one-off campaign – this is an ongoing, integral part of our retention strategy.”*

Case Study Debrief

BRAND Princess Auto

INDUSTRY Retail

INCITING ACTION

Princess Auto uses direct mail to reactivate at-risk customers.

RESULTS

Double-digit win-back rates and \$27 million in sales attributed to formerly at-risk customers.

CONVERSION FUNNEL

Dots indicate where direct mail was used to incite action.



DATA SOURCES

First-party

PRODUCT

Personalized Mail

ACTIVATION PILLARS

Physicality

Data

Connectivity

KEY TAKEAWAYS

- › Direct mail is a profitable retention channel to win customers back.
- › Targeting active purchasers ignores the full value hiding in first-party data.
- › Personalized mail delivers targeting efficiencies.

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– **Jake Arida, Traditional Channels Specialist at Princess Auto**

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