

# Princess Auto

Canada Post's creative approach to Addressed Admail leads to an impressive ROI at a fraction of the cost for this Canadian retailer.

## Success Stories



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Trevor Rempel  
Marketing Analyst  
Princess Auto Ltd.



### Background

Princess Auto Ltd. (PAL) is a Canadian company founded in 1933. Based in Winnipeg, Manitoba, it operates 36 stores coast to coast and employs more than 1,900 "team members." Its "Unique World of Equipment, Tools & More" offers items that are difficult to find elsewhere. An uncompromising commitment to customer service distinguishes the company from competitors. At Princess Auto, "No sale is final until you're satisfied," a Royal Service guarantee that results in the ultimate shopping experience.



### Marketing strategy and challenge

An idea that started as an inventory clearance campaign soon evolved into a storewide sales event involving all products. Princess Auto's challenge was to generate traffic to the stores, drive sales and move retail overstock. For decades the company has used digest-sized newsprint flyers and catalogues to advertise. These effective tools provide double-digit percentage response rates. Customers hold on to the catalogue, which is produced once or twice a year, until another issue is released.

**Client:** Princess Auto  
**Sector:** Equipment and tools (Retail)  
**Goal:** Assess a new ad vehicle to complement catalogue with similar positive results  
**Solution:** Postcard with Canada Post Addressed Admail™ service

As Princess Auto's product lines grew, so did its digest flyers and catalogues. Around 2010, the company replaced its digest with a conventional size flyer that allows it to list more products in a larger and easier-to-read format. The company distributes at least two a month, relying heavily on Canada Post to deliver them, along with parcels.



### Canada Post solution

Canada Post worked with Princess Auto to provide a different clearance tool – an Addressed Admail postcard with a simple message: Save \$15 with a \$100 purchase. Would the new ad vehicle generate similar positive sales results? Would the different method of outreach complement the flyers and catalogues that work so well? Princess Auto would find out. It tapped its extensive database of loyal customers and mailed 400,000 postcards. An additional 100,000 or so customers in its database served as a test group.



### Results

For every dollar Princess Auto spent on the campaign, they got more than six back in sales. Almost 8,000 customers redeemed it. By tracking purchases, Princess Auto discovered that a substantive percentage of those who received the mailing visited the store and made an average purchase of \$60, not enough to redeem the \$15 discount, but a purchase nonetheless.

"Those who redeemed the offer ended up spending close to three times their normal spend," says PAL Marketing Analyst Trevor Rempel. Put another way, 8,000 customers who responded spent the equivalent of almost 24,000 customers, based on the average spend. Princess Auto was very pleased to "surpass what we needed to break even," Rempel says.

The company could turn around the postcard product in far less than half the time it takes to produce the flyer, which takes four weeks to produce. This increases flexibility, and less production means reduced costs.

End result: "A very effective reaction tactic" that complemented the company's tried-and-true advertising vehicle, says Rempel.

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