

CASE STUDY

# CENTRICITY

Northern Tool operates more than 120 store locations across 20 states with a strong online eCommerce presence selling more than 100,000 different tools. The company’s 40-year history is founded on building lasting relationships by providing the right solution for every customer. Northern Tool’s core values center around providing value for their customers with exceptional customer service



## Challenge

With brand loyalty as one of its fundamental strengths, Northern Tool looked for a true partnership with a company that would customize a warranty program for their customers to extend the life of their products and improve customer satisfaction with premier customer service.

“We are always looking at how we can take better care of our customers and make repairs a seamless experience. We wanted a partner that would handle everything behind the scenes when a product needs to be fixed or replaced,” said Siri Olson, Marketing Analyst at Northern Tool. “We want a worry-free warranty program that we trust when we sell it to our customers.”

## Resolution

Northern Tool and Centricity became partners in Sept. 2014. Centricity customized an extended service contract program for Northern Tool, adding benefits and services that appealed to their customers.

“Centricity is our partner in marketing, selling and taking care of our extended warranty program,” said Olson. “We trust them to create loyal customers for life, which has been one of our missions.”

## Real Results

Even after almost 9 years of offering Centricity product protection, Northern Tool continues to see revenue increases from warranty sales. Northern Tool experienced an almost 10% increase in warranty revenue generated in 2022 compared to 2021. In addition, all store regions improved attachment rates in 2022 with 81% of the total store locations improving their warranty sales year-over-year.

The results are due to the sales staff being well trained to recommend product protection when they are selling tools, as well as to a well-designed eCommerce site that gives customers an easy way to add an extended service contract to their purchases.

“It’s Centricity’s people, the process and the core competency that matters the most to us,” Olson said.

# 81%

improving warranty sales