

DAVIDsTEA

Retailer combines data and direct mail to convert customers



Results of previous campaigns prompt specialty tea retailer to reallocate advertising spend.

The little boutique that could

DAVIDsTEA is a Montréal-based specialty tea and tea accessory retailer that carries the largest collection of organic teas and infusions in North America. It also designs tea accessories, everything from spoons and infusers to tea sets and travel mugs.

From its modest beginnings in 2008, the company has been offering great selection and unparalleled customer service – a business model that has clearly worked. Its first store in downtown Toronto became a community fixture overnight, drawing enough traffic to inspire growth. The company replicated its model – friendly service, great selection and quality product – to become the largest Canadian-based specialty tea boutique in the country. Today, the franchise has more than 230 stores in neighbourhoods and

communities across Canada and the United States, and is the most established tea brand in North America. The little store that could, did. And it is not done yet.

Discovering the power of physicality

Through its first decade in business, DAVIDsTEA spent almost all of its advertising budget on digital marketing. Recently it turned to Canada Post to help with a direct mail campaign. The campaign's success encouraged another that resulted in a redemption rate of 40 per cent. Fast forward to the holiday season, when DAVIDsTEA leveraged its own data and Canada Post's targeting abilities to send samples to customers who had not made a purchase in the last 275 days. That campaign generated a response rate of 17 per cent and demonstrated the power of direct mail in converting customers.

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Case study

Using direct mail to drive results

Having direct mail as part of your marketing mix can help you better connect with customers and their individual tastes. "Hitting the right people with the right content at the right time is critical," says Jessica Schami, a Marketing Specialist at DAVIDsTEA. Showing consumers how good their product is beats simply telling them, she says. "The samples of tea help because customers can then taste the tea," and the product speaks for itself.

Its early success with direct mail convinced DAVIDsTEA to shift a portion of its advertising budget to Canada Post Smartmail Marketing™ to address two perpetual business challenges: cyclical foot traffic; and ever-increasing competition. Canada Post took it from there.

Double-digit response rates

In its fall campaign of 2019, DAVIDsTEA mailed 20,000 tea samples using Canada Post Personalized Mail™ to customers, as well as a coupon for 20 per cent off their next purchase. The campaign elicited more than 3,200 redemptions, or a 16-per-cent response rate, and a return on investment (ROI) of 2.07. It also showed how simple and clear messaging can produce results.

Given its recent success, DAVIDsTEA plans to conduct more direct mail campaigns with Canada Post in 2020.



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⋮ **JESSICA SCHAMI**
⋮ Marketing Specialist, DAVIDsTEA

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