



Postal Service Business Survey 2009

**As Commissioned by
The Commission for
Communications Regulation**



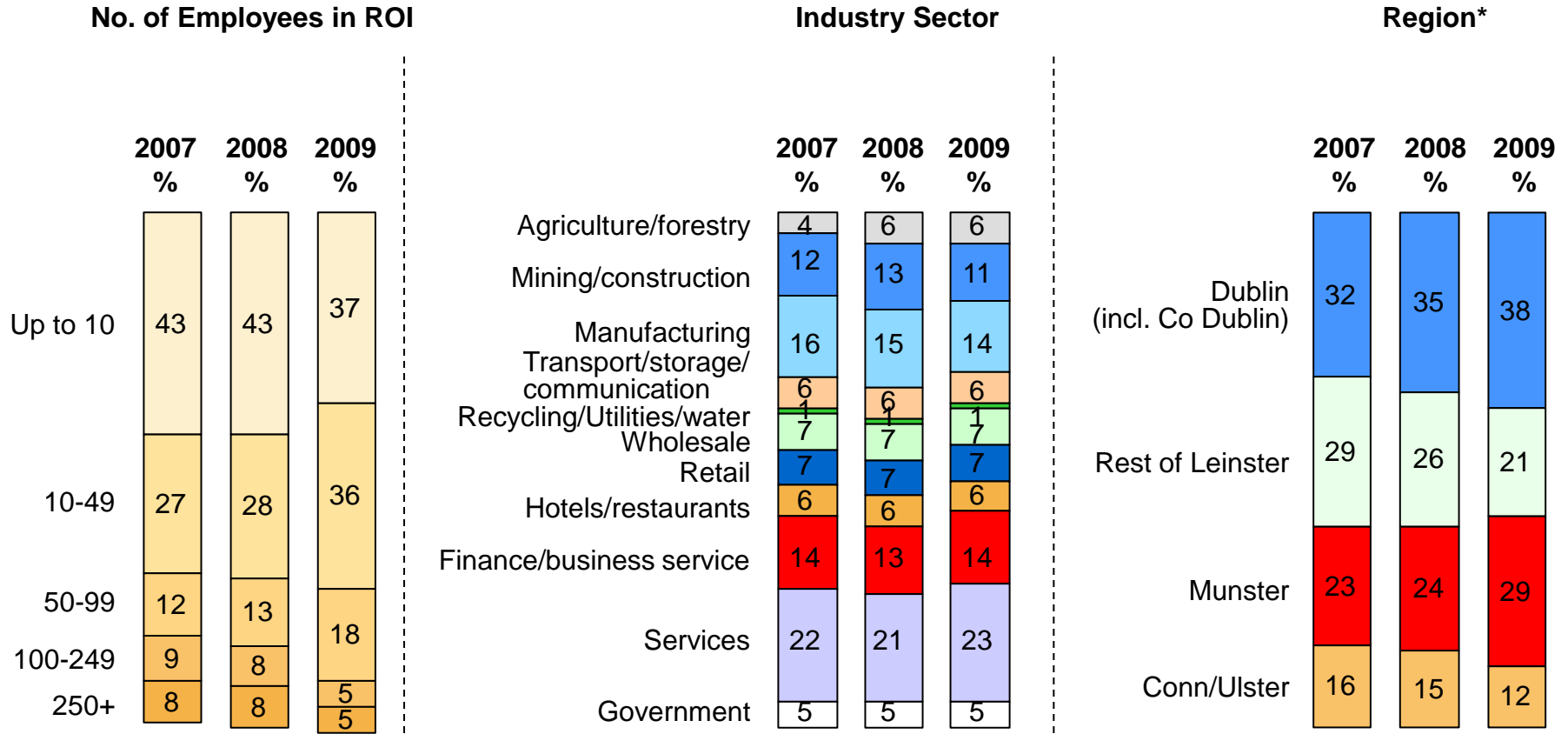
17th December 2009

- Introduction and Methodology
- Sample Profile
- Usage and awareness of Postal service providers
- Volumes of mail sent
- 2nd Class postal service
- Bulk Mail
- Postal service spend
- Attitudes to Postal Services
- Incidence of complaints
- Awareness of market liberalisation
- Summary

Introduction

- Telephone interviews were conducted with a sample of 1,000 businesses in the Republic of Ireland.
- The margin of error is +/- 3% at an overall level.
- Quotas were set for company size and industry sector.
- All interviews were conducted with the person in the company responsible for incoming and outgoing post and general dealings with their postal service providers.
- Fieldwork was conducted from 2nd September – 28th September 2009
- In some instances, respondents were given the opportunity to nominate more than one answer and this has been noted on the relevant charts.
- Data was weighted at the analysis stage to reflect the known industry structure and employee size in the Republic of Ireland.
- Where applicable, comparisons have been made with previous research.
- However, the quotas (and weights) used in the 2009 report have changed in order to reflect as best as possible the current industry structure and employee profile in Ireland. This has implications when comparing 2009 results to previous trended data, but is necessary to depict as accurate a profile of the current marketplace as possible.
- Where a result is depicted with a *, it denotes a value of less than 0.5%

Sample Profile



Base: All respondents (n=1,000)

*Note: quotas were not set on Region, but rather were allowed to fall out naturally

Note on Industry Classification:

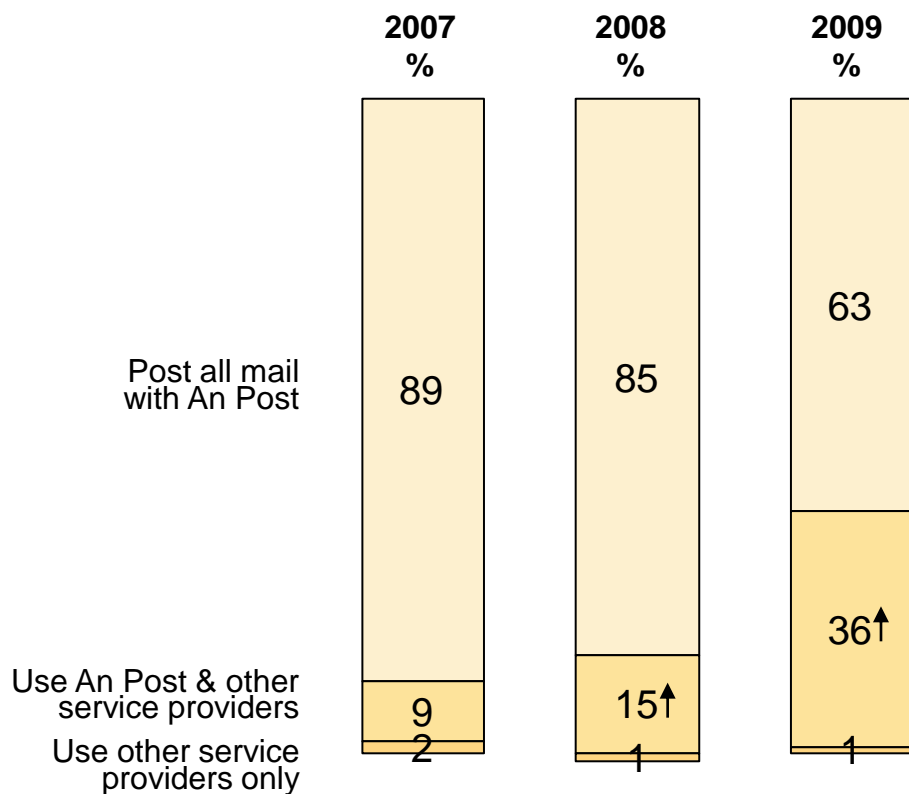
In order to boost sample sizes, and allow for a more robust level of analysis, several sectors have been grouped together and classified as follows.

Industry 32% →	Consists of agriculture/forestry (6%), mining/construction (11%), manufacturing (14%) and recycling/utilities (1%)
Trade 14% →	Consists of wholesale (7%) and retail (7%)
Financial Services 14% →	Consists of 14% of the overall sample
Services 35% →	Consists of hotels/restaurants (6%), services (23%) and transportation/storage/communication (6%)
Government 5% →	Consists of 5% of the overall sample

Usage and Awareness of Postal Service Providers

Postal Service Providers Used for posting all mail

Q. Does your business send mail with....?



Those Using An Post only more likely to:

- Have 1-9 employees (75%)
- Be involved in retail (73%)
- Be involved in hotel/restaurants (87%)
- Be involved in Government (82%)
- Be Leinster based (71%)
- Be Munster based (73%)

Those Using An Post and other service Providers more likely to be:

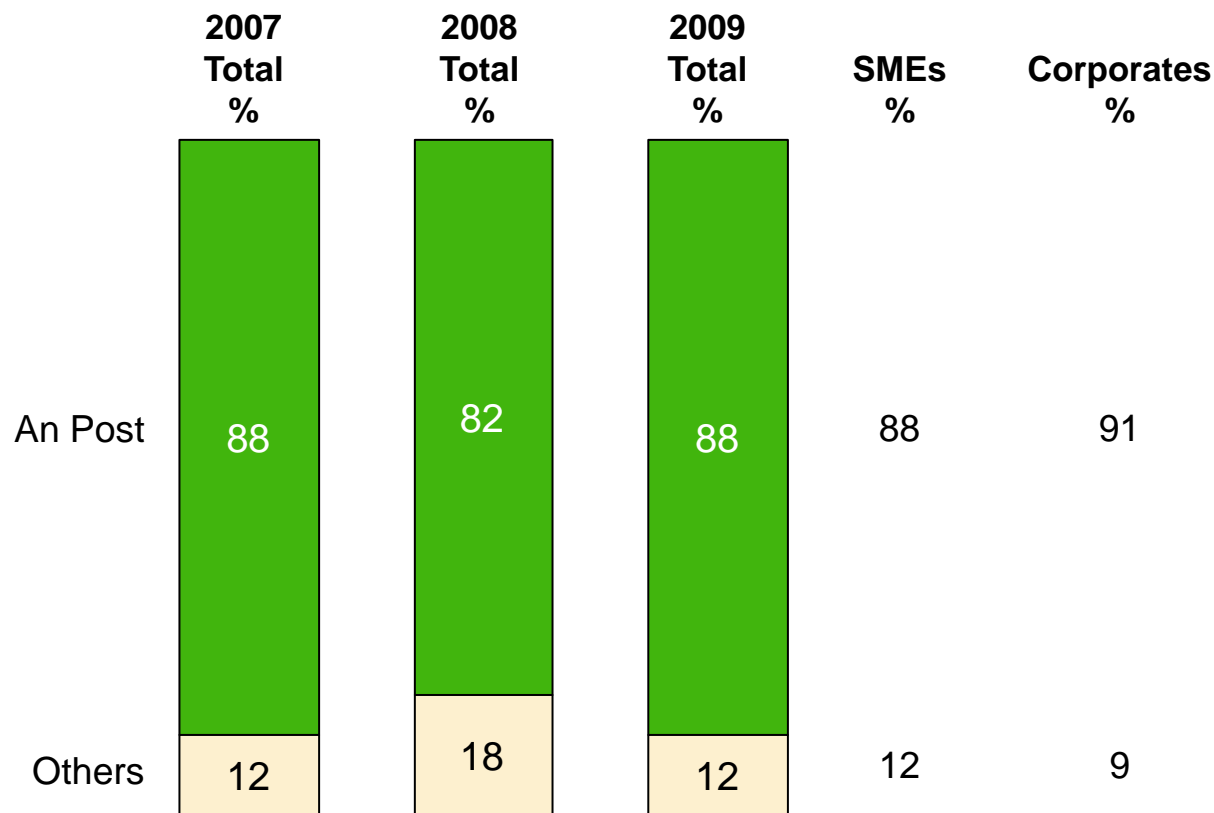
- Have 100 employees+ 46%
- Have 50-99 employees 42%
- Have 10-49 employees 41%
- Be involved in Services 47%
- Be involved in manufacturing 42%
- Be Dublin based 44%

#Figures based on actual usage of postal service providers.
Note: All mail includes Standard, Courier and Express Services.

Base: All respondents (n=1000)

An Post versus Other Service Providers – Proportion of Standard Letters sent by each

Q. In terms of standard letters posted what percentage would you send with An Post?
What percentage is with other providers?



Base: All who use both An Post and other providers for delivery of Standard Letters
(Total n=358, SMEs n=237, Corporates n=121)

Among those companies using both the services of An Post and others for sending standard letters, those more likely to use An Post are

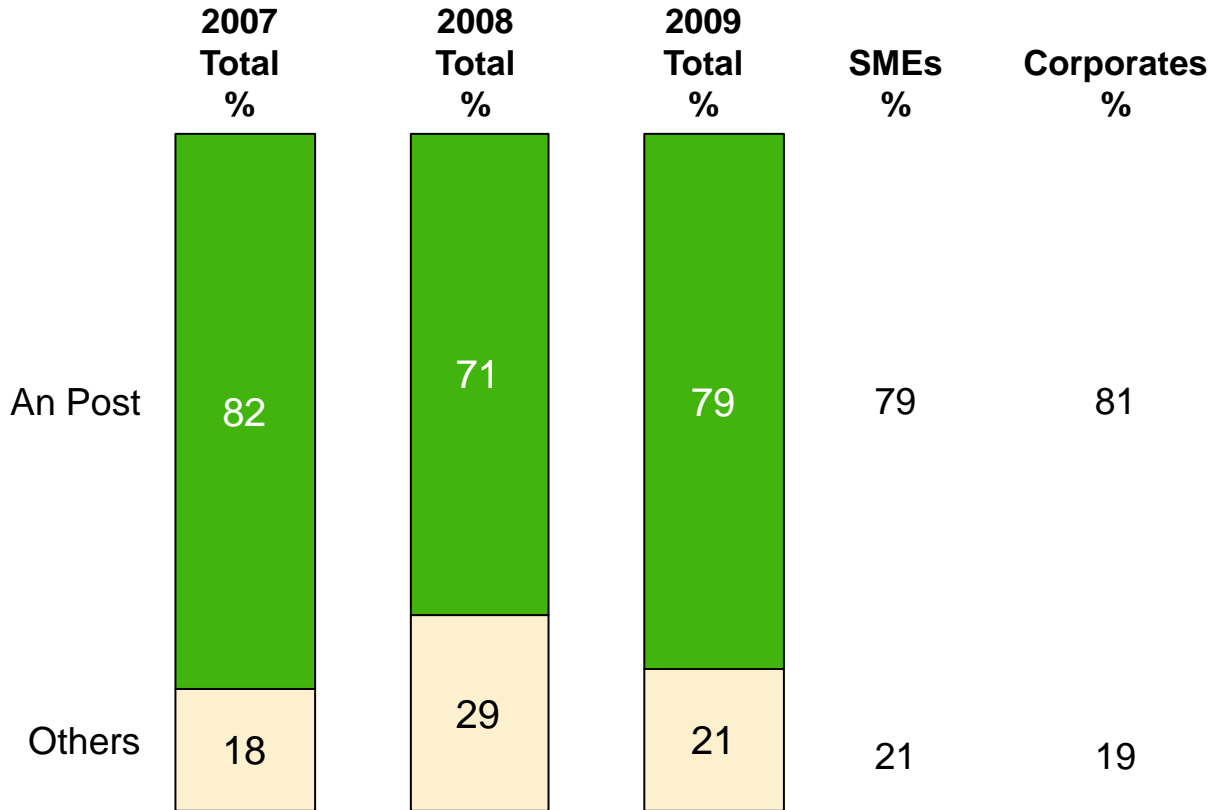
- Employing 50-99 people (93%)
- Employee 100-249 (93%)
- Dublin based (91%)
- Be involved in manufacturing (93%)
- Be involved in trade sector (94%)
- Be involved in financial services sector (92%)

Companies using other Service Providers are more likely to be

- Employing 1-9 employees (16%)
- Based in Conn/Ulster (21%)
- Involved in services sector (17%)

An Post versus Other Service Providers – Proportion of Large Letters sent by each

Q. In terms of large letters posted what percentage would you send with An Post? What percentage is with other providers?



Base: All who use both An Post and other providers for delivery of Large Letters (Total n=339, SMEs n=219, Corporates n=120)

Among those companies using both the services of An Post and others for sending large letters, those more likely to use An Post are

- Employing 50-99 employees (89%)
- Employing 100-249 employees (87%)
- Be Dublin based (81%)
- Be involved in Government (95%)*
- Be involved in industry (85%)
- Be involved in the trade sector (87%)

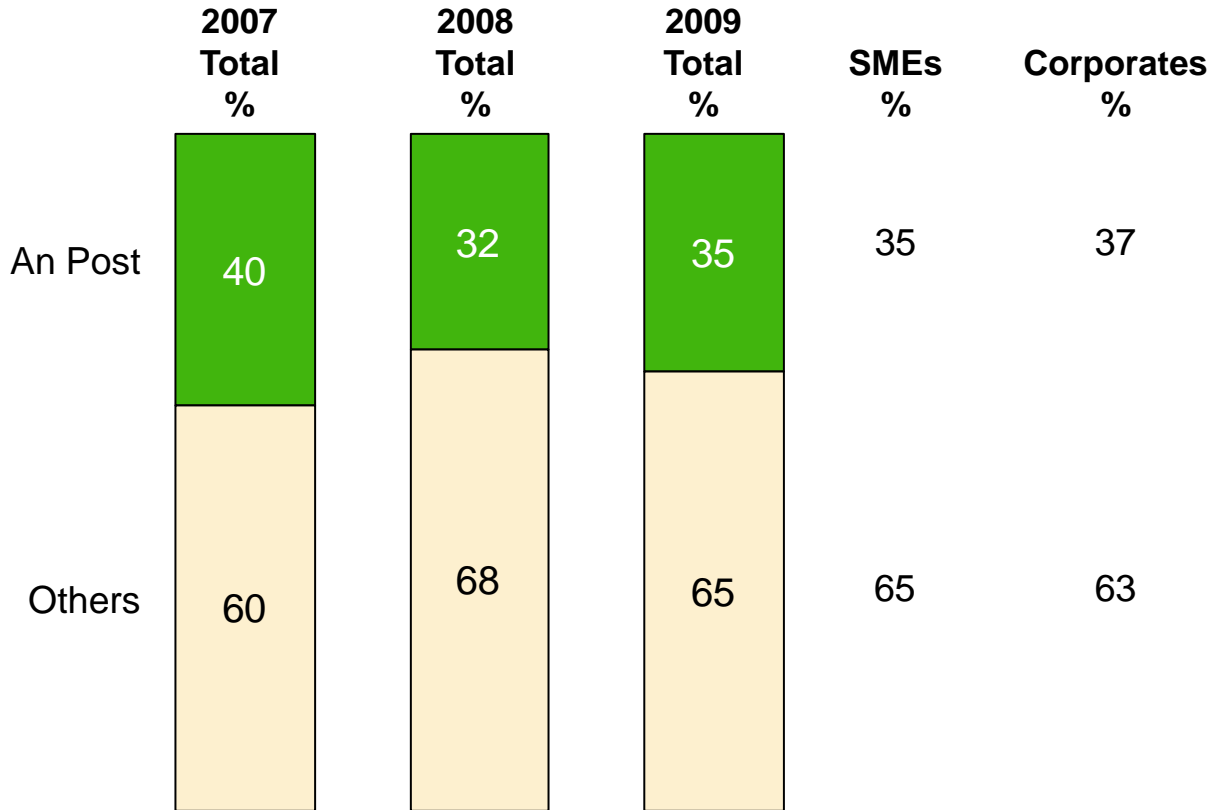
Companies using other Service Providers more for larger letters are more likely to

- Employ 1-9 employees (25%)
- Employ 10-49 employees (24%)
- Be involved in Services sector (26%)
- Be involved in financial services sector (28%)

*Caution: Small Base

An Post versus Other Service Providers – Proportion of Packets sent by each

Q. In terms of packets posted what percentage would you send with An Post? What percentage is with other providers?



Base: All who use both An Post and other providers for Posting Packets
(Total n=266, SMEs n=166, Corporates n=100)

Among those companies using both the services of An Post and others for sending packets, those more likely to use An Post are

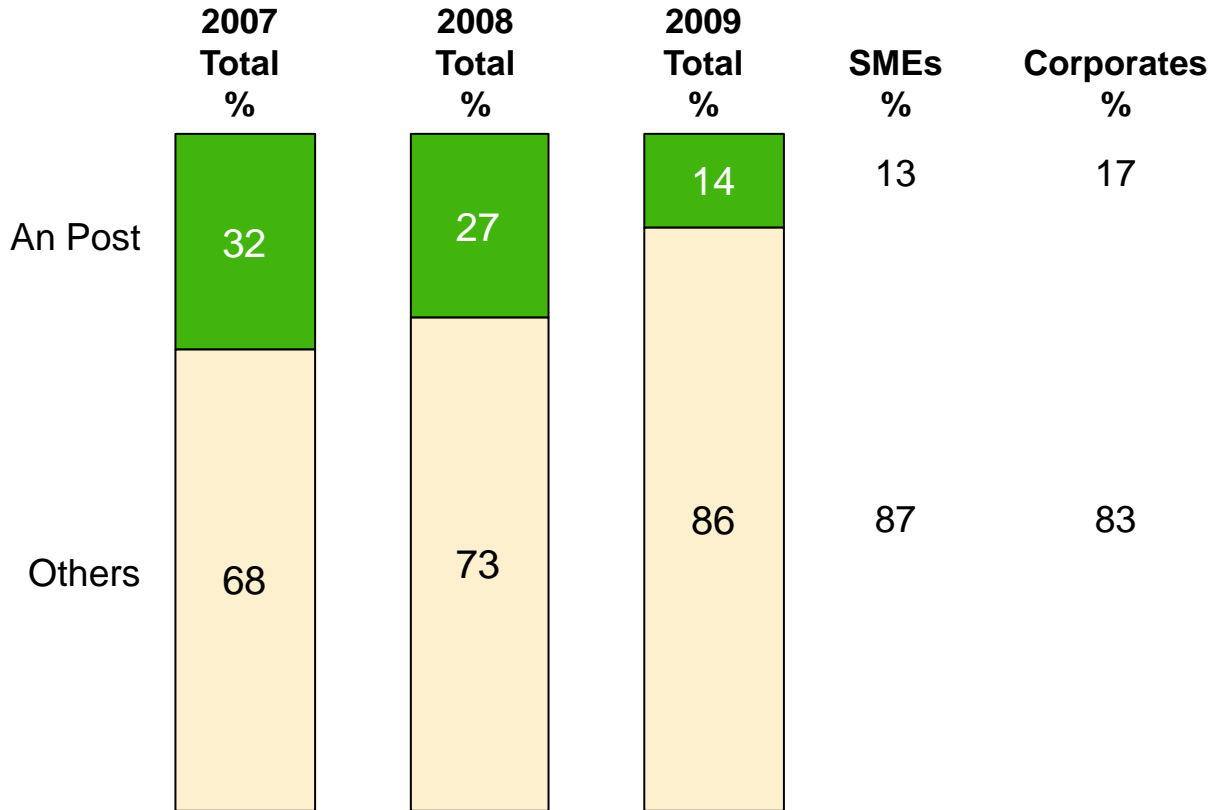
- More likely to be employing 50-99 employees (42%)
- Be based in Conn/Ulster (45%)
- Be based in Munster (42%)
- Be involved in Government (66%)*
- Be involved in services sector (39%)

Companies using other Service Providers more for packets are more likely to

- Employ 1-9 employees (75%)
- Based on Leinster (excluding Dublin) 82%
- Be involved in the financial services sector 80%

An Post versus Other Service Providers – Proportion of Parcels sent by each

Q. In terms of parcels posted, what percentage would you send with An Post? What percentage is with other providers?



Base: All who use both An Post and other providers for Posting Parcels (Total n=214, SMEs n=129, Corporates n=85)

Among those companies using both the services of An Post and others for sending parcels, those more likely to use An Post are

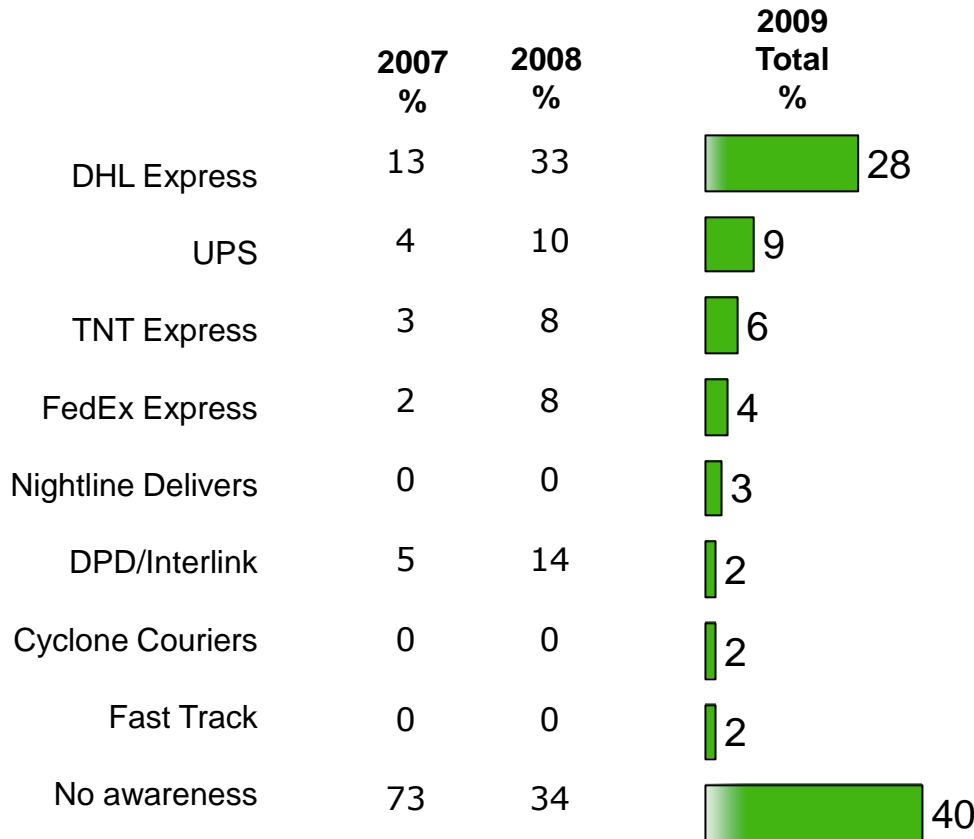
- More likely to be employing 250+ employees (26%)
- Be involved in the services sector (19%).
- Be Dublin based (16%)
- Government (47%)*

Companies using other Service Providers more for parcels are more likely to

- Employ 100-249 employees (90%)
- Be based in Leinster (93%)
- Be based in Conn/Ulster (91%)
- Be involved in industry (92%)
- Be involved in financial services sector (92%)

Awareness of Other Postal Service Providers among those only using An Post currently

Q. What other companies are you aware of that you could use for sending mail, besides An Post?



- Among those currently only using An Post for delivering mail, four in ten are not aware of any other providers.
- Those most likely to be unaware employ 1-49 employees (43%), and be based in Conn/Ulster (44%).
- Among industry sectors, Government (61%), the financial services (45%) and industry sectors (42%) are least aware of other providers.
- Those most aware of other service providers are Corporates (70%), and be involved in trade or services industries (67% and 64% respectively).

Note: Answers under 2% not shown

Base: Those using An Post only (n=626)

Aware of Other Postal Service Providers – Total sample

Q. What other companies are you aware of for sending mail besides An Post?

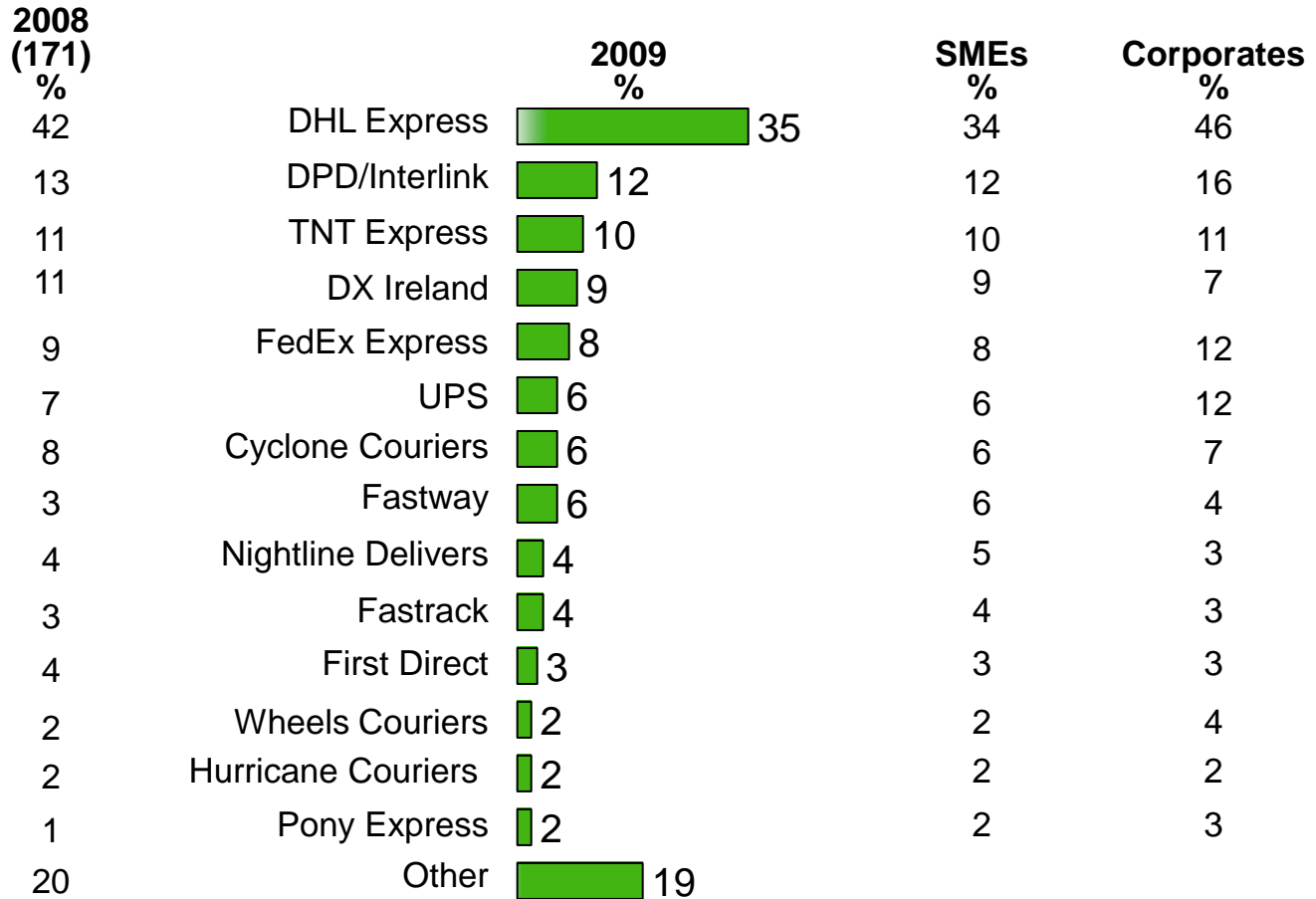
2008 Total %		2009 Total %	SMEs %	Corporates %
(35)	DHL Express	36	36	43
(11)	UPS	12	12	14
(9)	TNT Express	9	9	11
(9)	FedEx Express	8	8	12
(4)	Nightline Delivers	5	5	3
(14)	DPD/Interlink	5	4	7
(4)	Cyclone Couriers	4	3	5
(3)	DX Ireland	4	3	5
(3)	Fastrack	3	3	2
(30)	None	28	29	18
(13)	Other	22	22	26

- Those most likely to be unaware of other providers are employing 1-9 employees (33%), be based in Leinster (31%) or Munster (30%) or be involved in Government (51%).

Base: All (Total = 1000, SMEs = 724, Corporates = 276)

Other Postal Service Providers Used

Q. What companies, if any have you used for sending mail in the past 12 months?



Answers under 2% not shown

Base: All those who use An Post and other providers
(Total 373, SMEs = 247, Corporates = 126)

Note: Multiple responses allowed

Reasons for Using Other Postal Service Providers

Q. And why do you use the services of _____?

2008 %		2009 %	SMEs %	Corporates %
37	Faster/more efficient	33	33	35
15	Cheaper	15	15	16
13	Reliable/guaranteed tracking	14	15	12
20	Guaranteed next day delivery	13	13	13
7	For important/urgent documents	10	10	11
6	Same day collection	8	7	11
6	Security	5	4	8
7	Company policy/decision made by someone else	2	2	5
2	Better customer service	1	1	1
2	Good service/account management	1	1	1
1	Local post	*	-	1

- Speed remains the primary driver for companies to choose other service providers.
- Cost is now equally important for SMEs and Corporates, as is guaranteed next day delivery.
- Speed/efficiency is most important to Dublin based companies (40%) along with those involved in the trade and financial services sectors (46% and 42% respectively).
- Cost is most important to Leinster (21%), companies employing 250+ (22%) and those involved in trade (23%).

Note: Multiple responses allowed

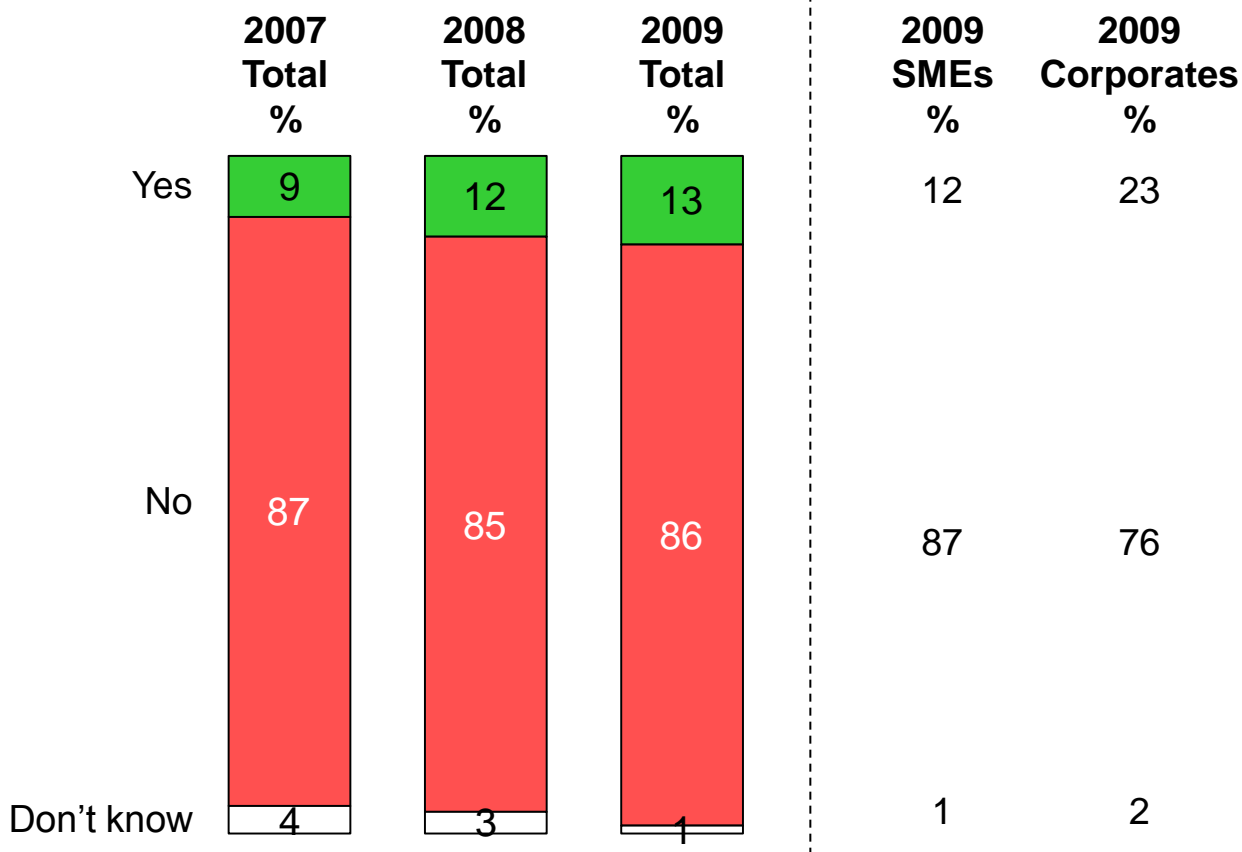
*Note: Based on claimed usage, not actual usage

Base: All those who use other providers

(Total 332, SMEs = 210 Corporates = 122)

Level of Contact by Other Service Providers

Q. Have you been contacted by a postal service provider other than An Post in the past year?

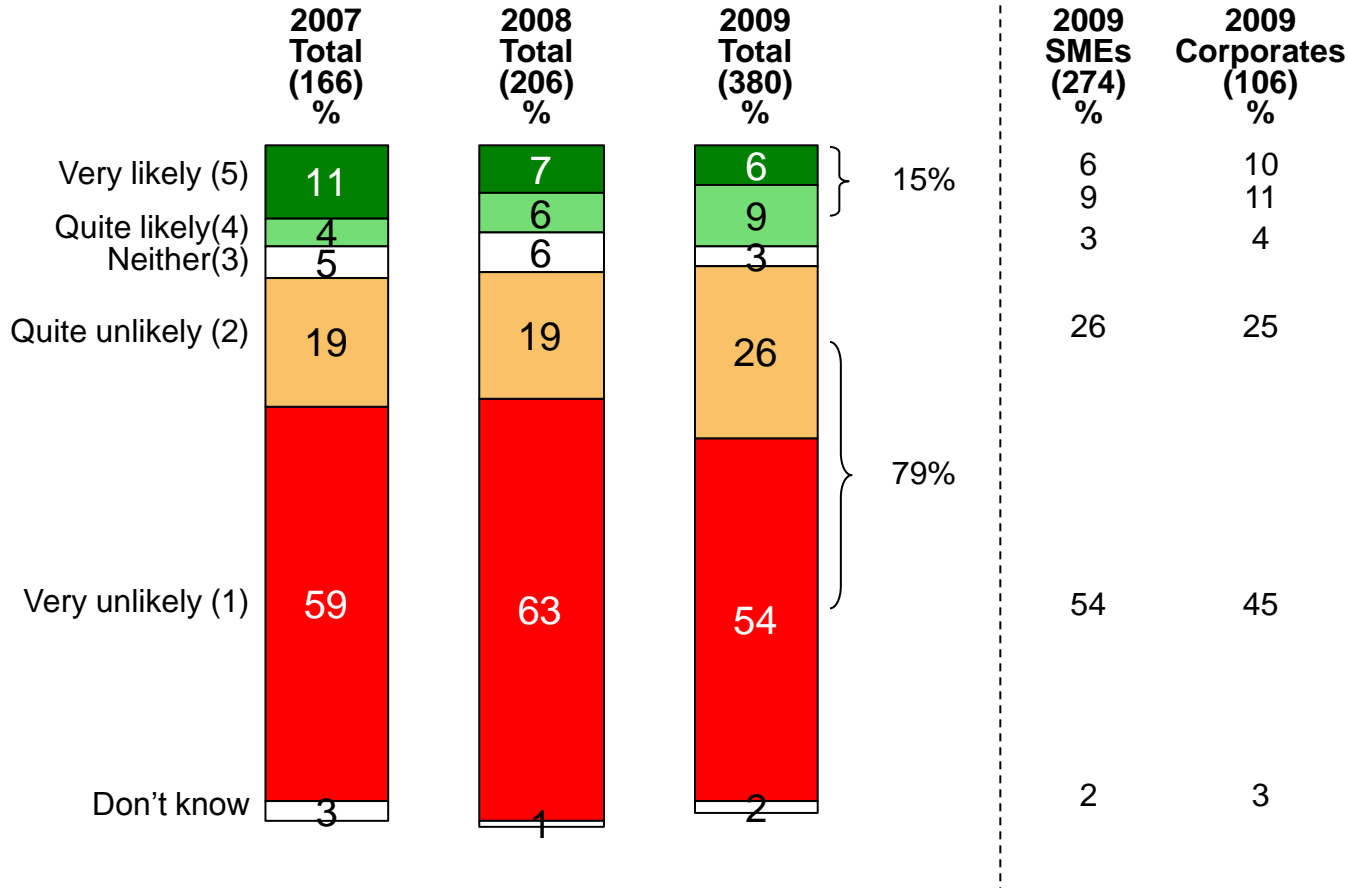


Base: All respondents
(Total n=1000, SMEs n=724, Corporates n=276)

- Larger companies are most likely to have been contacted by other service providers.
- 21% of those employing 50-99 and 100-249 have been contacted, rising to 24% of companies with 250+ employees.
- Dublin companies are most likely to have been contacted (19%) compared to just 5% of Leinster based companies.
- One in four financial services companies have had contact whilst just 4% of within the Government sector and 10% of industry related companies have been approached.
- Nearly one in four (24%) of those currently using An Post and other service providers were contacted in the past 12 months, compared to just 6% of those currently just using An Post.

Likelihood to Switch from An Post among those aware of other providers but not currently using them

Q. How likely is your company to switch some of its postal business to a service provider other than An Post within the next 12 months?

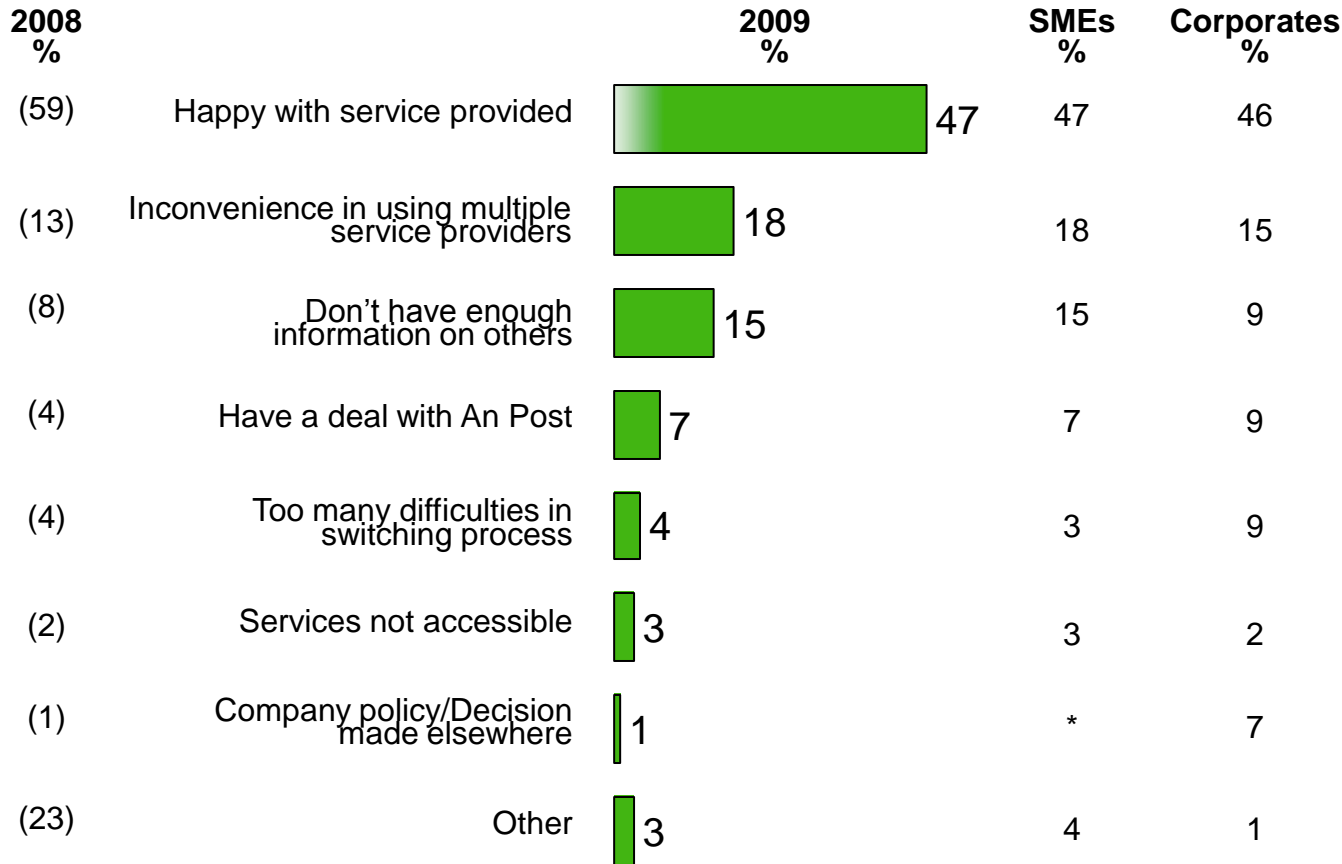


- Among companies currently using An Post only, Corporates are most likely to consider switching some of their postal business over the next 12 months.
- Others more likely to switch include Munster based companies (18%), those within the financial services (20%) and industry (18%).
- Those least likely to switch tend to be based in Conn/Ulster (86%) and be involved in Government (96%).

Base: All those aware of other service providers, but currently only using An Post

Reasons for Not Switching from An Post

Q. Why do you think it is unlikely your company will switch some of its business to a service provider other than An Post?



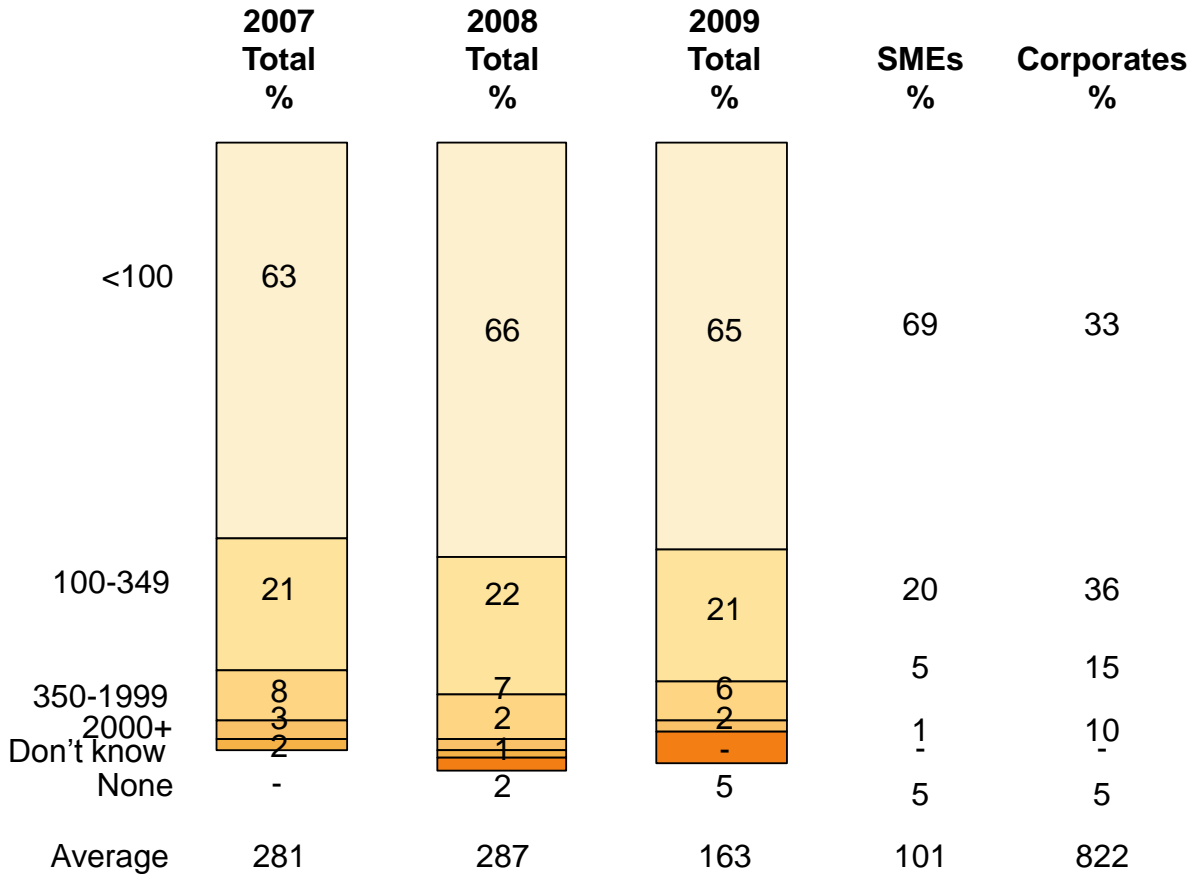
- Satisfaction with the current service received is the primary reason for remaining with An Post.
- Lack of information on other providers is mentioned by nearly one in five companies.
- Those claiming to be satisfied with the current service were more likely to be employing 50-99 (54%), be based in Conn/Ulster (53%) or Leinster (49%) and be involved in financial services (60%).

Base: All aware of other providers who currently just use An Post but who think it is unlikely they will switch from An Post over the next 12 months (Total n=292, SMEs=220, Corporates=72)

Volumes of Mail Sent

Weekly Volume of Standard Letters Sent

Q. How many **standard sized** envelopes does your business/premises send each week, using any postal provider?



Base: All Respondents (Total n=1000, SMEs n=724, Corporates n=276)

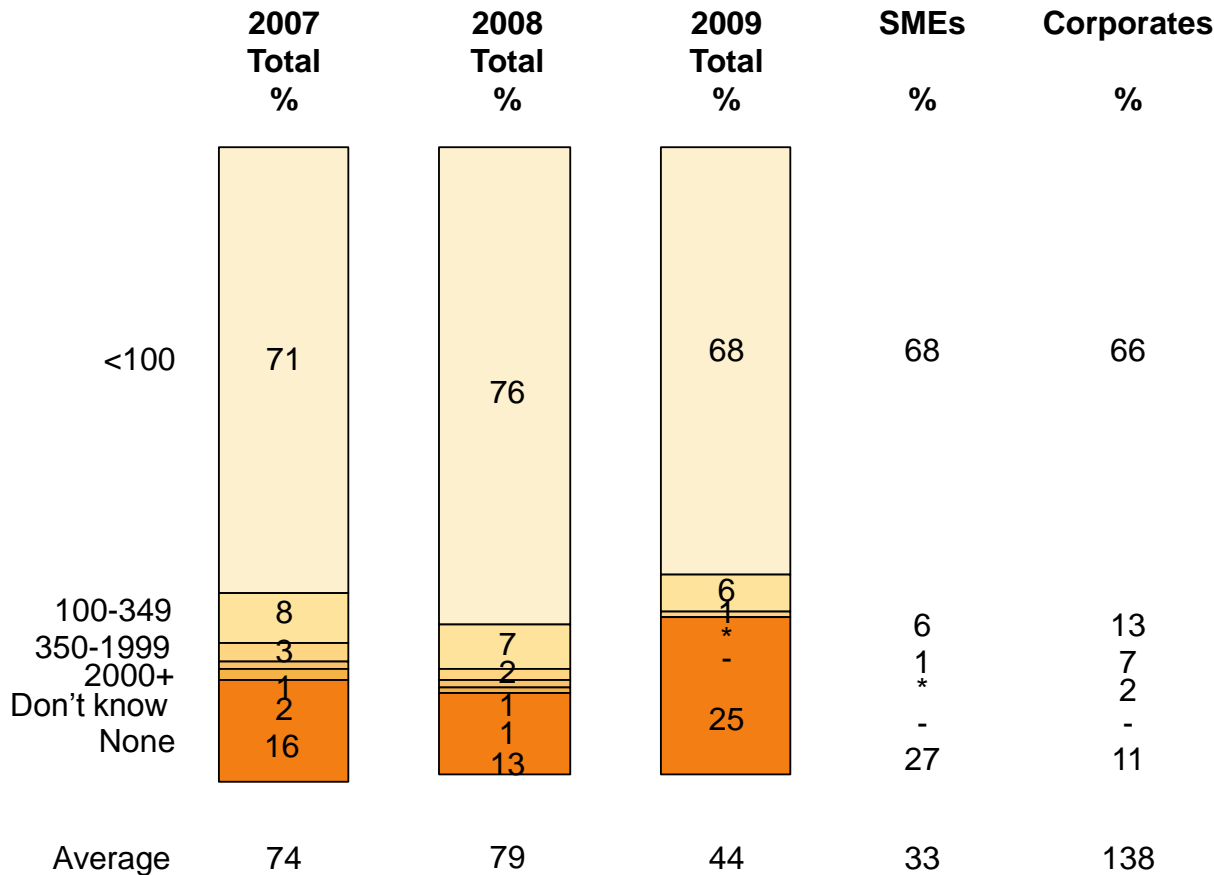
- The volume of standard letters sent correlates closely to the size of the company.
- Those employing 1-9 employees average 66 standard letters a week, rising to those employing 250+ sending 1,368 a week.
- Companies using An Post and other service providers are also more likely to be larger senders.
- Regionally, Dublin based companies send most (252 letters), compared to just 66 letters sent by Conn/Ulster based companies.
- Larger mailers include the financial services sector (299) and Government (226) whilst the trade sector send an average of 104 standard letters.

Note: Averages based on those who gave an exact amount

A qualifying question was added this year in order to discourage respondents from opting out mid way through questioning

Weekly Volume of Large Letters Sent

Q. How many **large** envelopes does your business/premises send each week, using any postal provider.



- Three in four claim to send large letters, with again a strong correlation between size of company and large letters sent (companies with 250+ employees sent an average of 158 compared to an average of 27 among companies with 10-49 employees).
- Dublin based companies are most prolific, sending an average of 70 large letters compared to 18 in Conn/Ulster and 27 in Leinster.
- Financial services (60) and Government (50) send most, versus an average of 22 for those involved in trade.

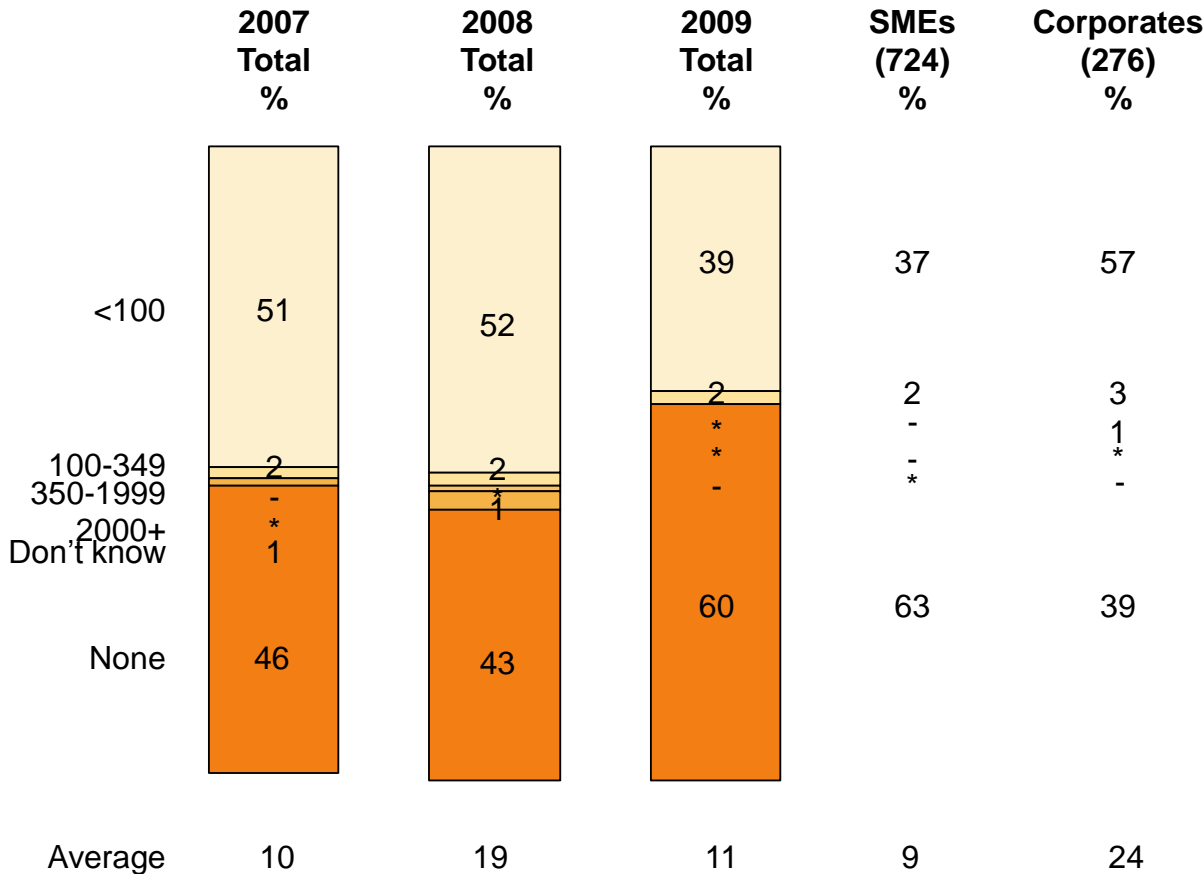
Base: All Respondents (Total n=1000, SMEs n=724, Corporates n=276)

Note: Averages based on those who gave an exact amount

A qualifying question was added this year in order to discourage respondents from opting out mid way through questioning

Weekly Volume of Packets Sent

Q. How many packets does your business send each week?



- Four in ten claim to send packets, rising to six in ten among corporates.
- Those using An Post and other service providers are more likely to send packets.
- Dublin based companies (14/week) send most, compared to just 6/week sent by those based in Conn/Ulster.
- Government (20) and those involved in the trade sector (15) send more, whilst those in financial services (7/week) send less.

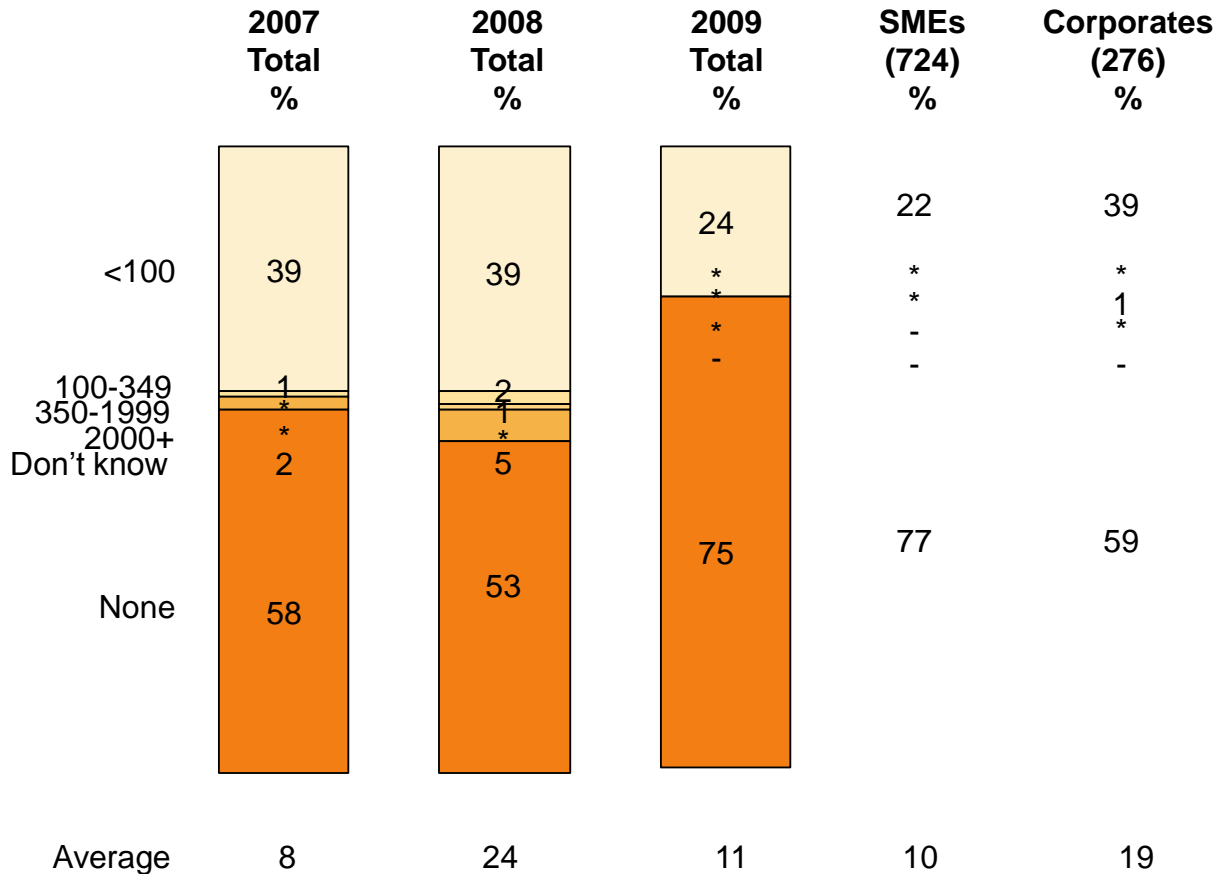
Base: All Respondents (Total n=1000, SMEs n=724, Corporates n=276)

Note: Averages based on those who gave an exact amount

A qualifying question was added this year in order to discourage respondents from opting out mid way through questioning

Weekly Volume of Parcels Sent

Q. How many parcels does your business send each week?



- The volume of parcels sent is largely driven by large corporates, who send an average of 27/week, compared to just 6/week for companies with 1-9 employees.
- As before, Dublin based companies send most (averaging 14), whilst trade and Government are also bigger senders of parcels (18 and 17 per week respectively).

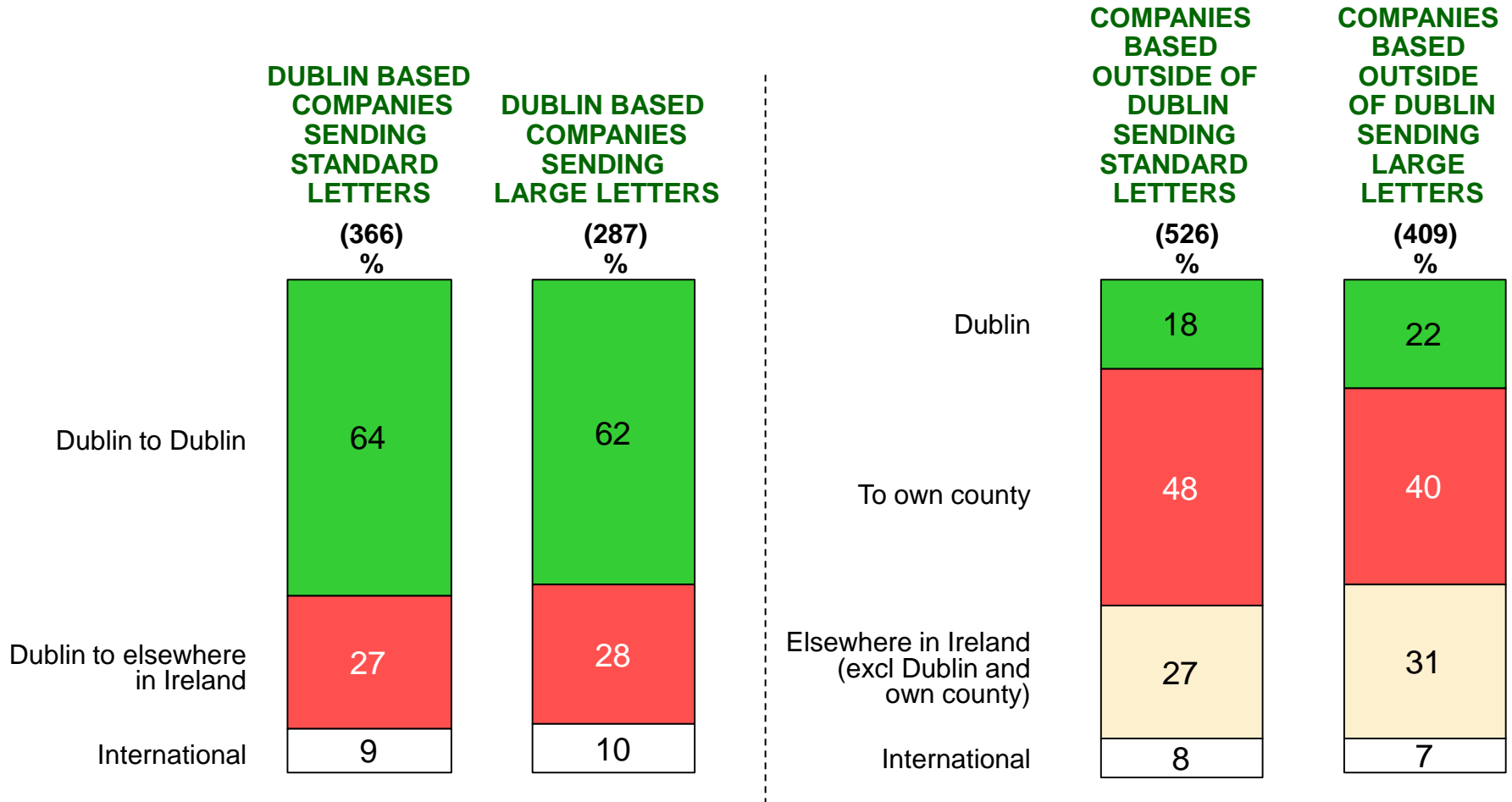
Base: All Respondents (Total n=1000, SMEs n=724, Corporates n=276)

Note: Averages based on those who gave an exact amount

A qualifying question was added this year in order to discourage respondents from opting out mid way through questioning

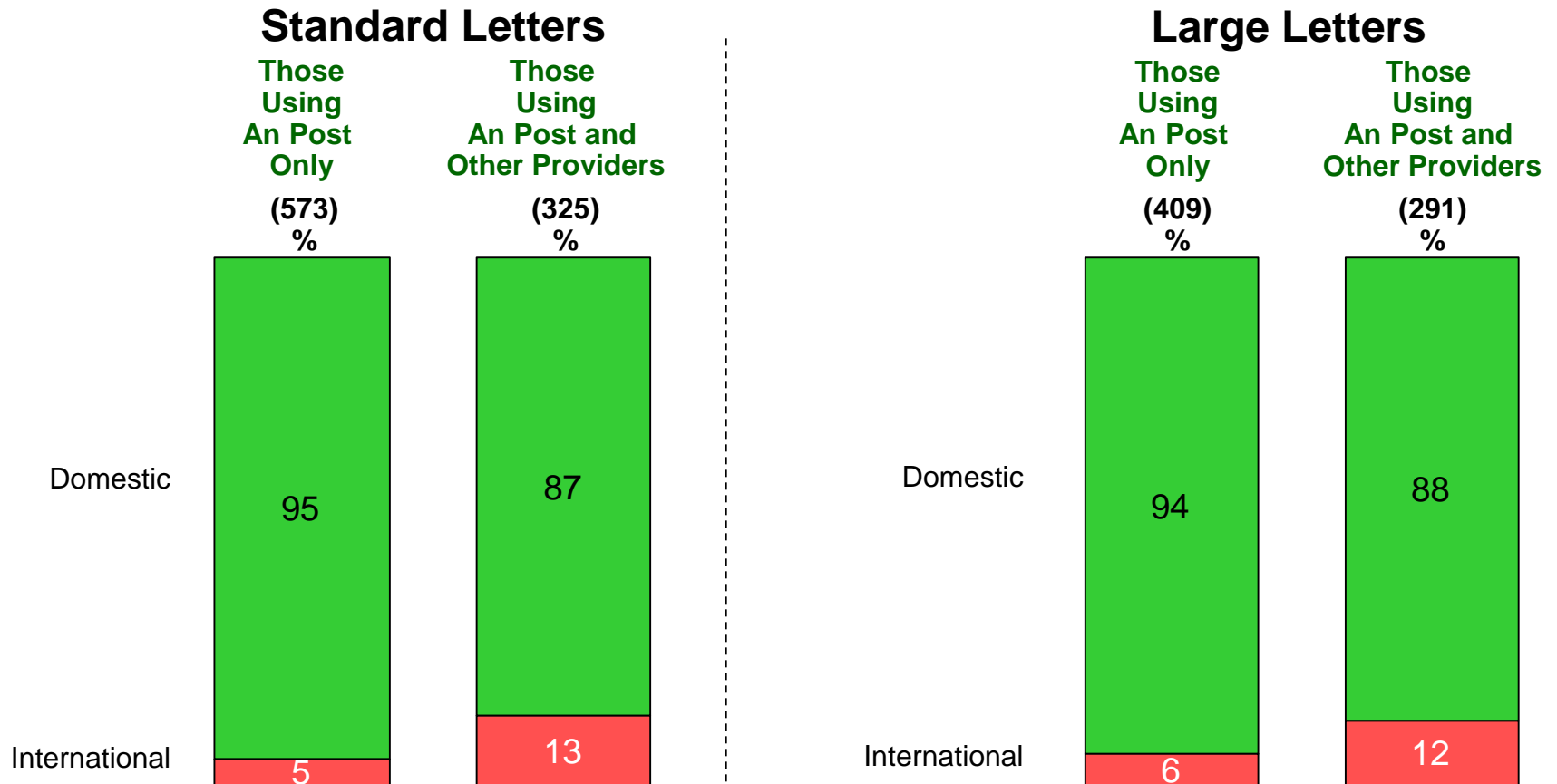
Proportion of Letters Sent by Destination Standard and Large Letters

Q. And in terms of the destination of standard / large envelopes sent by the business, approximately what percentage of this outgoing mail is sent within?



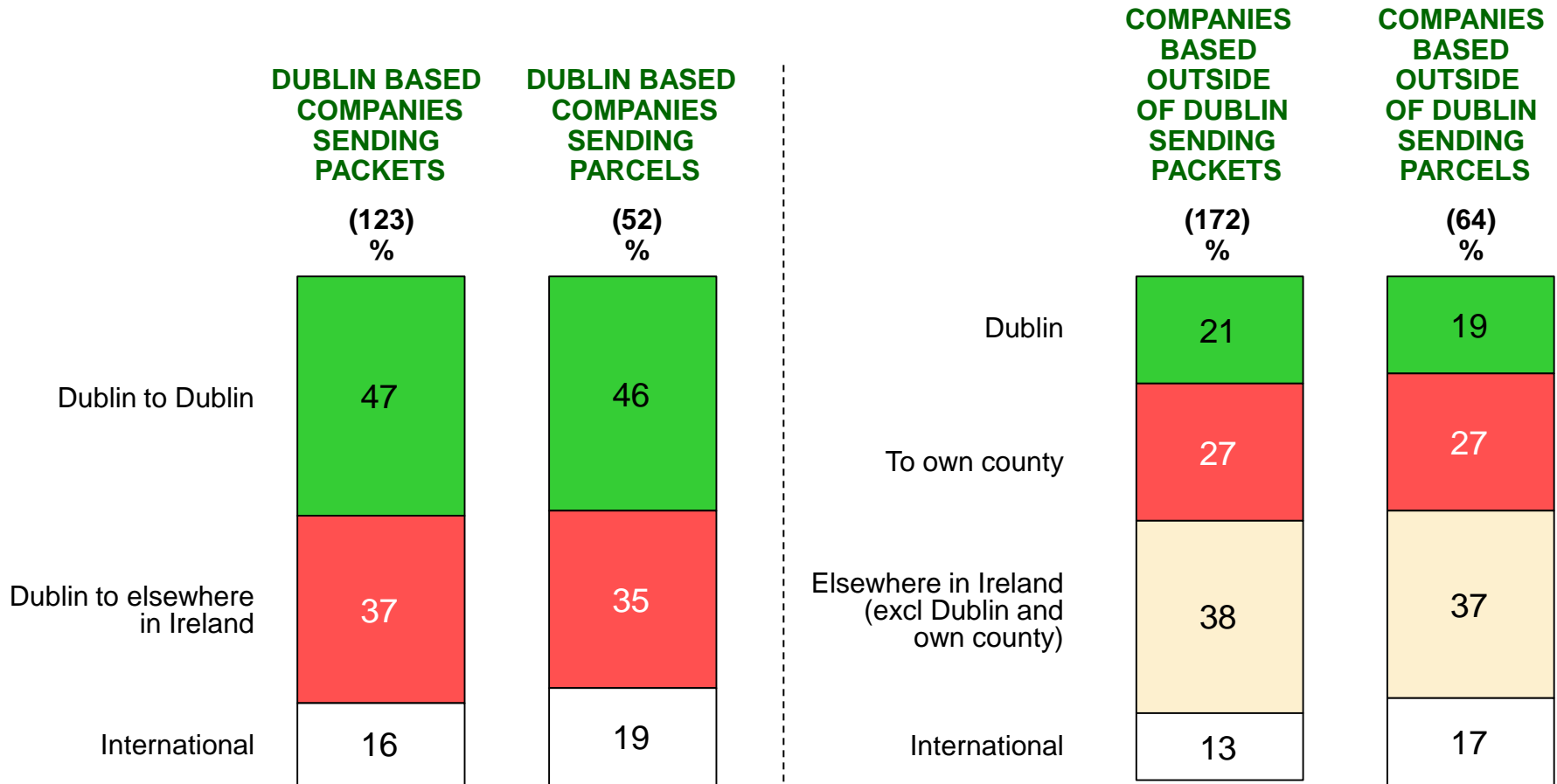
Proportion of Letters Sent by Destination Standard and Large Letters. Domestic vs International

Q. And in terms of the destination of standard / large envelopes sent by the business, approximately what percentage of this outgoing mail is sent within?



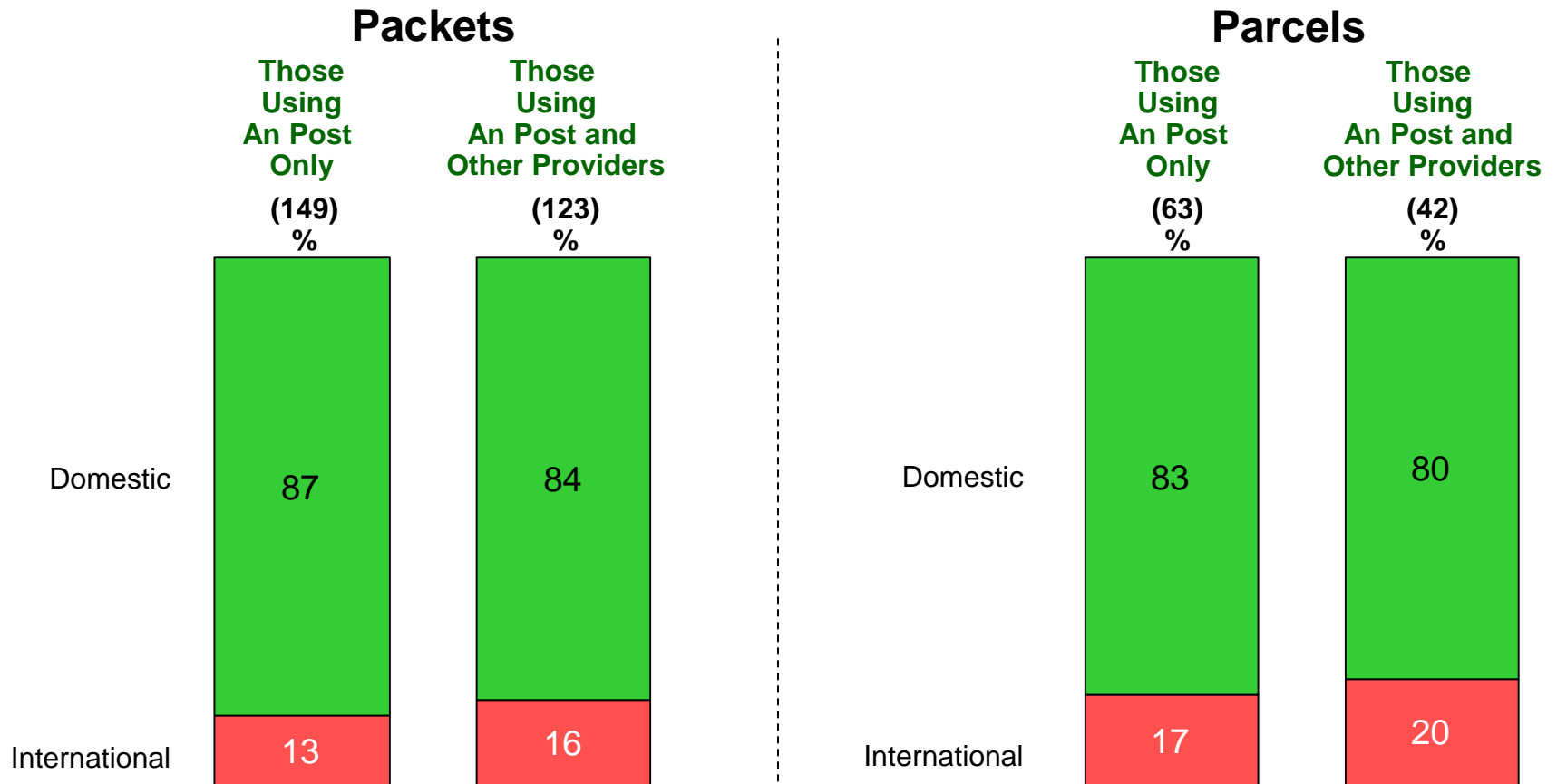
Proportion of Packets/Parcels Sent by Destination

Q. And in terms of the destination of packets /parcels sent by the business, approximately what percentage of this outgoing mail is sent within?



Proportion of Letters Sent by Destination Packets and Parcels. Domestic vs International

Q. And in terms of the destination of packets/parcels sent by the business, approximately what percentage of this outgoing mail is sent within?



Proportion of Mail sent Business to Business

Base: All Respondents

Number of employees

	Total	1-9	10-49	50-99	100-249	250+
	%	%	%	%	%	%
% Sent to Business	<u>60</u>	<u>56</u>	<u>63</u>	<u>63</u>	<u>64</u>	<u>51</u>
% Sent to Residential	<u>40</u>	<u>44</u>	<u>37</u>	<u>37</u>	<u>36</u>	<u>49</u>

- There are few differences in terms of SMEs sending mail business to business, although corporates vary widely. Of companies employing 100-249, 64% of their mail is sent business to business, compared to those employing 250+, who send 51% B-to-B.
- Dublin based companies send most business to business (64%) compared to 55% in Munster.
- Companies involved in the trade sector are most likely to send business to business (71%) compared to just 27% among Government.

2nd Class Postal Service

Propensity To Use A 2nd Class Postal Service if it were available – Hypothetical Scenario

Q. In addition to the current 1st class service where mail is due for delivery within one working day after posting, if there was an option of a 2nd class service, where mail is delivered for example over 2 working days at a cheaper price, how much of the weekly company's mail would be likely to be sent using the 2nd class service if it was available?

2008 %		2009 Total %	SMEs %	Corporates %
(16)	All of the company's Mail	13	14	9
(17)	75% of the company's mail	19	19	19
(16)	50% of the company's mail	17	17	17
(14)	Less than 50% of the company's mail	15	15	19
(32)	None would be send 2 nd class	29	29	25
(6)	Don't know	7	6	11

} 32%

- Nearly half (49%) state they would send at least half of the company's mail.
- Just one in three (29%) would not avail of this service.
- Those most likely to avail of this service were more likely to be involved in the trade sector (36%) be based in Leinster (36%) and be sole users of An Post (35%).

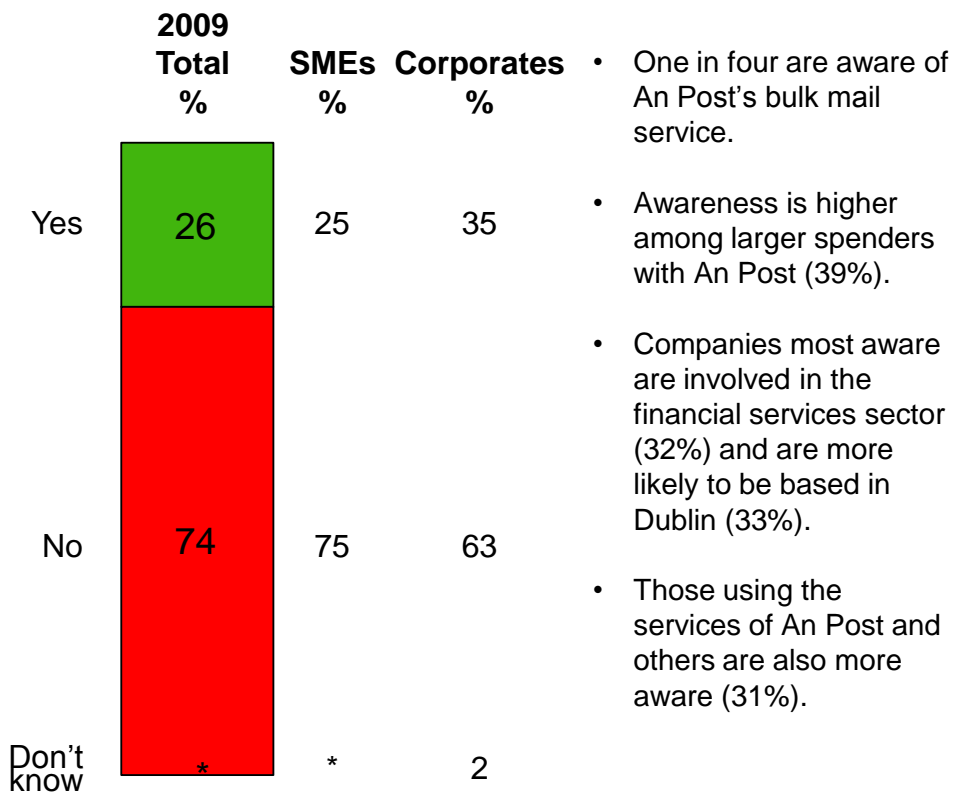
Base: All respondents (n= 1000, SMEs = 724, Corporates = 276)

Note: question wording changed slightly in 2009 (previously an example of a 10 cent discount was cited)

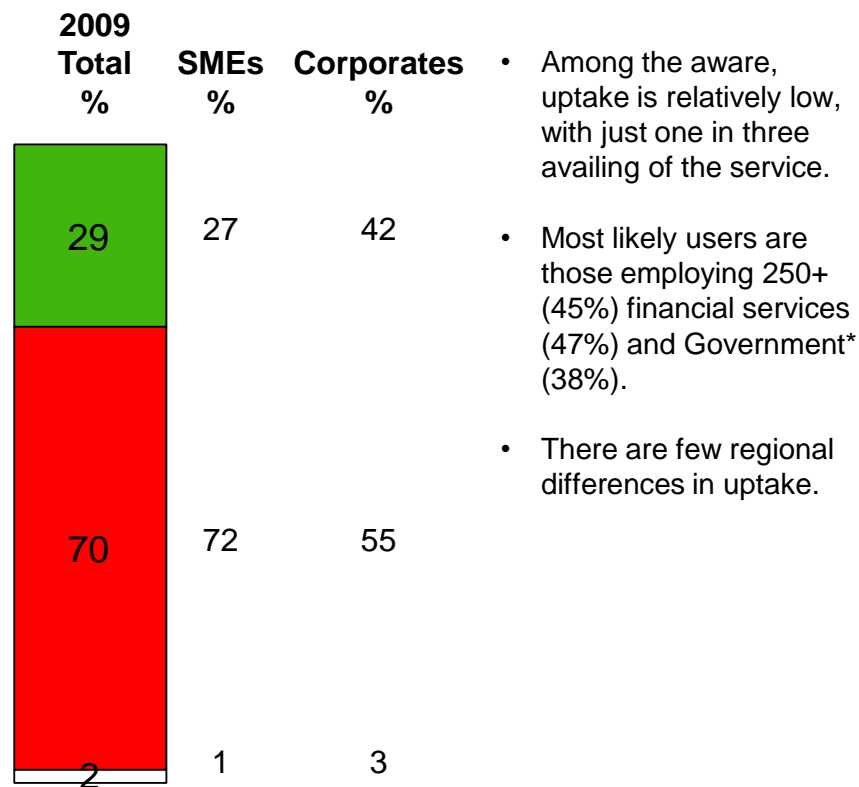
Bulk Mail

Awareness and usage of An Post's Bulk Mail Discount Service

Q. Are you aware of An Post's bulk mail service, which offers discounts based on volumes sent?



Q. Does your business use this service?

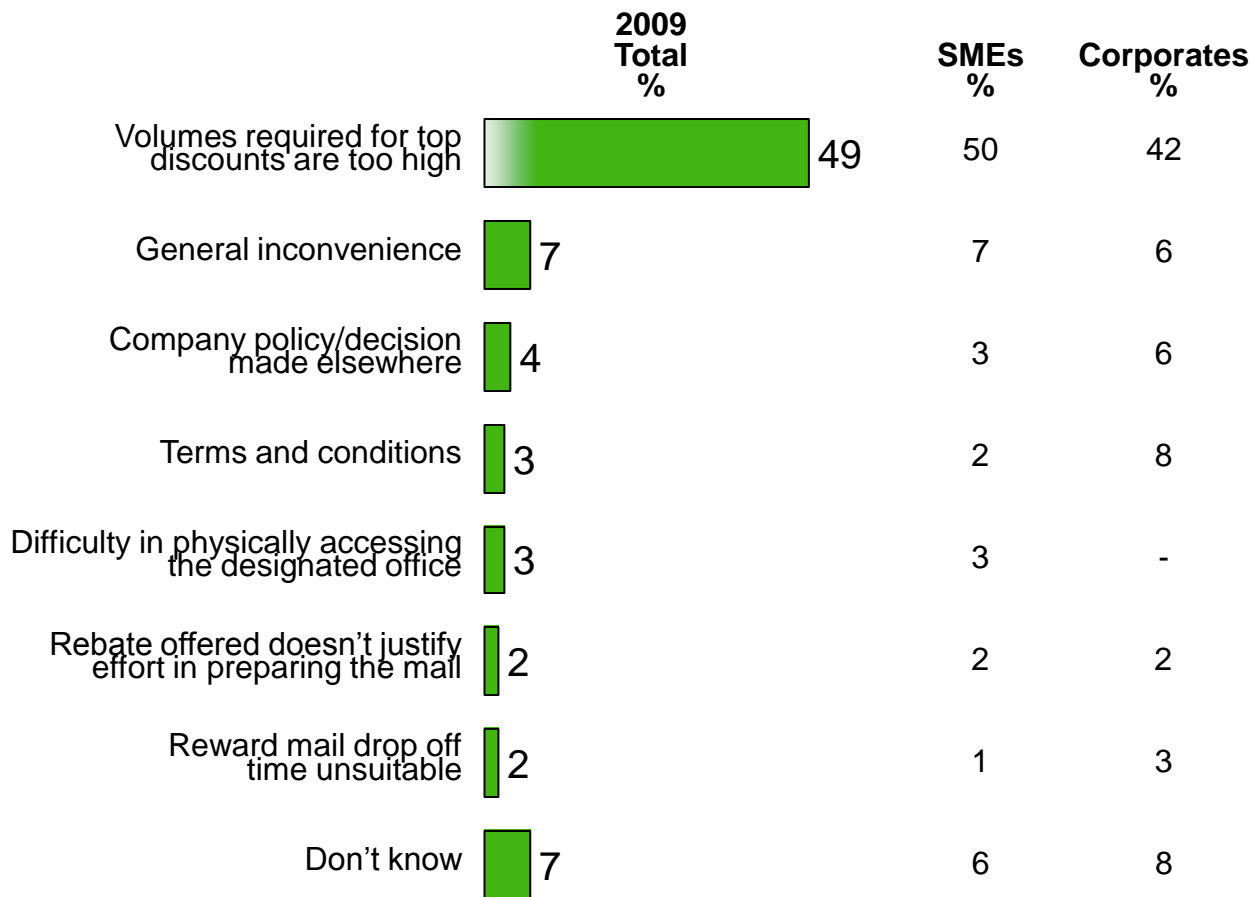


*Caution: Small base size
Base: All respondents (1,000) SME's 724, Corporates 276

Base: All Aware of An Post's Bulk Mail Service
(n=278, SME's 176, Corporate 102)

Reasons for Not Availing of An Post's Bulk Mail Discount Service

Q. Why does your company not use the An Post discount service?

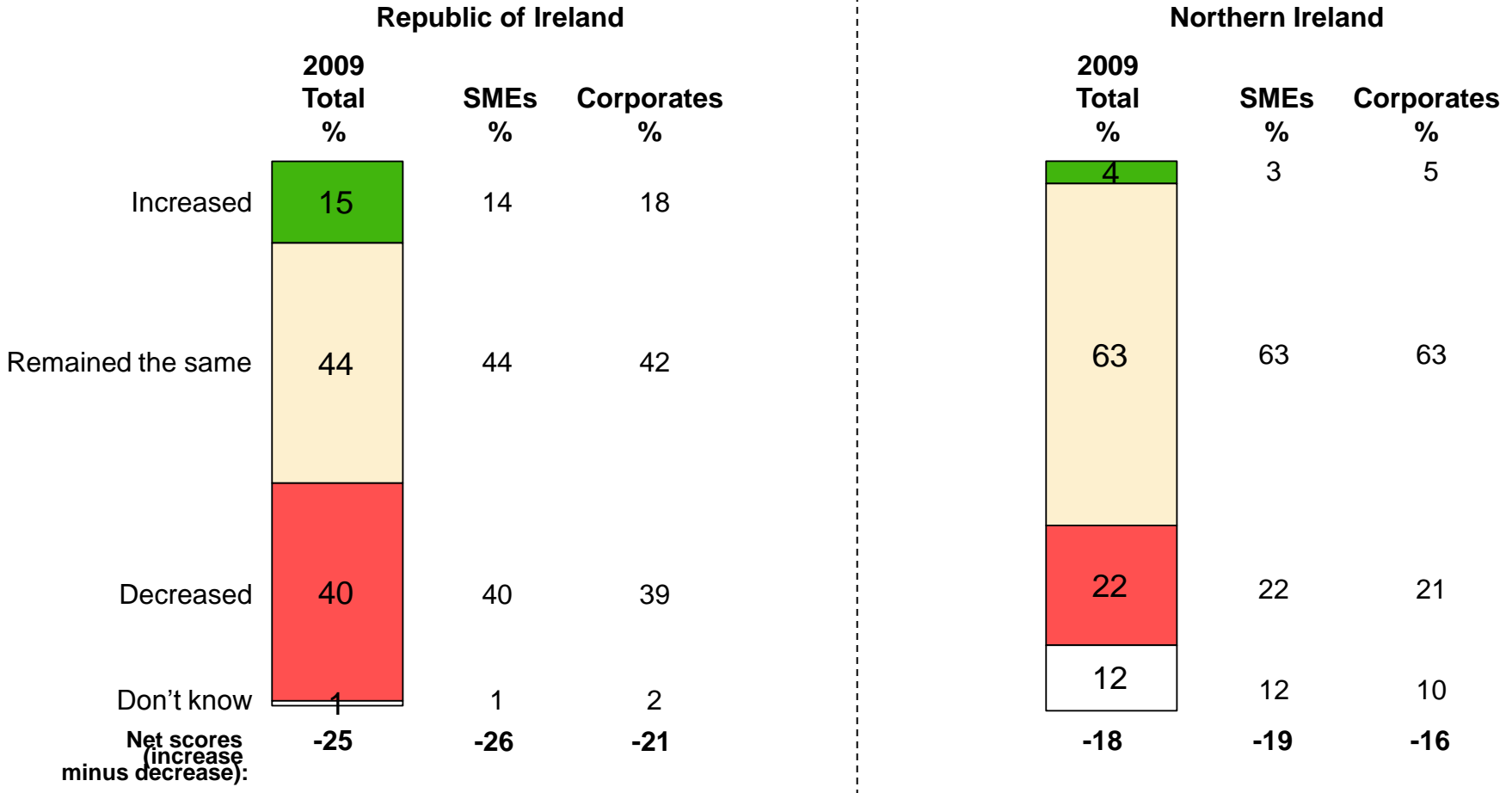


- The high volume ceiling currently in place by An Post for a discount service may well be acting as a barrier for uptake, followed by a perceived inconvenience.

Base: All Aware of Service But Not Using it (n=183, SME's = 127, Corporates = 56)

Volume Trends in Destinations – (Letters) Island of Ireland

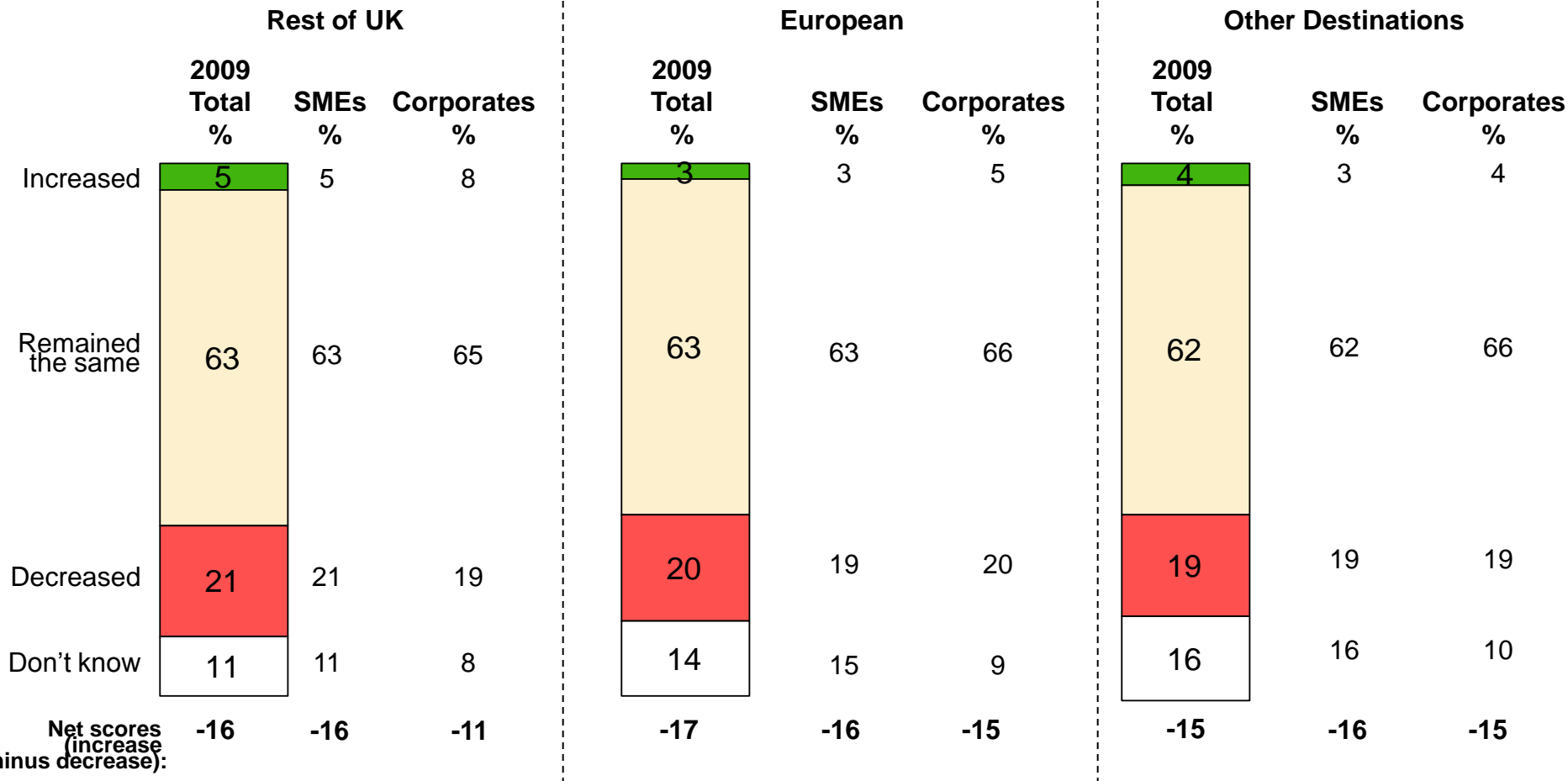
Q. Can you tell me if the number of letters your organisation posts each week has increased, decreased or remained the same over the past 12 months?



Base: All respondents (n = 1,000, SME's = 724, Corporates = 276)

Volume Trends in Destinations – (Letters) Other Markets

Q. Can you tell me if the number of letters your organisation posts each week has increased, decreased or remained the same over the past 12 months?

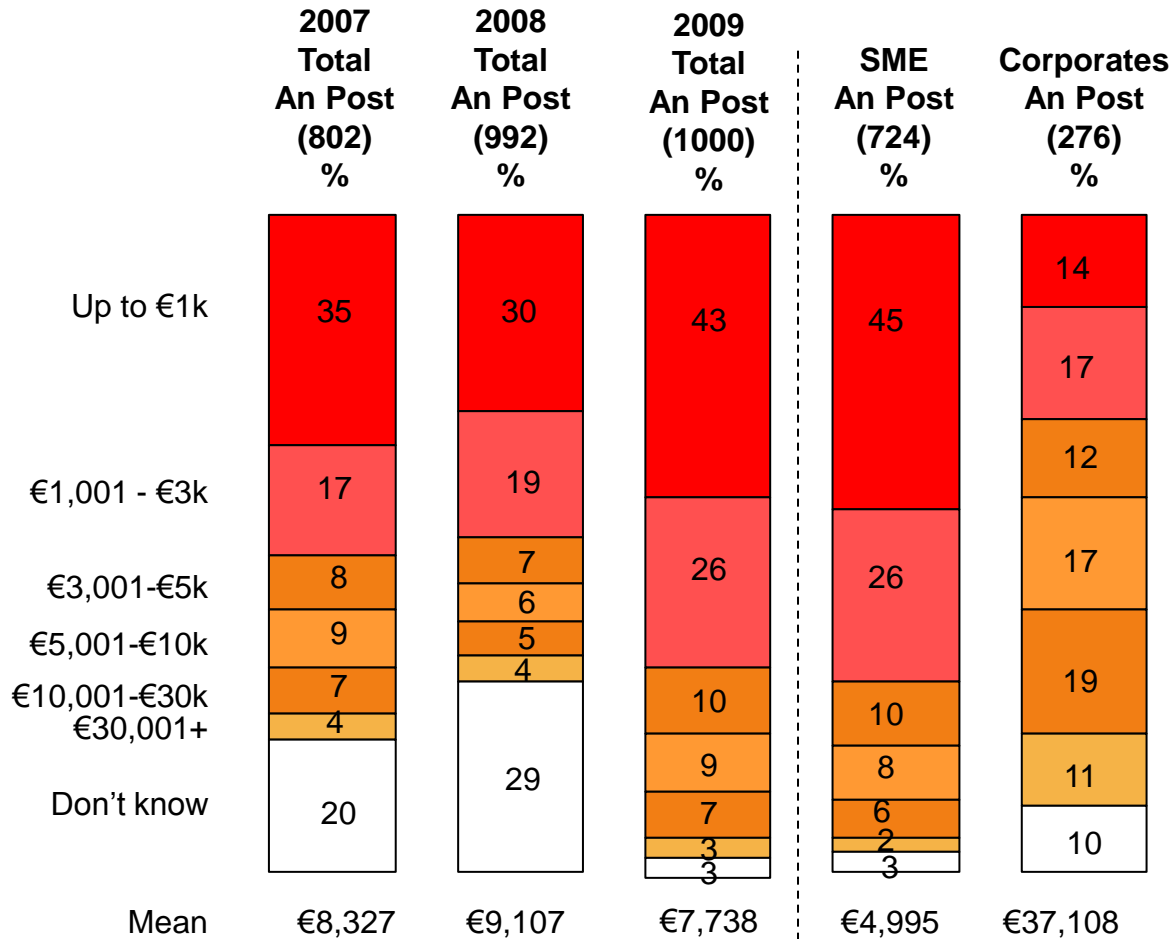


Base: All respondents (n = 1,000, SME's = 724, Corporates = 276)

Postal Services Spend

Annual Spend on Postal Services with An Post

Q. How much annually does your company spend, in Euro, on all of its postal services with An Post?



- The financial services sector emerge as the highest spender with An Post, averaging €14,154 per Annum.
- In terms of company size, there is a direct correlation between spend and size. Those employing 1-9 spend €3,920, rising to €4,573 among those with 10-49 employees and €8,654 among those employing 50-99.
- Dublin based companies spend most €11,646 followed by Munster (€7,734), Conn/Ulster (€4,150) and Leinster (€3,962).
- Those using An Post and other service providers spend €9,140, versus €7,060 for those only dealing with An Post.

Base: All users of An Post who could give an estimate/exact spend figure

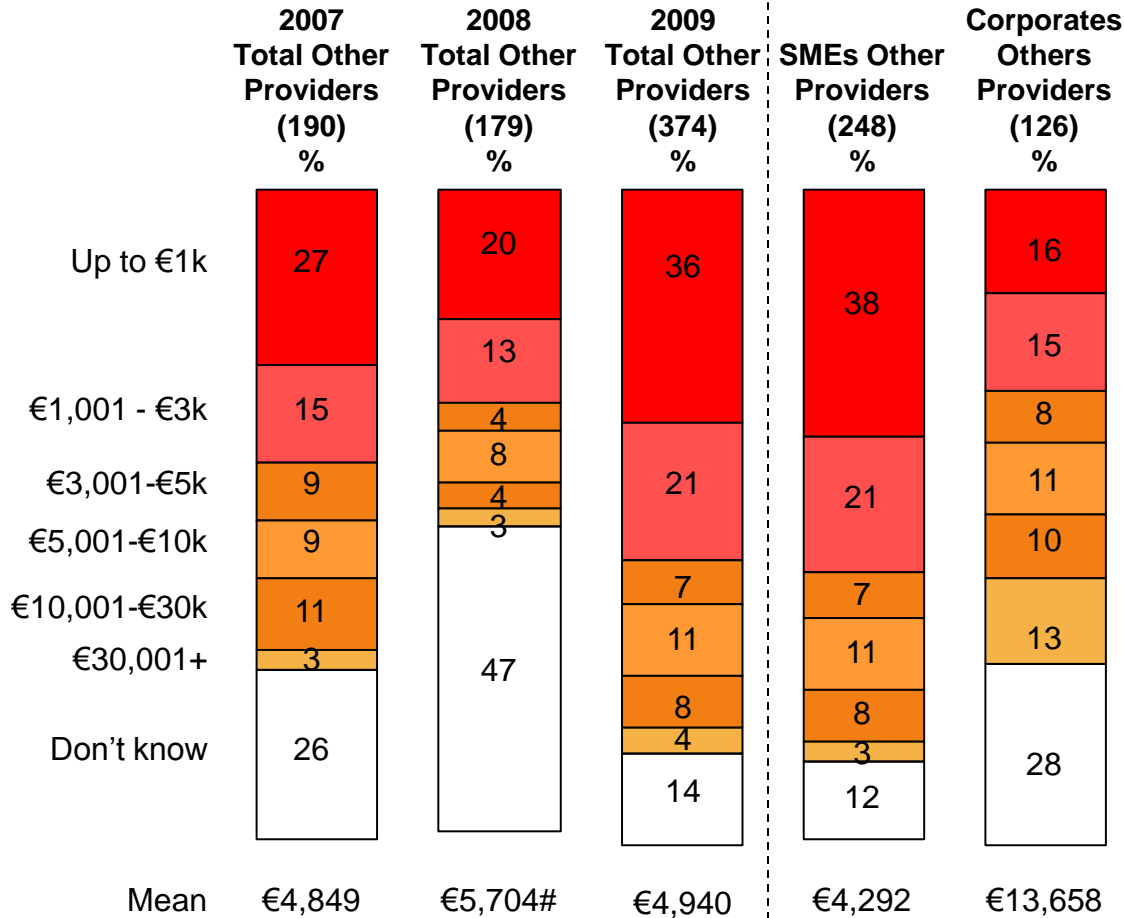
Average Annual Spend with An Post by Industry Sector

Q. How much annually does your company spend, in Euro on all of its postal services? An Post

	2007 €	2008 €	2009 €
Total	8,327	9,107	7,738
Industry	7,047	5,039	6,292
Trade	3,628	7,770	5,536
Financial services	11,456	13,397	14,154
Services	6,925	8,592	7,385
Government	31,064	33,200	11,087

Annual Spend on Postal Services with Other Service Providers

Q. How much annually does your company spend, in Euro, on all of its Postal services with other Providers?



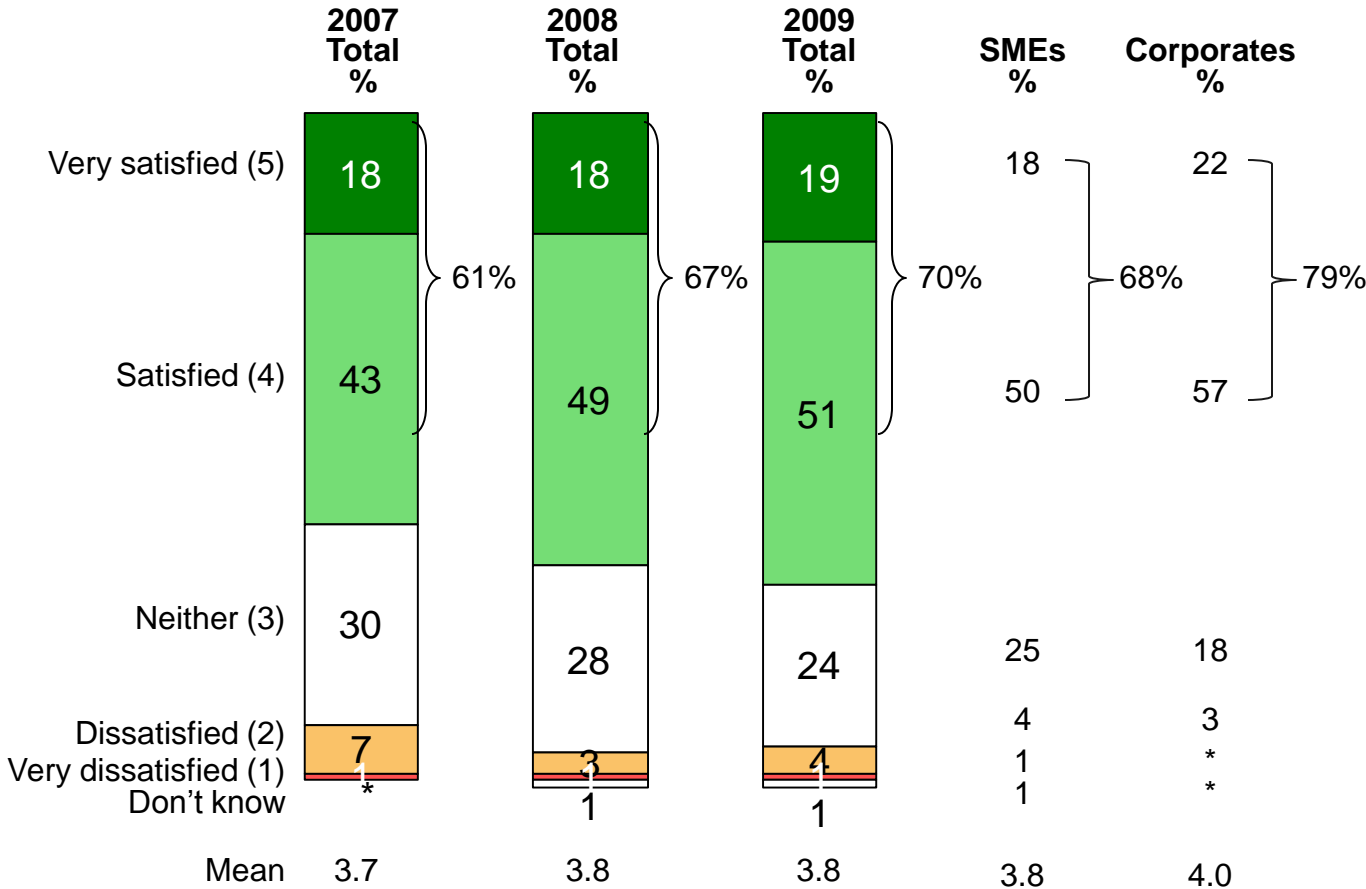
- Among those using other service providers, those employing 250+ spend most, averaging €16,960 per annum, followed by those employing 100-249 spending €10,646.
- Dublin companies spend most with other providers (€6,819), followed by Leinster (€4,205), Conn/Ulster (€3,328) and Munster (€2,912).
- Higher spenders with other service providers were more likely to be involved in the trade (€8,186) or industry (€5,685) sectors.

Base: All users of Other Providers who could give an estimate/exact spend figure
#Outlier excluded

Attitudes to the Postal Service

Overall Satisfaction with Postal Service in Ireland

Q. Thinking about the overall postal service provided here in Ireland, how satisfied or dissatisfied are you on a scale of one to five, where “one” is very dissatisfied and “five” is very satisfied?

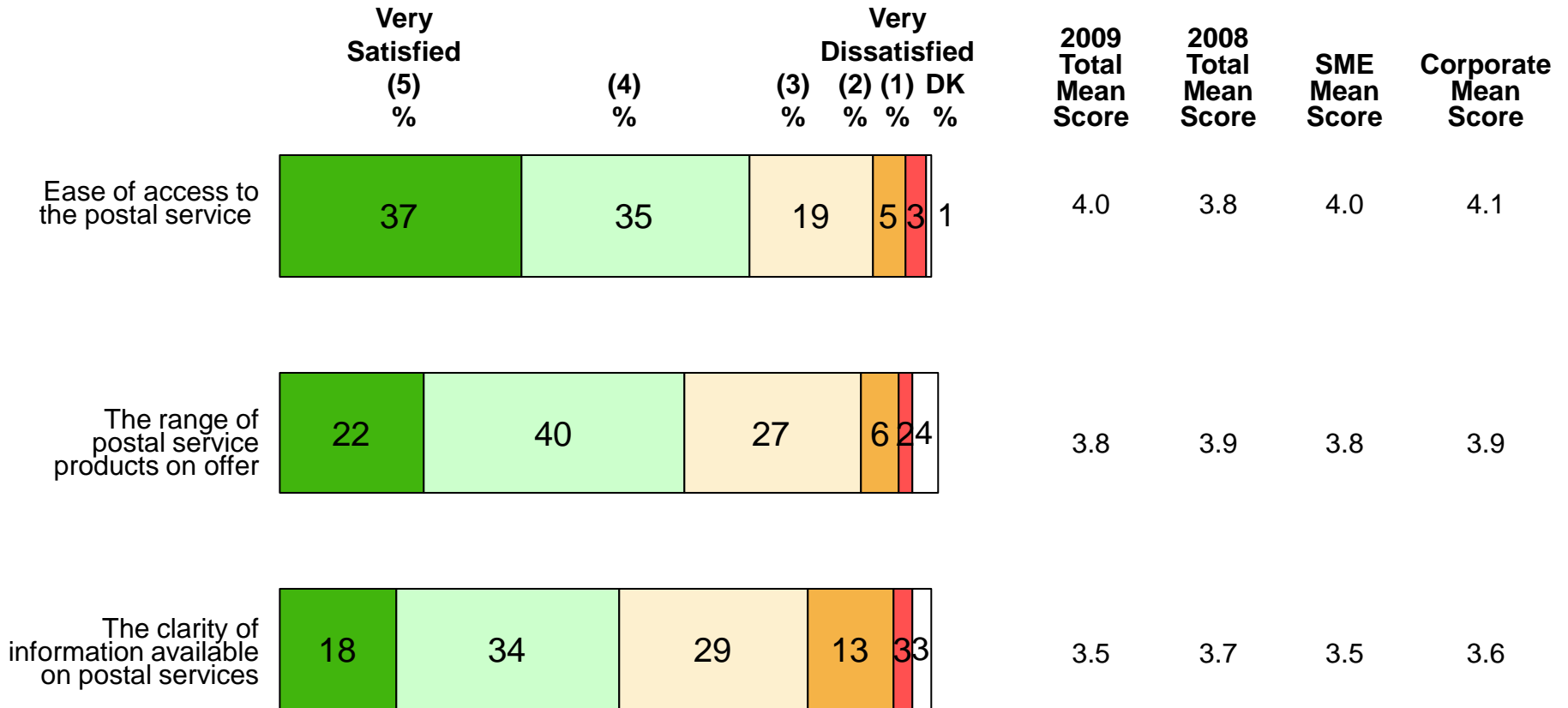


- There is no great change in the levels of satisfaction with postal services this year.
- Those most satisfied are companies employing 100-249 employees (84%), those based in Leinster and Conn/Ulster (77% and 74% respectively) and those involved in industry (77%).
- Those less satisfied are employing 50-99 employees (66%), based in Dublin (66%) and are involved in financial services and Government (62% and 58% respectively).

Base: All respondents (Total n=1000, SMEs n=724, Corporates n=276)

Satisfaction with Other Aspects of the Postal Service

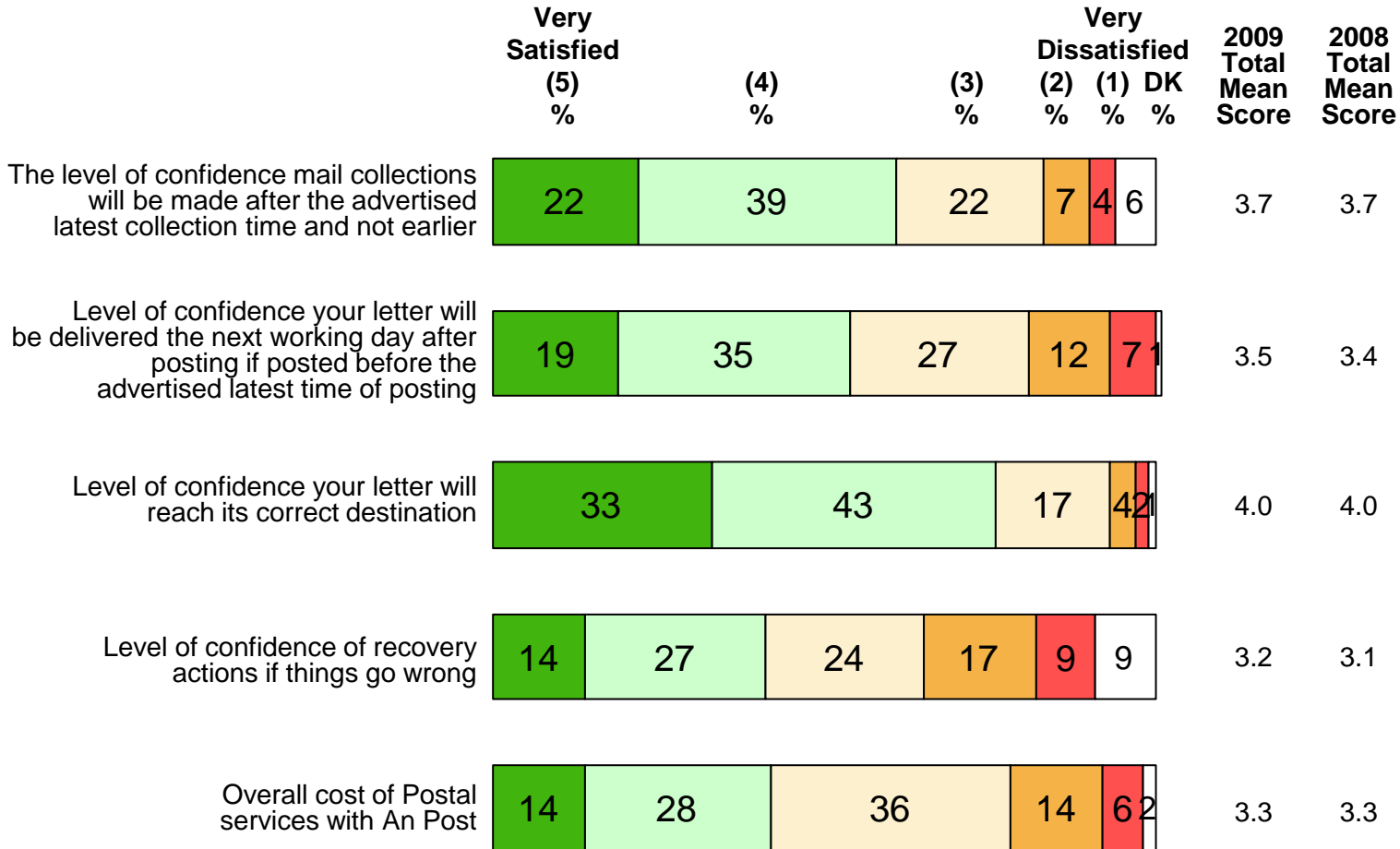
Q. I am now going to ask you to rate your satisfaction or dissatisfaction with a number of aspects of Ireland's **postal service**, using a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied.



Base: All respondents (Total n=1000, SMEs n=724, Corporates n=276)

Satisfaction with An Post Letter Post Services

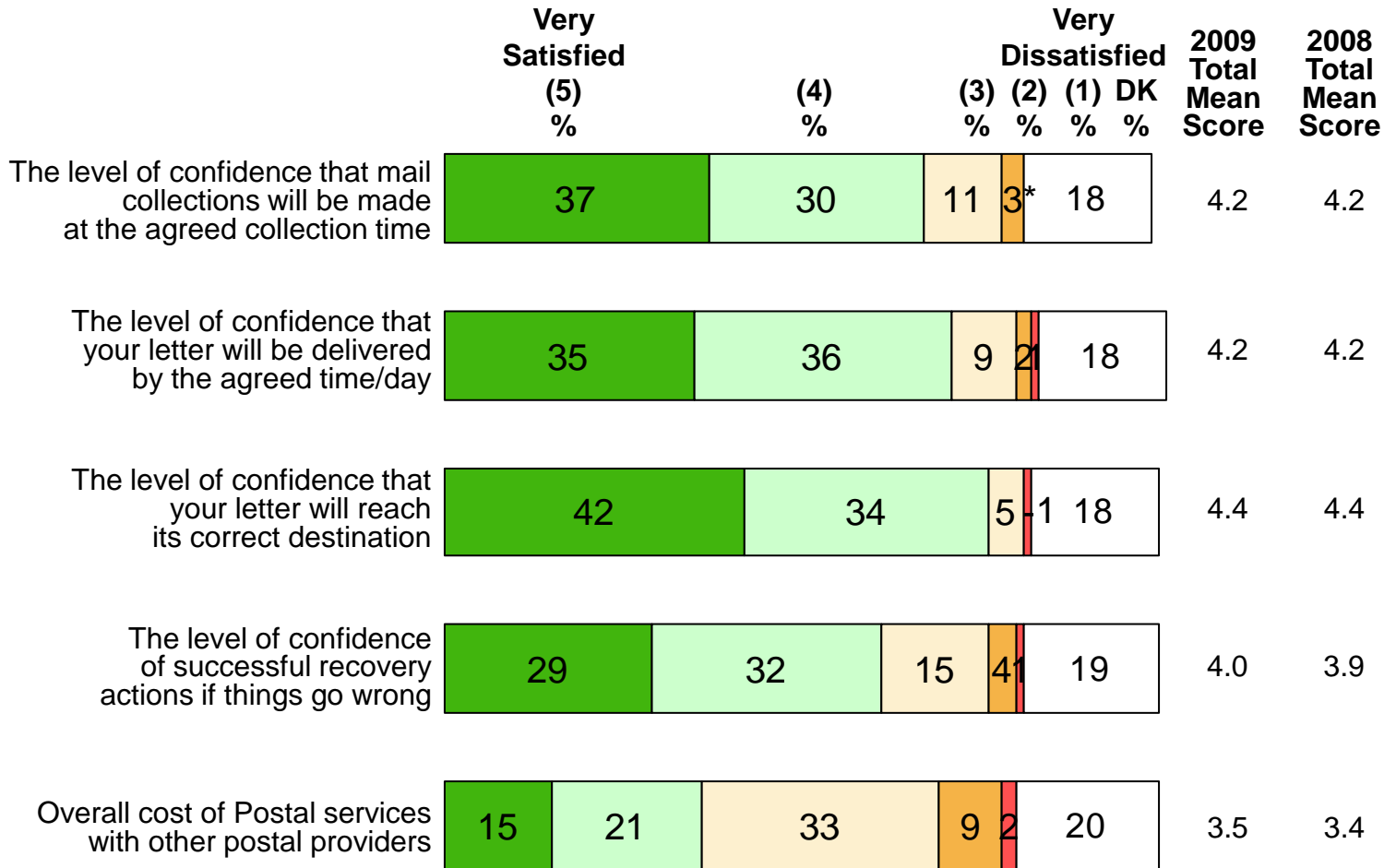
Q. I am going to read out a list of aspects related specifically to **An Post National** letter post services. For each one please tell me if you are satisfied or dissatisfied with each aspect on a scale of 1 to 5, where 1 is very dissatisfied and 5, very satisfied.



Base: All respondents (Total n=1000, SMEs n=724, Corporates n=276)

Satisfaction with Other Service Providers

Q. I am going to read out a list of aspects related specifically to services provided by Postal Service Providers other than An Post. For each one please tell me if you are satisfied or dissatisfied with each aspect on a scale of 1 to 5, where 1 is very dissatisfied and 5, very satisfied.



Base: All Using Other Providers (Total n=374)

Desired Improvements to the Postal Service

Q. What improvements to the Postal Service would you like to see, if any, that would have a positive impact on your Business?

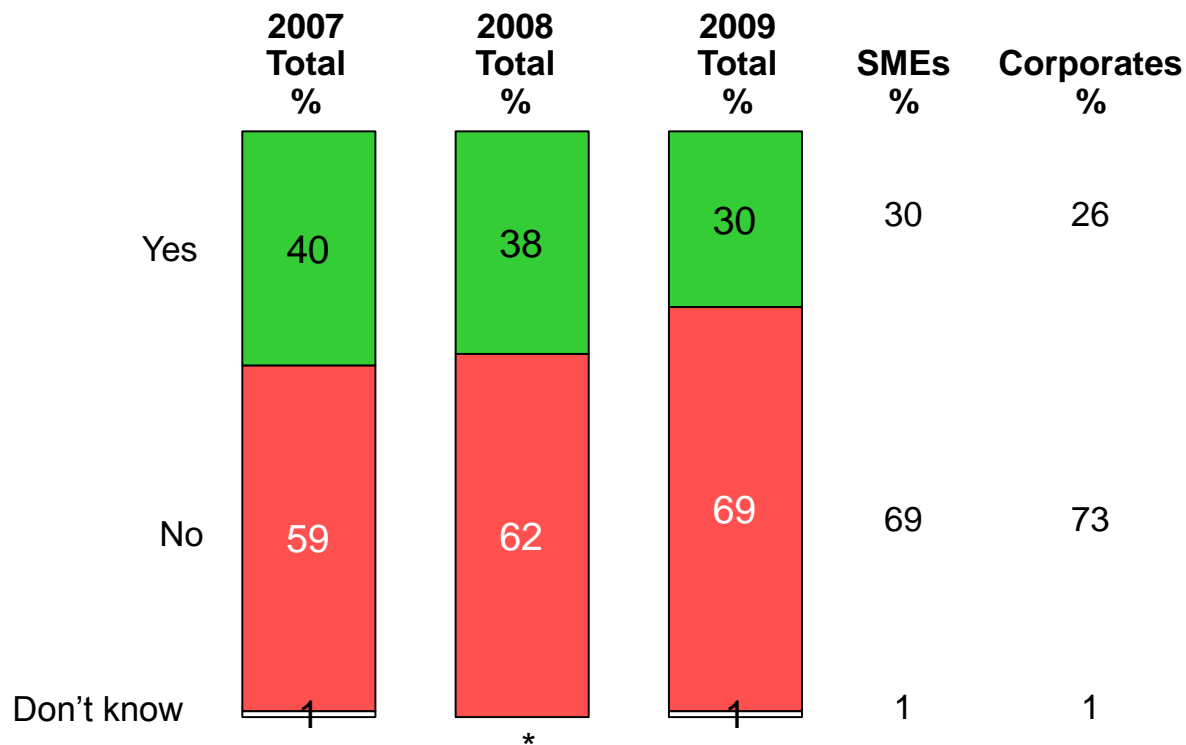
2008 %		Total %	SMEs %	Corporates %	
(22)	Competitive prices/reduce rates/stamp prices	24	24	22	• Reduced prices and a more reliable service are the main improvements sought by businesses.
(14)	More reliable service	8	8	5	
(6)	Faster service/deliveries	6	5	7	• Reduced prices/costs are more sought after by those in financial services (30%) and services (27%) sectors, along with those based in Munster (29%) and Conn/Ulster (28%).
(6)	Improve delivery times/make earlier	6	6	5	
(6)	Next day service	5	5	3	
(4)	Postal tracking/less lost letters	4	4	5	
(4)	More post offices/easier access	3	4	*	
(4)	More frequent collections	3	3	2	• This viewpoint is also voiced by larger spenders with An Post (34%)
(4)	Provide info on products/service	3	2	5	
(3)	Later collections	3	3	3	
(3)	Improved staff	3	3	2	
(21)	Nothing, no suggestions	25	25	30	

Base: All respondents (Total n=1000, SME's n=724, Corporates n=276) Answers under 3% not shown

Incidence of Complaints

Incidence of Dissatisfaction with the Postal Service

Q. In the past 12 months has there been any aspect of the postal service (provided by An Post or any other provider) that you have been dissatisfied with?











- One in three has been dissatisfied over the past year with aspects of the Postal service, rising to 35% among those employing 50-99 employees.
- Dublin based companies had most grievances (35%), along with those involved in Government (36%) and the services sector (35%).
- Those using both An Post and others were also more likely to be dissatisfied (41%) and this is reflected in those with larger spends with An Post and others (42% dissatisfied).

Base: All Respondents (n=1000, SMEs=724, Corporates n=276)

Reasons for Dissatisfaction

Q. What was the issue/or cause of this dissatisfaction?

2008 Total %		2009 Total %	SMEs %	Corporates %
(33)	Late or missed delivery of mail	 35	35	28
(19)	Lost Mail	 24	23	26
(8)	Other delivery issues	 14	14	11
(17)	Late arrival for time/day certain deliveries	 13	14	7
(4)	Early or missed collection of mail	 8	7	9
(8)	Price of services	 8	8	8
(3)	Damaged mail	 3	3	1
(9)	Customer Service	 3	2	11

- An Post was the most cited provider in terms of dissatisfaction (92%).

- Delivery related issues were the main source of dissatisfaction.

Note: Answers under 3% not shown

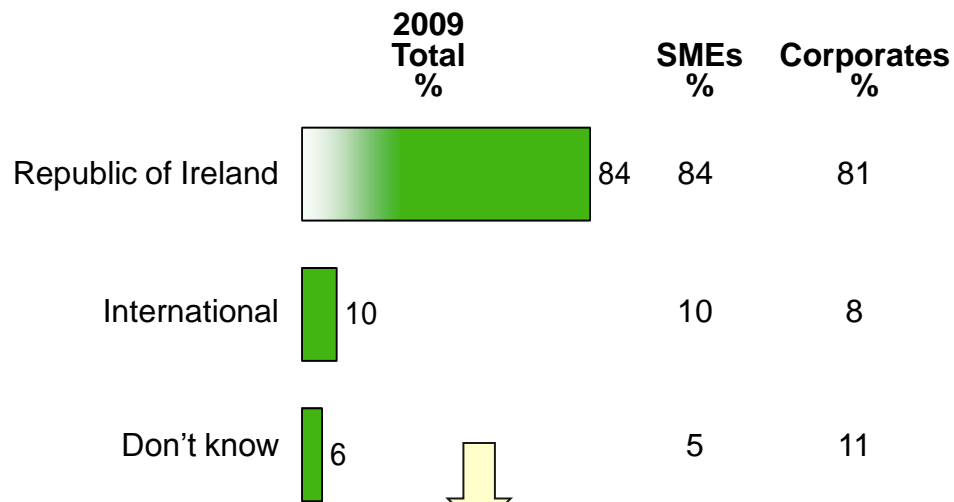
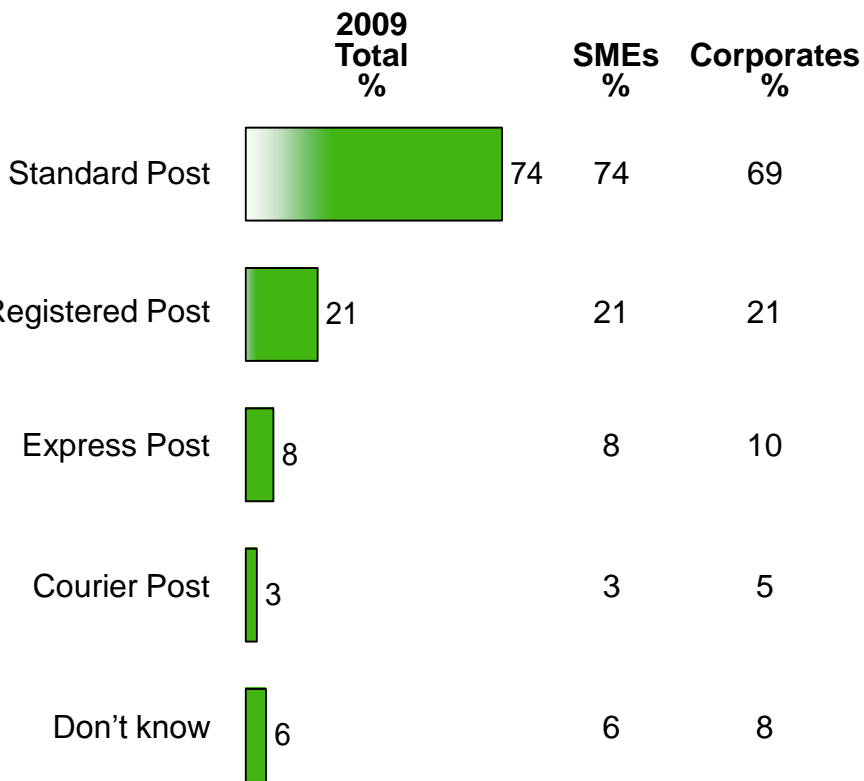
Base: All who were dissatisfied (Total n=294, SMEs n=220, Corporates n=74)

Dissatisfaction with An Post Mail Type

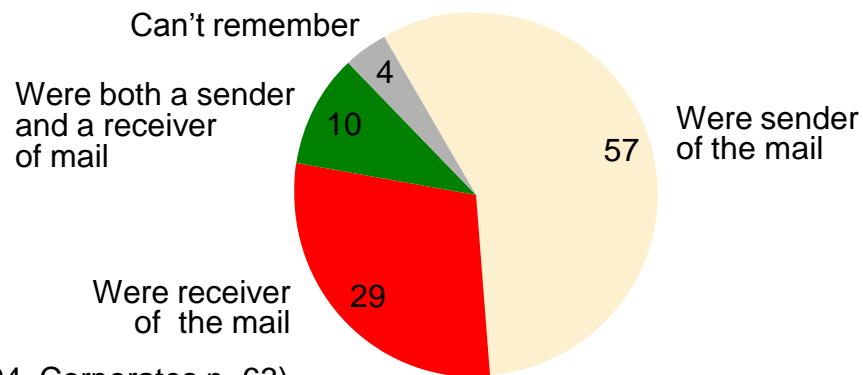
Dissatisfaction with An Post Destination

Q. And for those issues/causes of dissatisfaction with An Post, do you remember which of the An Post postal services you used?

Q. And was your mail item sent to a Republic of Ireland or international destination?



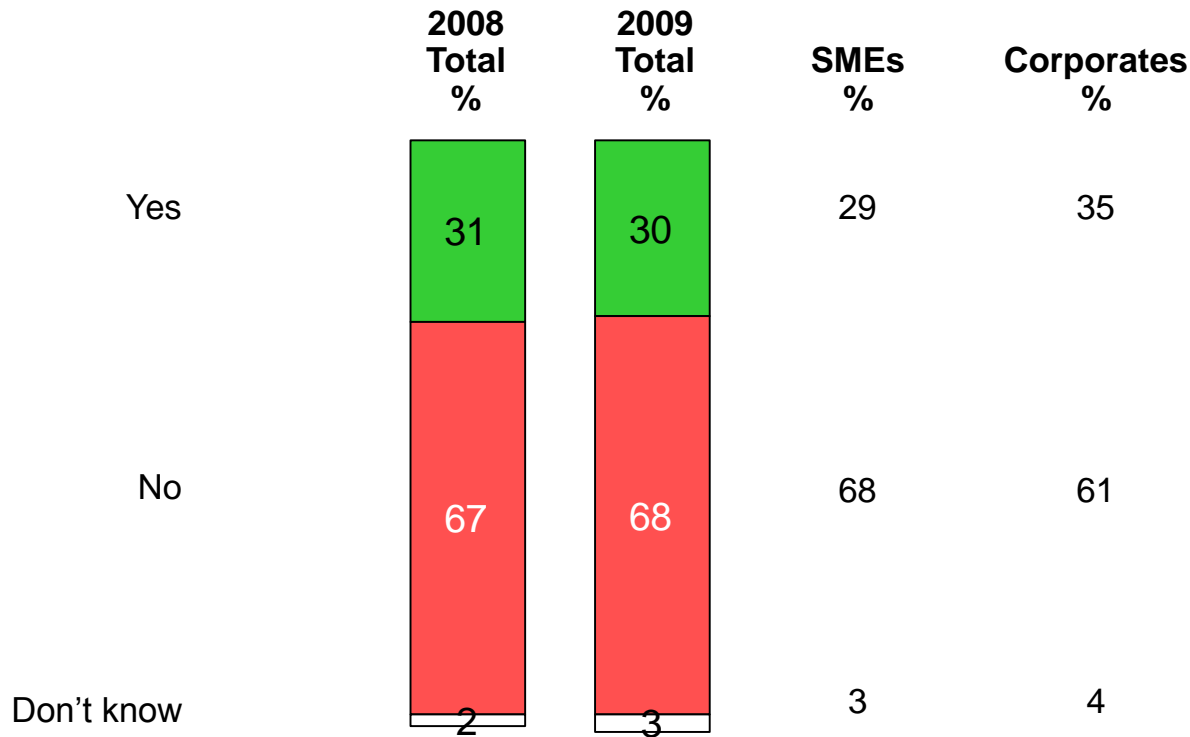
Of those dissatisfied %



Base: All who had issues with An Post (Total n=267, SMEs n=204, Corporates n=63)

Incidence of Making Formal Complaint

Q. Did your company lodge/make a **formal complaint** about this issue in the past 12 months?

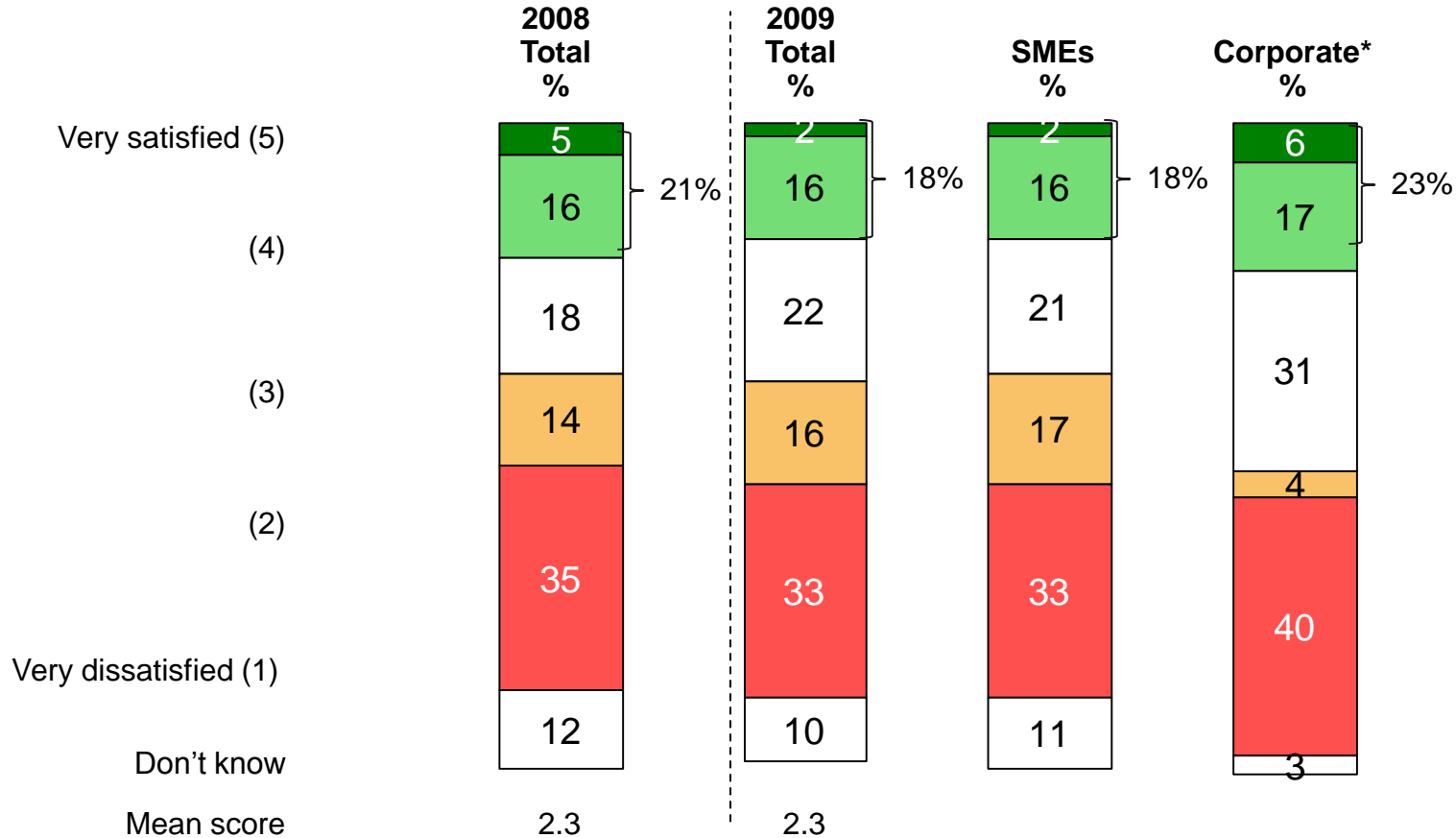


- Those more likely to make a complaint were companies of 250 employees+ (42%) and those with 50-99 employees (38%).
- Dublin based respondents were most likely to formally complain (37%) along with those involved with the industry sector (33%).
- High spenders both with An Post and with An Post and other service providers were also more vocal (44% each).
- 95% of complaints were made directly to the postal provider involved.

Base: All Were Dissatisfied with Postal Services providers over the past 12 months (Total n=294, SMEs n=220, Corporates=74)

Satisfaction with Handling of Complaint

Q. How would you score your overall satisfaction with the handling of your complaint by the postal organisation you contacted on a scale of 1 to 5, where 1 is very dissatisfied and 5, very satisfied?

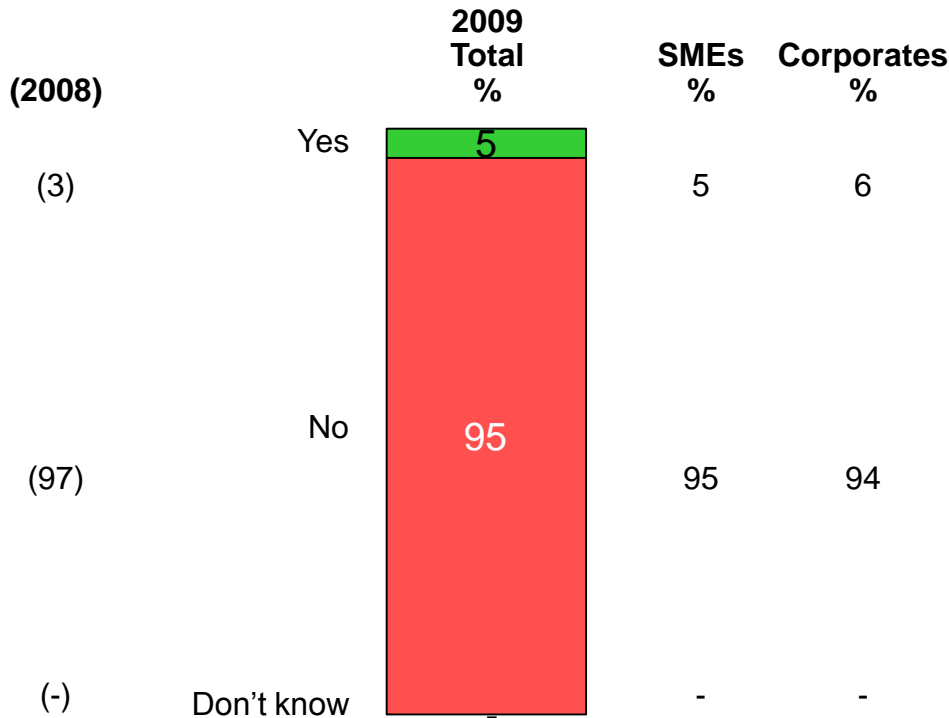


Base: All who made a complaint over 12 months (Total n=90, SMEs n=63, Corporates n=27*)

Awareness of Market Liberalisation

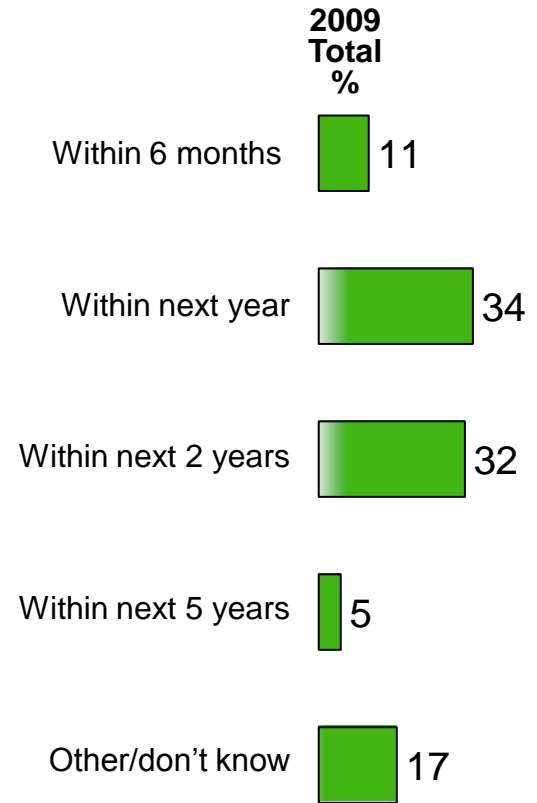
Awareness of When Market Will Be Opened to Competition

Q. Do you know when the postal market will be fully opened to competition in Ireland by the removal of An Post's monopoly of the standard letter market?



Base: All Respondents (n=1,000, SMEs=724, Corporates n=276)

Q. Approximately when do you think this is due to happen?

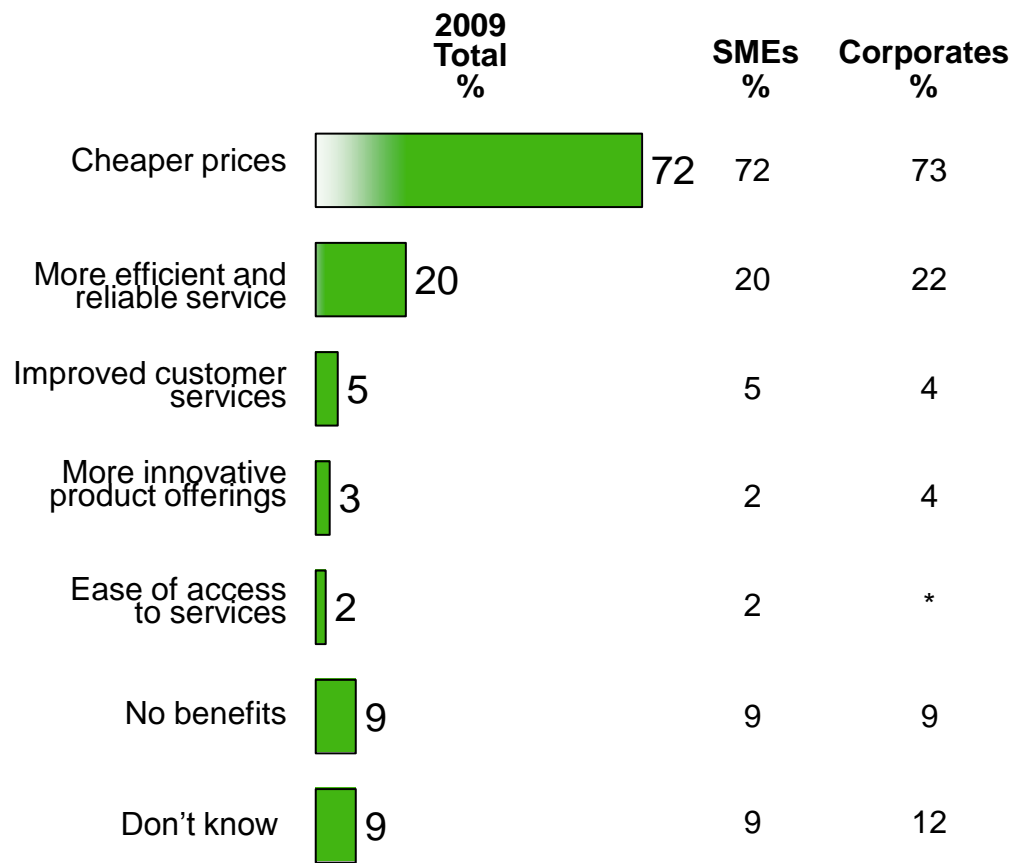
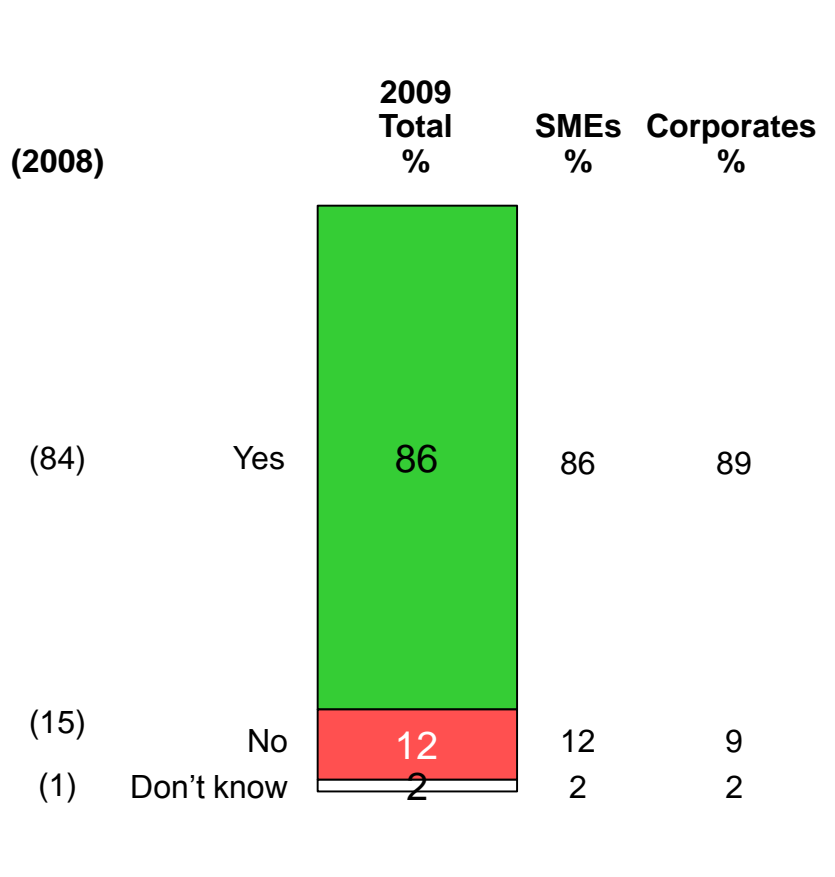


Base: All Who Claim to be aware (n=53*)

Desire For Information on the opening of the market to competition, and expected benefits.

Q. Do you think there is a need for more information on the full postal market opening?

Q. What benefits would you expect a fully open competitive postal market to bring to your company?



Base: All Respondents (n=1000, SMEs=724, Corporates n=276)

Summary of Findings

- There has been a sharp increase in the number of companies claiming to use the services of both An Post and other service providers.
- In terms of mail items sent, An Post remains the preferred option for the delivery of standard and large letters, whilst other providers are used more so for larger items.
- Among those currently using An Post only, three in five are aware of other service providers, with smaller companies (1-9 employees) being least aware of alternative options. Overall awareness of other companies stands at over 70%.
- Among those currently using other service providers, there is a large spread of companies being used.
- The main reason cited for using other service providers remains speed and efficiency. Cost/value is cited by one in seven companies using other service providers, and this motivation is evenly spread among both Corporates and SMEs.
- One in eight companies claim to have been contacted by other service providers in the past year. However, among those only using An Post this figure is just six percent, compared to one in four (24%) among those currently using others.
- For those aware of other service providers but currently using An Post only, a sizeable majority (79%) feel it is unlikely they will switch some of their postal business in the next twelve months.
- Satisfaction with the current service they receive, coupled with a perceived inconvenience of using multiple suppliers and *lack of information* are the main reasons for not looking elsewhere.

- Estimated weekly volumes sent have shown a decrease this year in all types of mail.
- Larger companies account for greater volumes of mail sent. Dublin based companies are also more likely to be sending higher volumes of mail, along with companies involved in the financial sector and Government.
- Larger Corporates (250 employees+) are more likely to send mail to private residences.
- When asked the hypothetical question would they use a second class postal service were it available, nearly half (49%) claim they would use such a service for sending at least half of their mail.
- One in four (26%) are aware of An Post's Bulk Mail service, and of those aware, 29% actually avail of the service.
- The primary reason for not using this service is the high volume ceiling imposed by An Post, which many companies feel precludes them from availing of the service.
- In terms of where mail is sent to, there has been a perceived decrease in the volumes of letters sent to all destinations over the past 12 months, again reflecting the difficult business environment.
- The economic downturn is the most frequently cited reason for decreases in mail items sent, followed by an uptake in electronic methods. It may well be the case that these reasons are not mutually exclusive, and that the downturn has forced companies to re-evaluate the more traditional methods of communicating.
- As a result, estimated annual spend has decreased this year, for both An Post and other providers, with estimates down 15% and 13% respectively. Companies involved in the financial services sector and Government remain the larger spenders for An Post.

- There has been no great change in overall satisfaction with the postal service in Ireland this year, with seven in ten claiming to be satisfied or very satisfied.
- There has been a steady decrease in the incidences of dissatisfaction with the postal service. Among those dissatisfied, delivery related issues (late or missed delivery of mail, along with lost mail) were most prevalent.
- Of those dissatisfied, just three in ten made a formal complaint, with the vast majority approaching the service provider in question directly. Satisfaction with the outcome of such complaints remains low, with nearly half expressing dissatisfaction with the outcome.
- There remains a low awareness of when the postal market will be fully opened for competition for standard letters, with just 5% claiming to be aware of when this will happen. As a result, there is a strong desire for more information to be made available about the upcoming market liberalisation.
- The perceived benefits of market liberalisation are anticipated cheaper prices and a more efficient and reliable service for businesses.
- These anticipated benefits are also reflected in the desired improvements that companies would like for the postal service – *competitive* prices, a more *reliable* service and *faster* deliveries.
- In conclusion, the postal market, similar to other sectors, has been heavily impacted by the economic downturn. This has been reflected this year in terms of service providers used, volumes sent and overall spend.