



Postal Service Business Survey 2010

December 2010

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Introduction

Background & Objectives

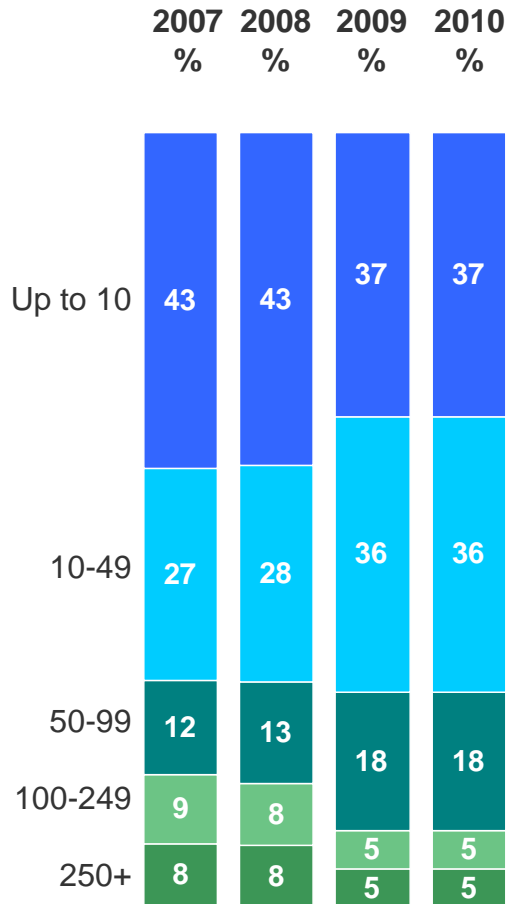
- The Commission for Communications Regulation (ComReg), commissioned Ipsos MRBI, an independent market research company, to conduct research amongst businesses in relation to the postal service market.
- The overall objective of the research was to gain a better understanding of business attitudes towards the postal services on offer and the postal service providers in Ireland.
- More specifically, the survey covered the following topics:
 - Usage and awareness of postal service providers;
 - Volumes of mail sent;
 - Attitudes to the postal service;
 - Complaints Experience;
 - Awareness of market liberalisation;
 - eCommunication & Postal Services.
- Please note that all interviews were conducted with the person in the company responsible for incoming and out-going post and general dealings with their postal service providers.

- A quantitative approach was adopted using our in-house CATI (Computer Aided Telephone Interviewing) facility.
- A total sample of 1,002 businesses in the Republic of Ireland were interviewed.
- Quotas were set on industry sector and company size.
- The data was weighted at analysis stage, by industry sector and company size, to ensure it was representative of businesses in the Republic of Ireland.
- Comparisons are made with the 2009 benchmark survey, where relevant.
- Fieldwork was carried out between 16th September – 14th October, 2010.

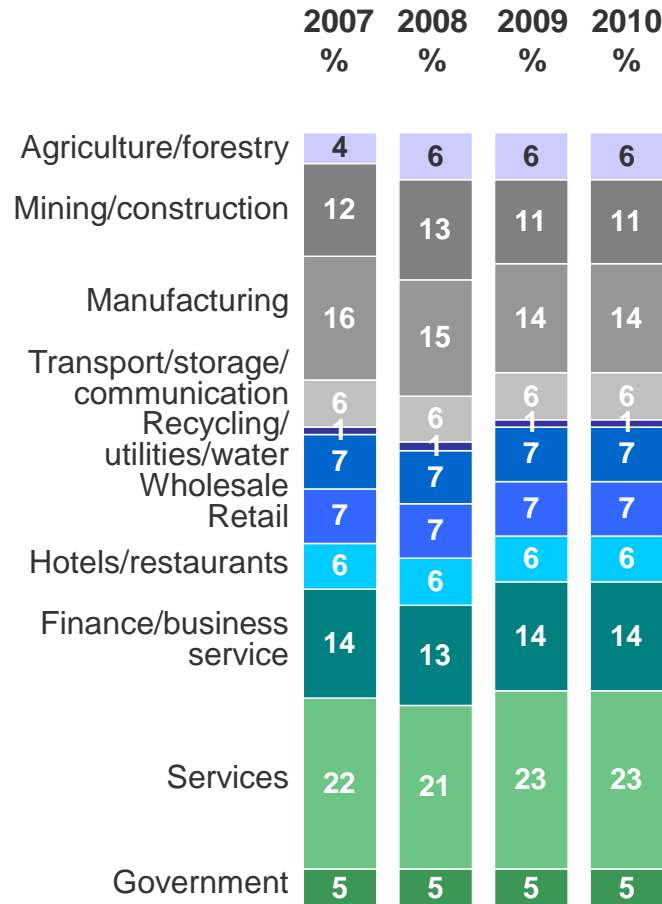


Company Profile

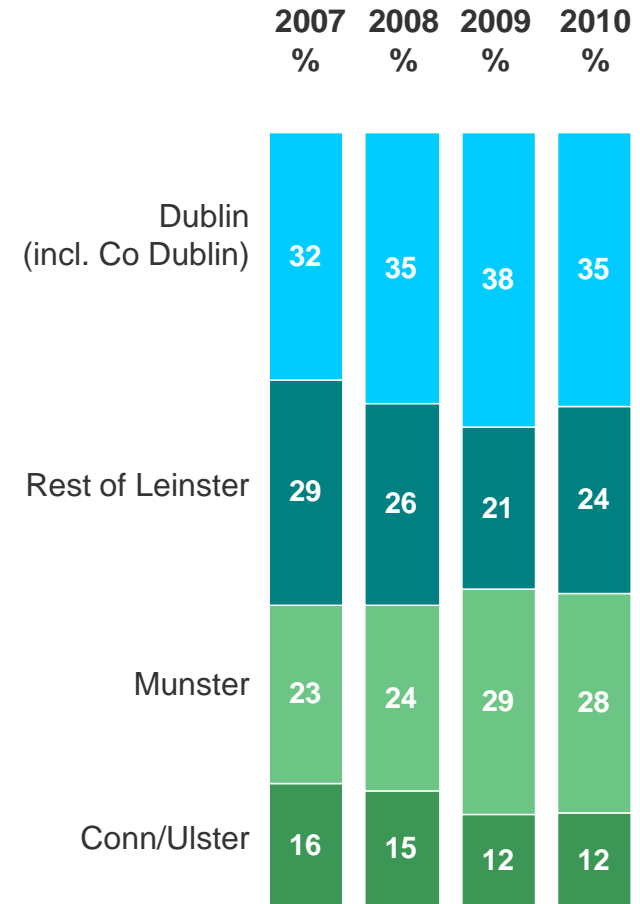
No. of Employees in Rol#



Industry Sector#



Region*



#Note: quotas were set according to 2009 data

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



Base: All SMEs/Corporates: 1,002

Ipsos MRBI

Note on Industry Classification

- In order to allow for robust analysis at broad industry sector level, some 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

- In 2010, **additional prompting was used:**

- **“Mail”** was clearly defined as:

any of the following - standard letters, large letters, packages and parcels whether sent by ordinary post, express or courier. Mail types DO NOT include unaddressed door drops

- Respondents were also prompted with an actual list of **other service providers** rather than referring to them collectively as was the case previously.

- Throughout the survey, Corporates and SMEs were defined as:

Corporates



100+ employees

SMEs



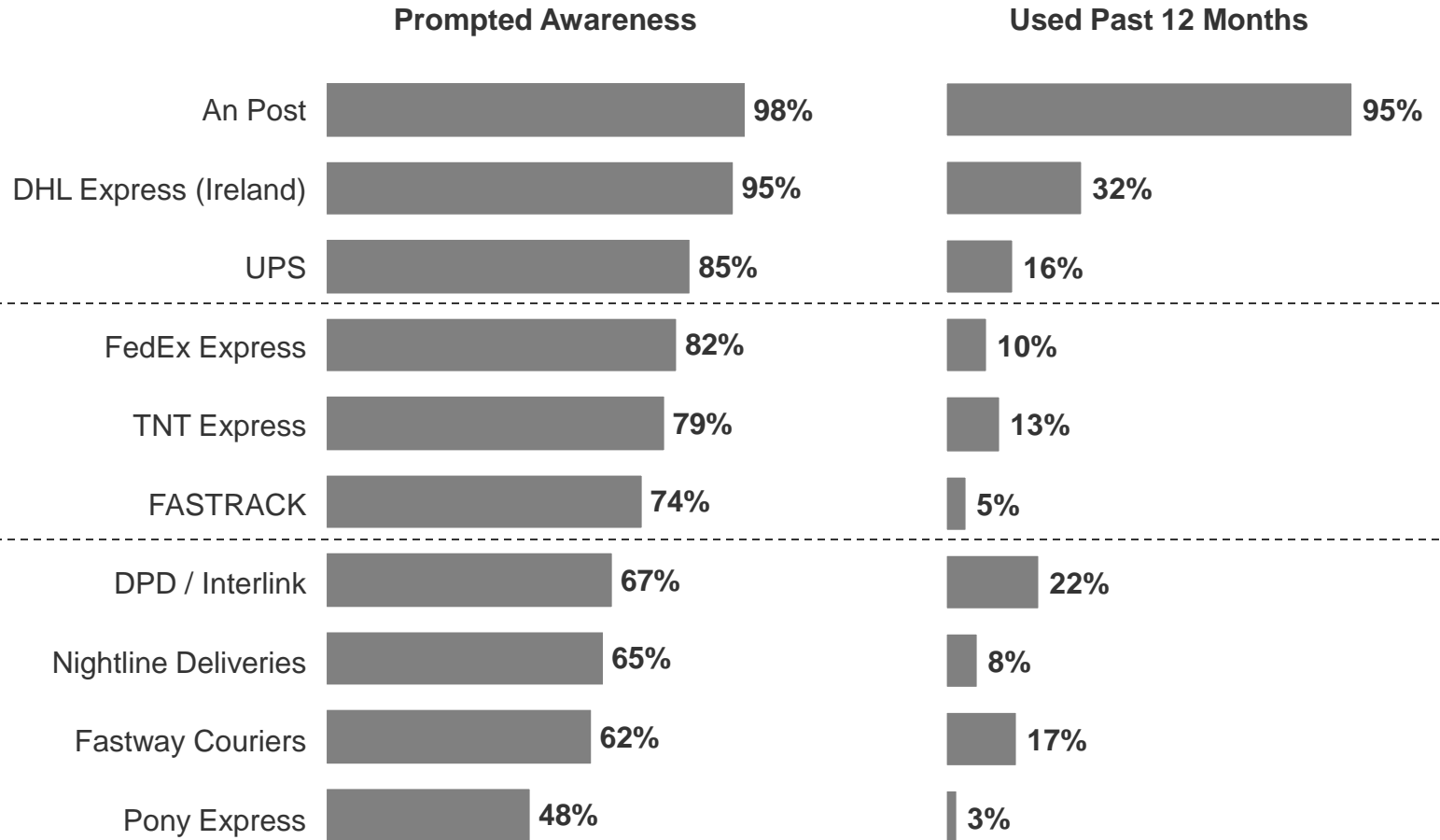
0-99 employees

Findings

Usage and Awareness Of Postal Service Providers

Awareness & Usage Of Companies That Send/Deliver Any Type Of Mail – 2010 Most Well Known

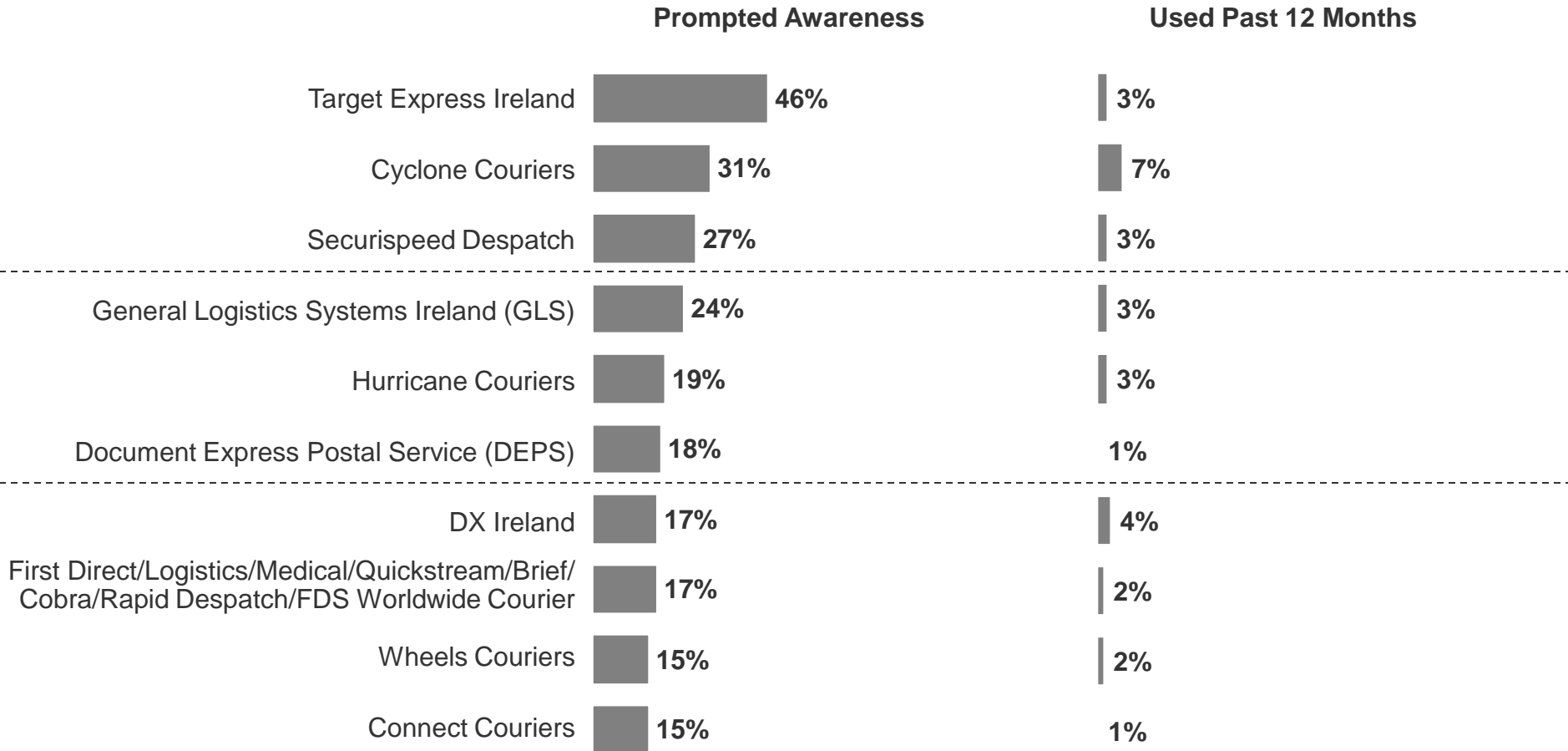
Q.1a Which of the following companies that send or deliver any types of mail, including ordinary, express or Courier, have you heard of?
 Q.1b And now please tell me which, if any of these companies have you used in the past 12 months?



An Post is used almost universally (95%) as a postal service provider by companies based in Ireland. Beyond An Post the market is highly fragmented.

Awareness & Usage Of Companies That Send/ Deliver Any Type Of Mail – 2010 Mid Level Awareness

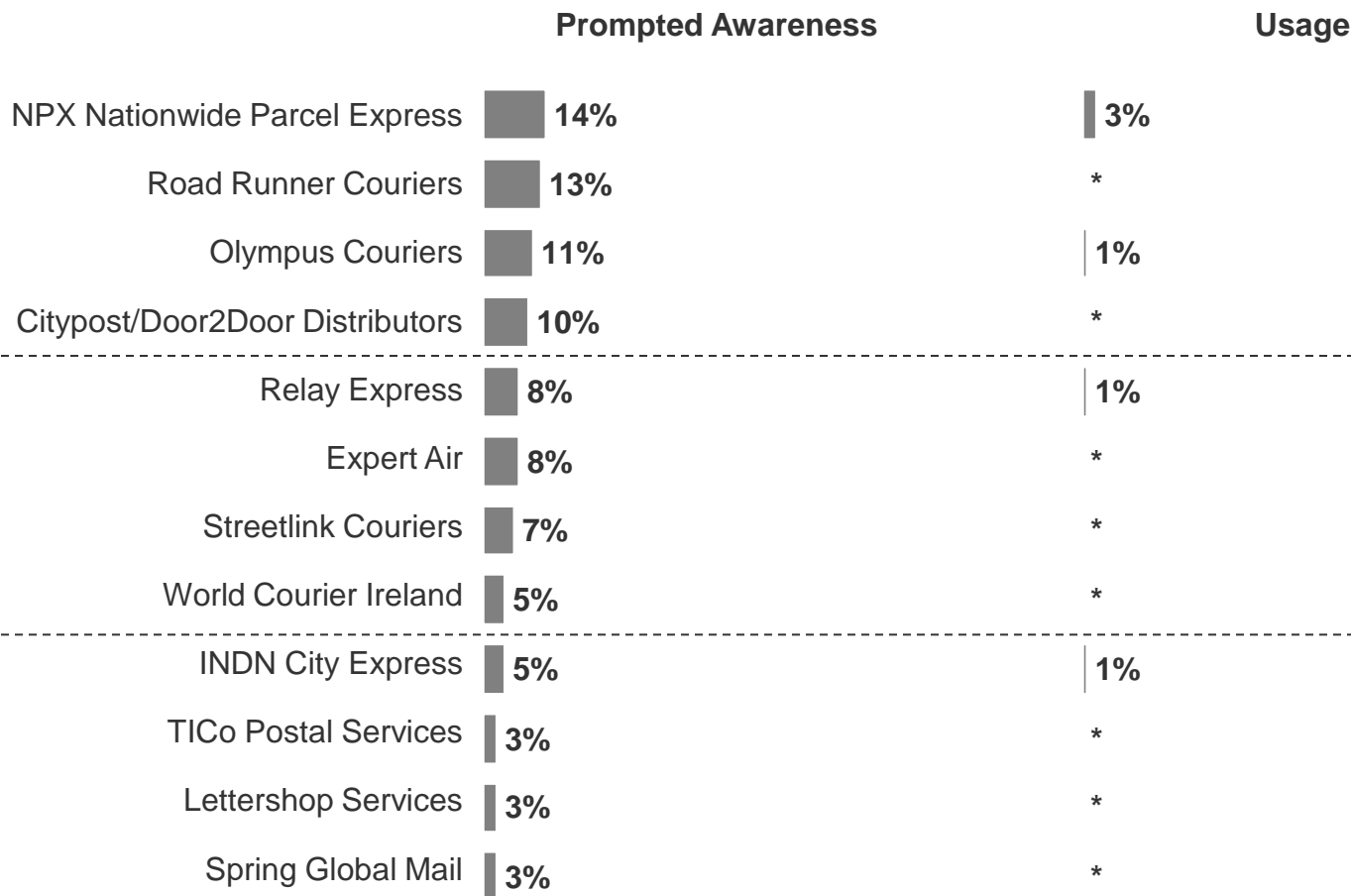
Q.1a Which of the following companies that send or deliver any types of mail, including ordinary, express or Courier, have you heard of?
Q.1b And now please tell me which, if any of these companies have you used in the past 12 months?



Amongst mid tier postal service companies, Target Express is the most well known, while Cyclone Couriers has the highest level of past year usage. Generally the market is highly fragmented with a large number of courier/express companies each enjoying modest levels of market penetration.

Awareness & Usage Of Companies That Send/Deliver Any Type Of Mail – 2010 Least Well Known

Q.1a Which of the following companies that send or deliver any types of mail, including ordinary, express or Courier, have you heard of?
 Q.1b And now please tell me which, if any of these companies have you used in the past 12 months?

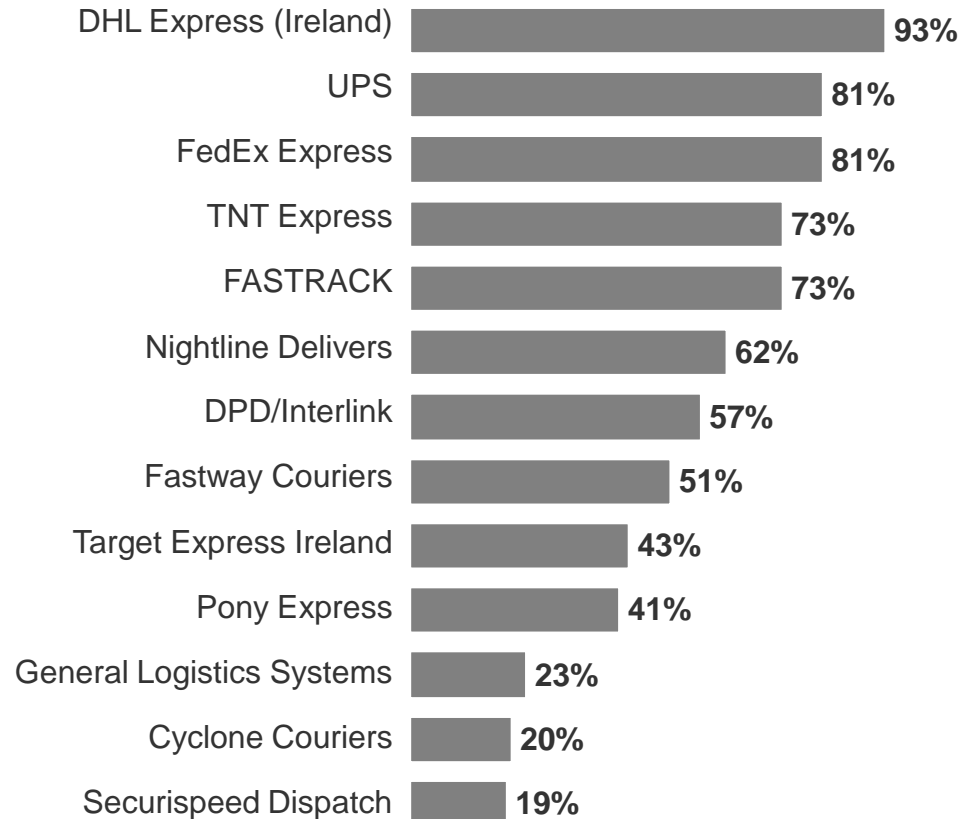
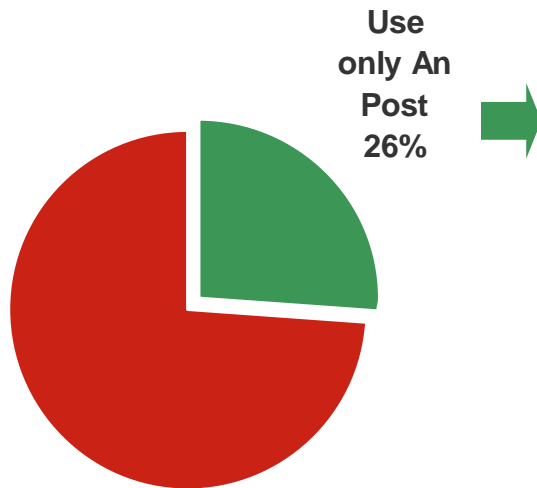


A number of the bottom one third of companies in awareness terms operate, currently, in niche sectors or for only a limited number of business customers.

Awareness Of Postal Service Providers Among Those Companies Using Only An Post – 2010

Q.1a Which of the following companies that send or deliver any types of mail, including ordinary, express or Courier, have you heard of?

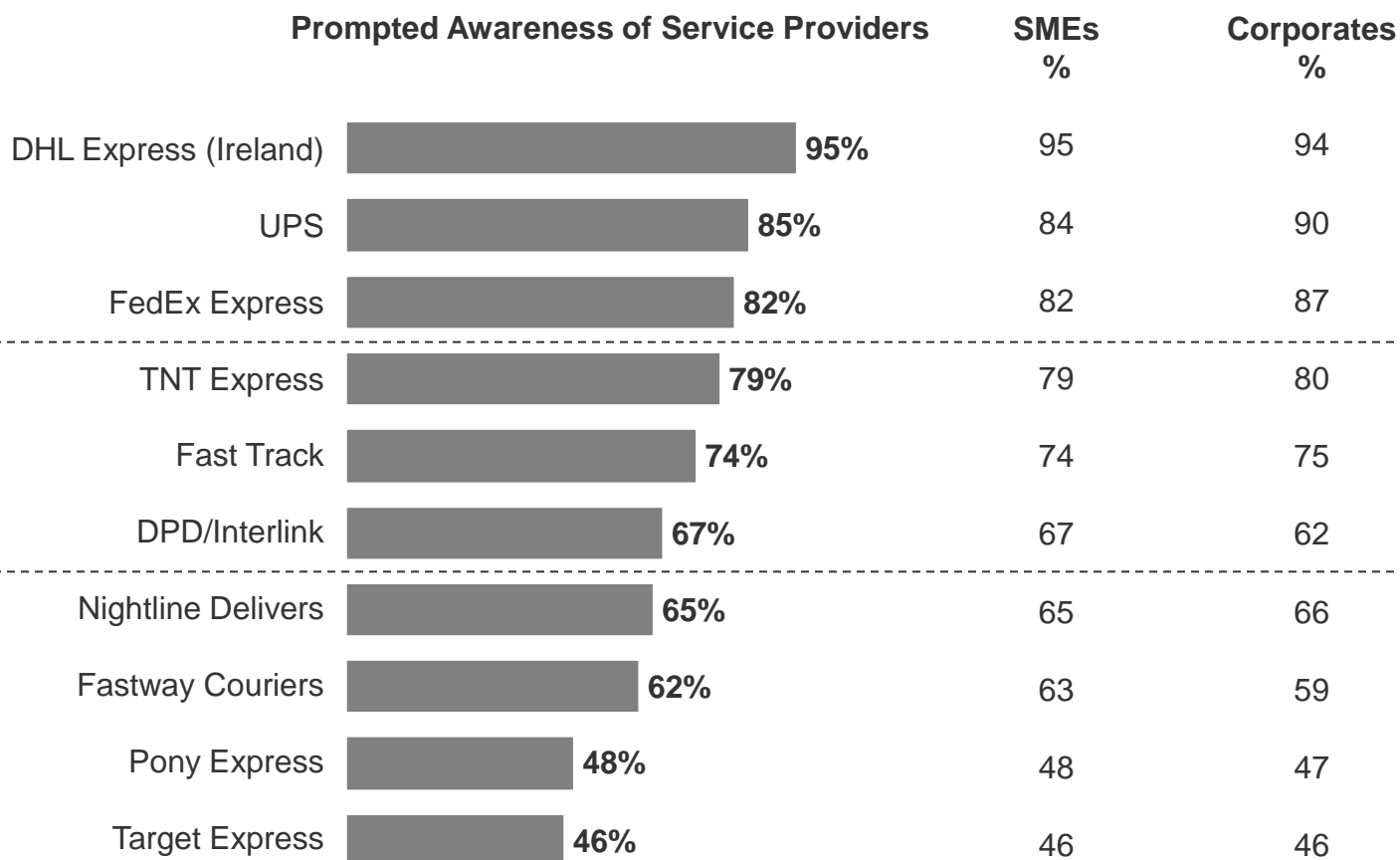
Prompted Awareness of Service Providers



Even amongst companies only using An Post, awareness of other service providers is high. Though An Post currently has a reserved monopoly for letters under 50g, it suggests that a lack of awareness of other service providers is not the key driver for using only An Post.

Aware of Other Postal Service Providers – Top Ten 2010

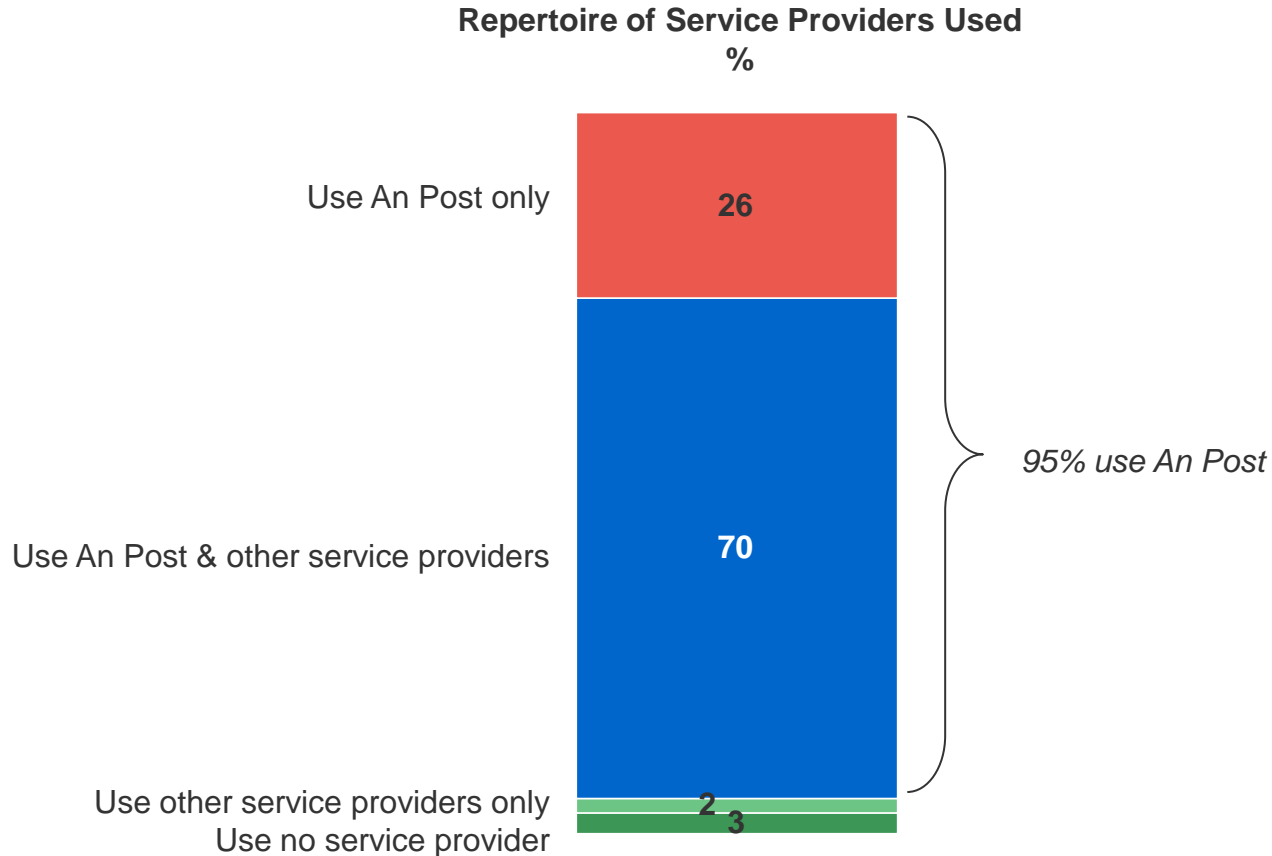
Q.1a Which of the following companies that send or deliver any types of mail, including ordinary, express or Courier, have you heard of?



Next to An Post, DHL Express is the most well known service provider amongst companies in Ireland.

Repertoire Of Service Providers Used - 2010

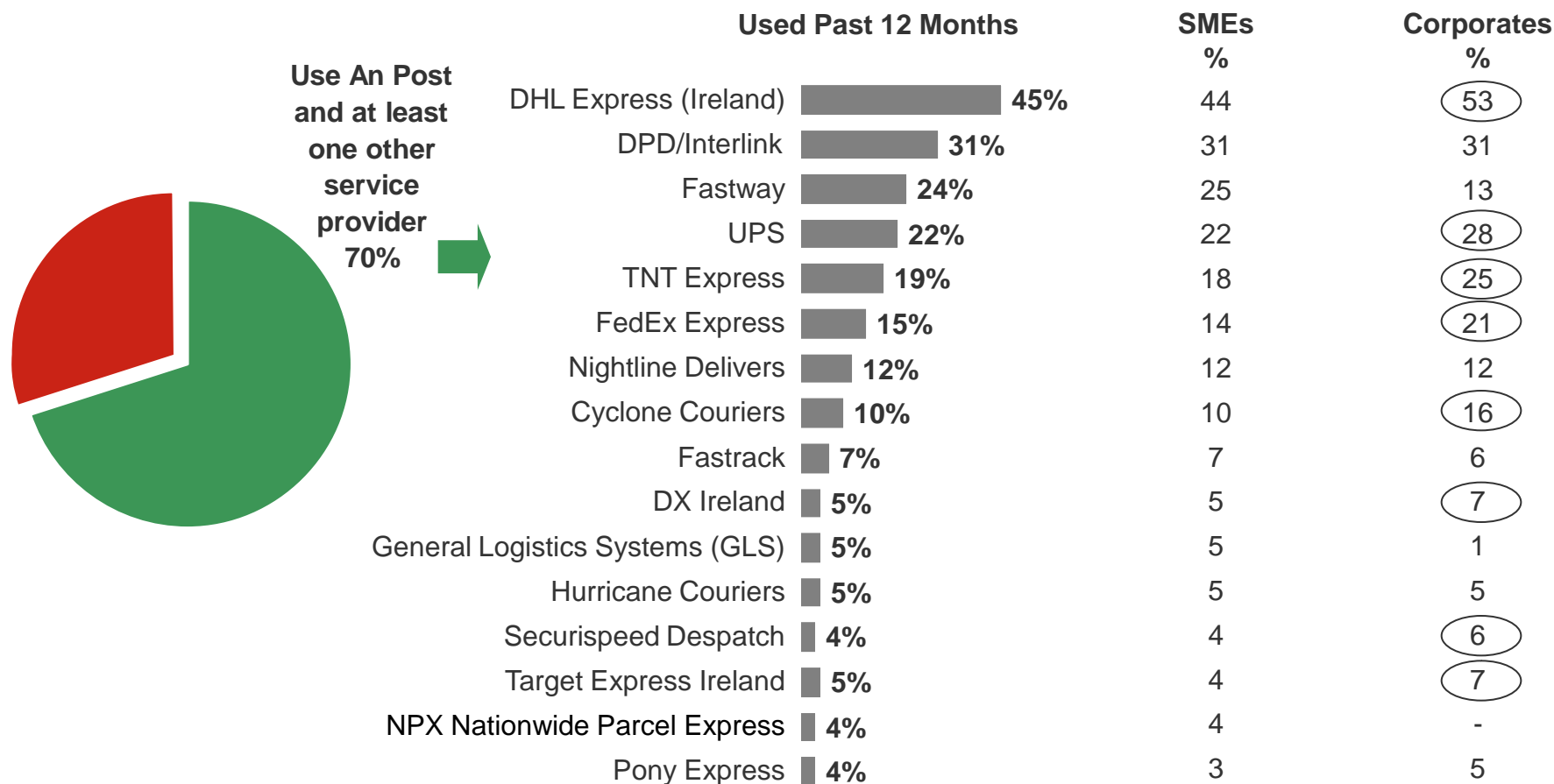
Q.1b And now please tell me which, if any of these companies have you used in the past 12 months?



One in four (26%) companies use only An Post, with seven in ten (70%) relying on at least one other provider for some of their mail services. Smaller companies (less than 10 employees) are most likely to use An Post only.

Other Postal Service Providers Used - 2010

Q.1b And now please tell me which, if any of these companies have you used in the past 12 months?

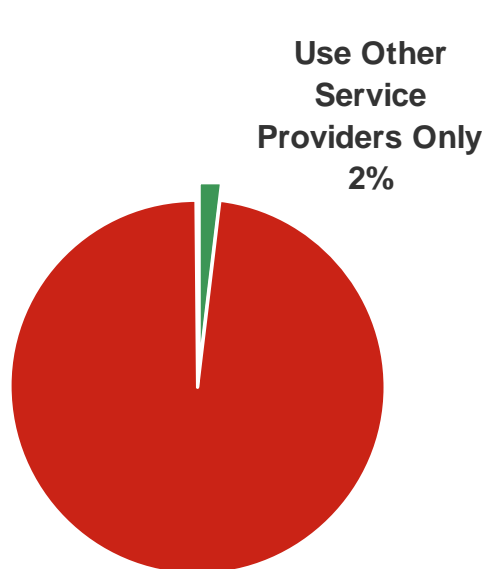


DHL Express (Ireland) and DPD/Interlink record the highest level of usage (next to An Post) while Fastway and UPS (in 3rd and 4th position) rank higher than in previous years. There are strong regional differences in usage levels with, for example, FedEx Express and Cyclone Couriers stronger in Dublin and Fastway and DPD Ireland stronger outside Dublin. In addition, Corporates (larger business) appear to have a wider repertoire of service providers.

Main Service Provider Used Amongst An Post Non-Users – 2010

Q.1b And now please tell me which, if any of these companies have you used in the past 12 months?

*** RAW NUMBERS ***



Used Past 12 Months

DPD/Interlink	7
DHL Express (Ireland)	5
UPS	4
TNT Express	4
Hurricane Couriers	3
Cyclone Couriers	2
Securisppeed Despatch	2
General Logistics Systems Ireland (GLS)	1
Fastway Couriers	1
NPX Nationwide Parcel Express	1

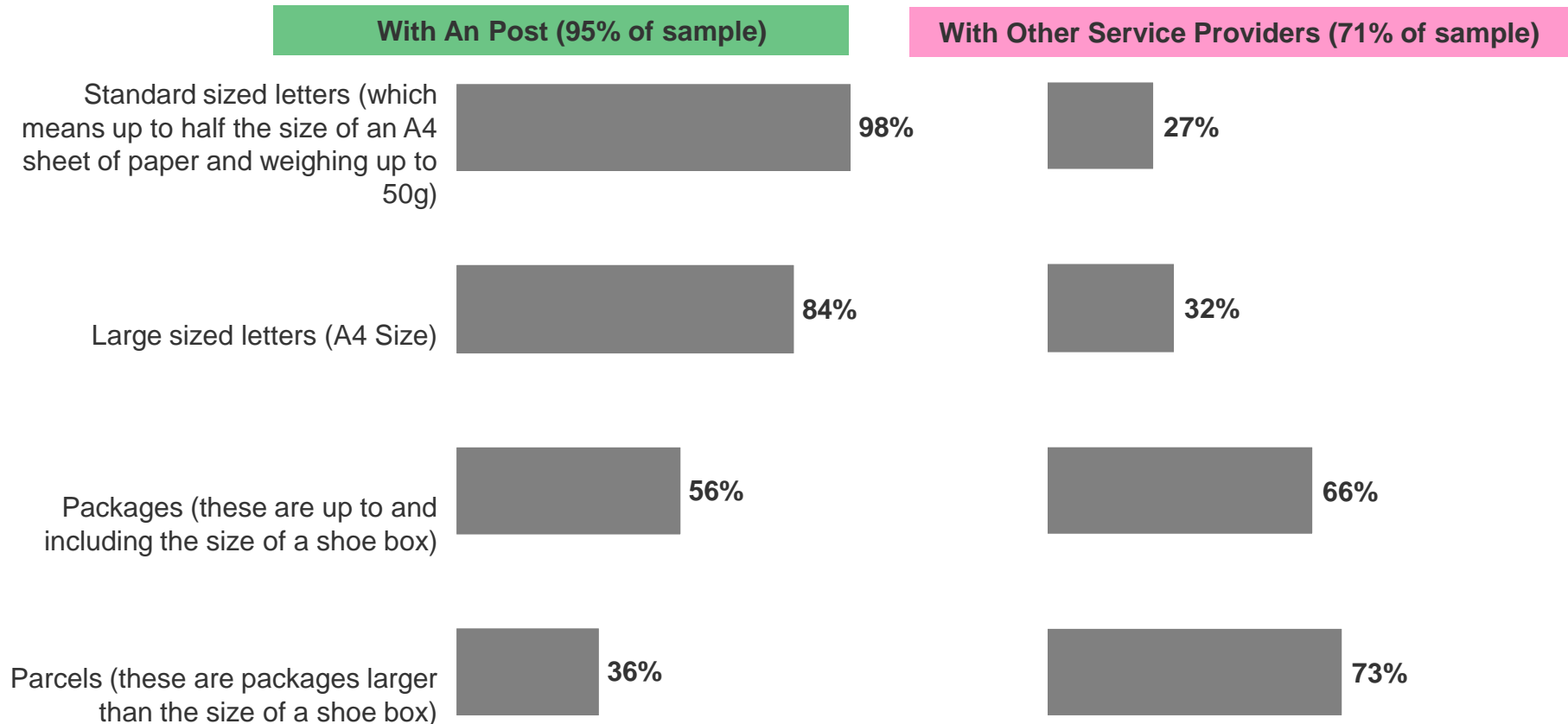
Of the very small proposition of companies (just 2%) who use other service providers only, DPD/Interlink and DHL Express (Ireland) record the highest level of usage.

Volumes of Mail Sent

Mail Sizes Sent – 2010

Q.2 Which of the following mail sizes does your company send with An Post?

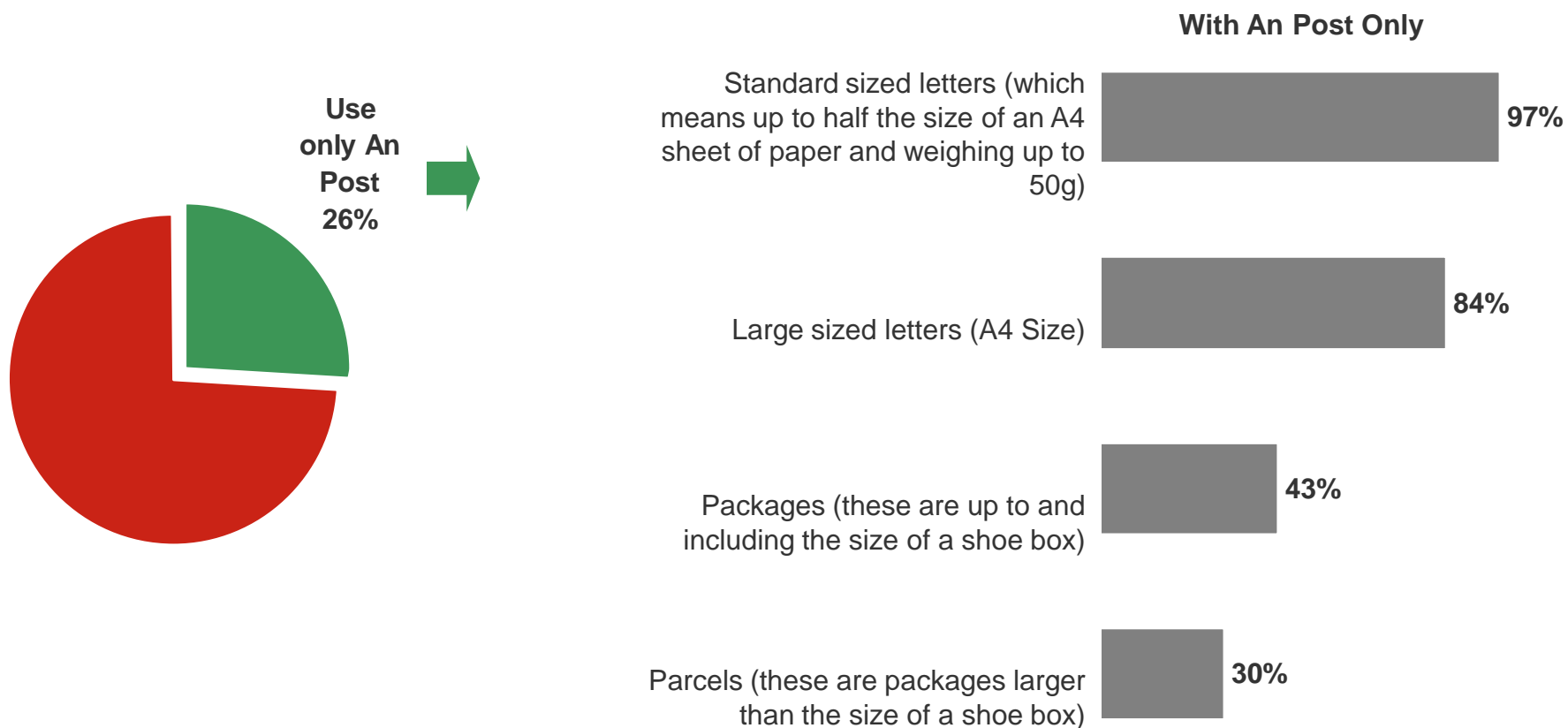
Q.20b Which of the following mail sizes does your company send with other postal service providers other than An Post?



Not surprisingly as An Post currently has a reserved area for letters under 50g, the company is used by almost all companies for sending standard sized or large sized letters. Companies that use other service providers tend to use these other providers for sending larger items such as packages and parcels.

Mail Sizes Sent By Companies Using Only An Post – 2010

Q.2 Which of the following mail sizes does your company send with An Post?

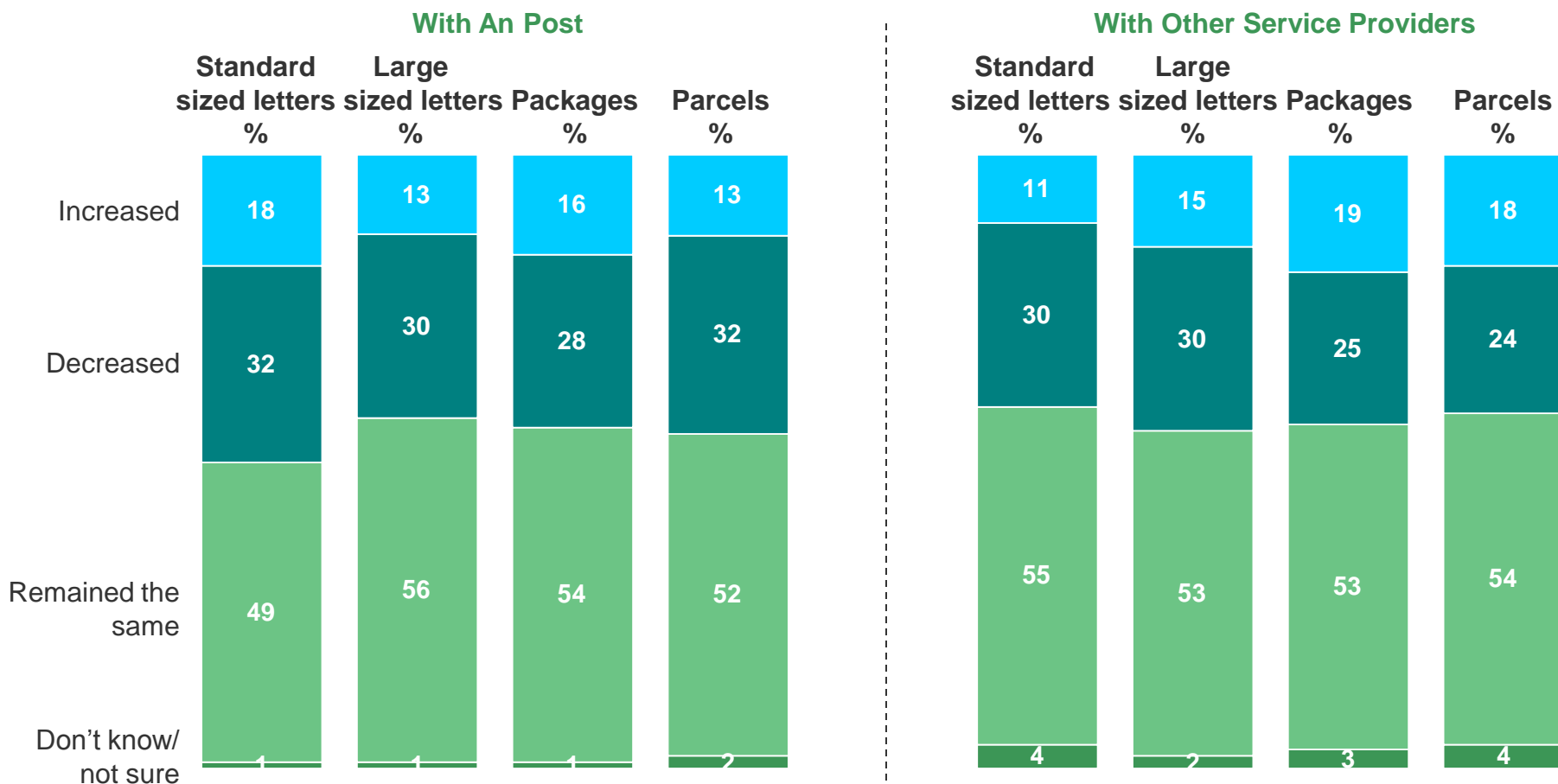


Amongst companies using An Post only, standard sized and large sized letters are the mail types most commonly sent.

Increase/Decrease In Proportion of Mail Sizes Sent In Past Year – 2010

Q.3 Do you think the number of _____ (insert each mail type mentioned at Q.2) your company sends with An Post in the past 12 months has increased, decreased or remained the same?

Q.21 Do you think the number of (insert each mail type mentioned at Q.20B) your company sends with other postal service providers other than An Post in the past 12 months has increased, decreased or remained the same?



For all sizes and for all service providers, including An Post, the decreased percentage is higher than the increased percentage, perhaps suggesting a reduction in the level of mail being sent by Irish businesses in the past year. In the packets and parcels mail streams, the margin between decrease and increase for other service providers is less than it is for An Post.

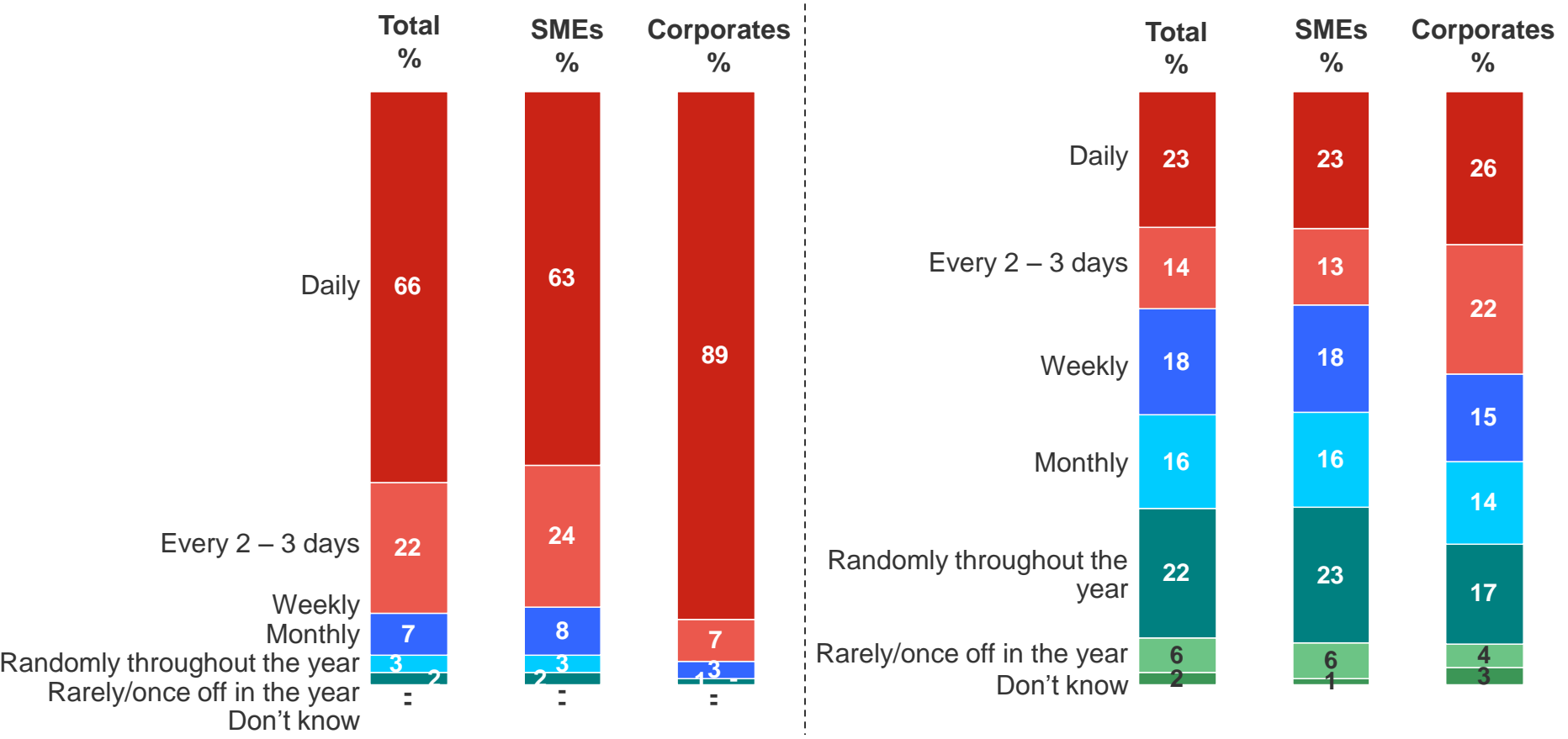
Frequency Of Sending Mail In Past Year – 2010

Q.4 In the past 12 months, how frequently did your company send mail with An Post? Would that be ...?

Q.22 In the past 12 months, how frequently did your company send mail with other postal service providers other than An Post. Would that be....?

With An Post (95% of sample)

With Other Service Providers (71% of sample)



Two thirds of companies claim to use An Post on a daily basis, particularly Corporates whereas companies are more likely to use other service providers less frequently throughout the year, reflecting the more occasional need to send parcels and packages.

Base: All An Post Users: 955; SMEs: 688; Corporates: 267
 All Other Service Providers Users: 702; SMEs: 487; Corporates: 215

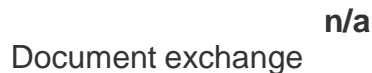
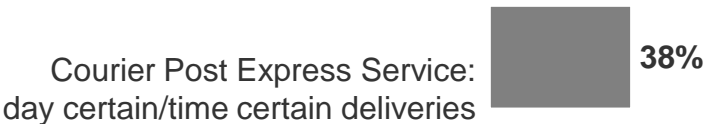
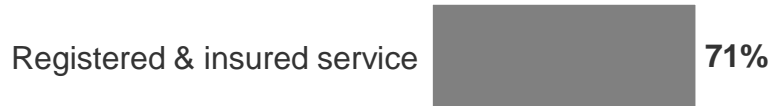


Postal Services Used - 2010

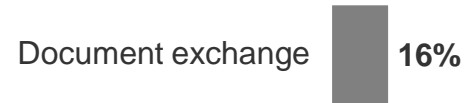
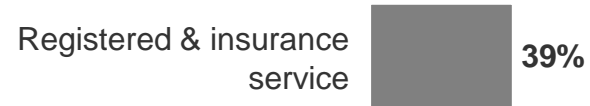
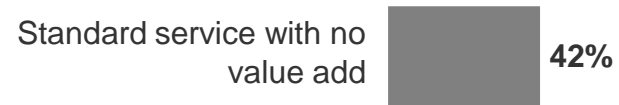
Q.5 *And which of the following postal services does your company use with An Post for sending mail?*

Q.23a *And which of the following postal services does your company use with other postal service providers other than An Post for sending mail?*

With An Post (95% of sample)



With Other Service Providers (71% of sample)


















Due to the current reserved area, the standard service remains the backbone of the An Post proposition, with other service providers most relevant for courier & express services.

Base: All An Post Users: 955
All Other Service Providers Users: 702

Reasons For Using Other Postal Service Providers

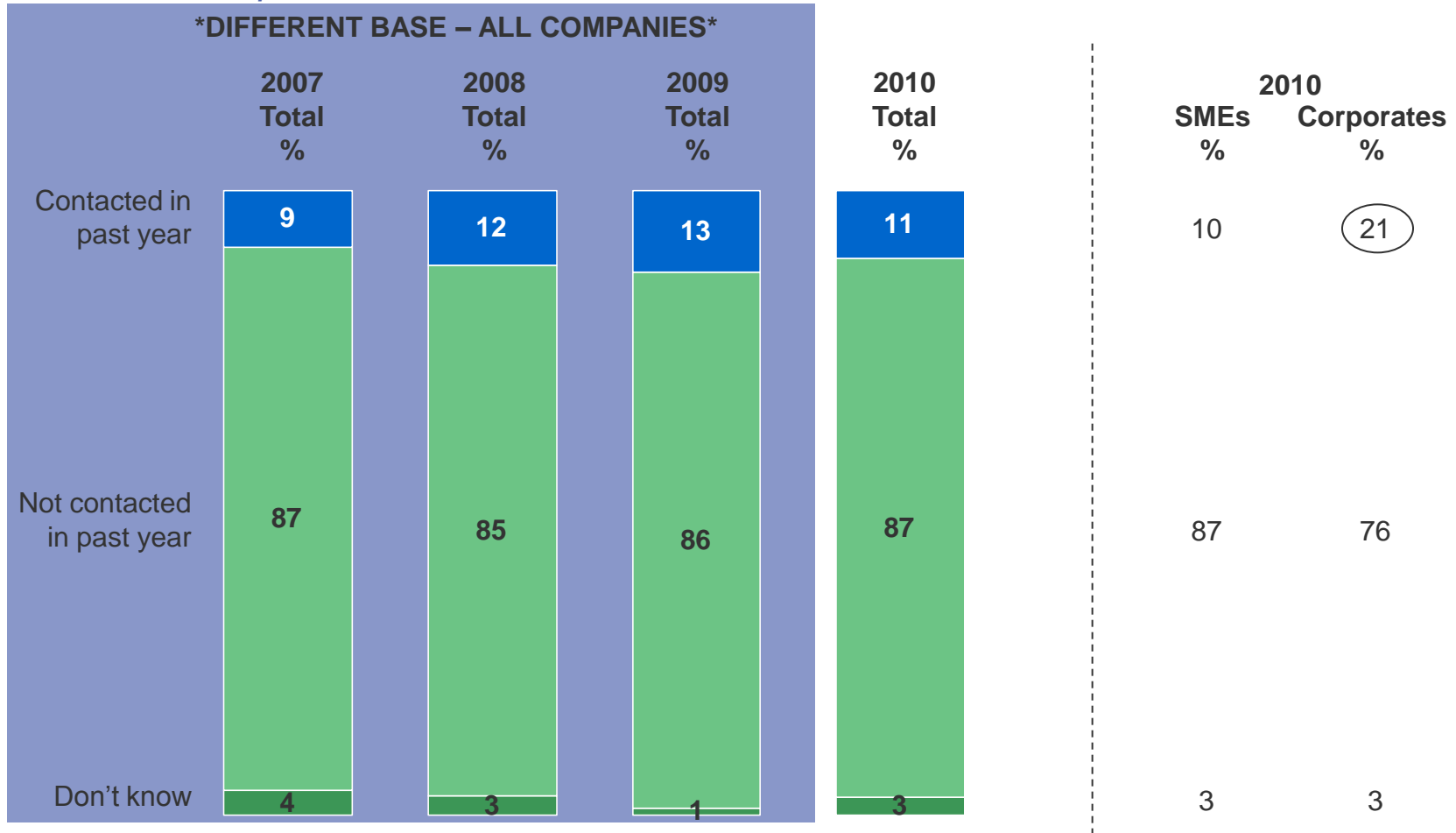
Q.32 Finally, why do you choose to use the services of _____ (service provider mentioned at Q.1b/service provider used most often at Q.23c) rather than An Post?

2008 %	2009 %		2010	2010	
				SMEs %	Corporates %
15	15	Cheaper/volume discount*	 25%	26	17
37	33	Faster/more efficient	 17%	17	20
13	14	Reliable/guaranteed tracking	 13%	13	16
7	2	Company policy/decision made by someone else	 12%	11	17
20	13	Guaranteed next day delivery	 9%	9	10
n/a	n/a	Good for delivery of volume/large/heavy weights	 7%	7	6
n/a	n/a	Collection from premises	 6%	6	4
2	1	Better customer service	 6%	6	2
6	8	Same day collection/delivery*	 5%	5	3
n/a	n/a	International deliveries/tracking	 5%	5	10
1	*	Local post	 5%	6	3
n/a	n/a	Convenience (unspecified)	 4%	4	2
n/a	n/a	Unaware An Post had courier service/other services i.e. deliver heavy weights	 3%	3	1
n/a	n/a	An Post does not offer service required i.e. weekend deliveries	 3%	3	2
7	10	For important/urgent documents	 3%	3	3

While price is the most cited reason for using other mail service providers, there are many other reasons, including speed, reliability (guaranteed tracking/next day delivery) and flexibility (collection from premises). For Corporates reliability is more important than it is for SMEs.

Level of Contact By Other Service Providers

Q.18 Have you been contacted by a postal services service provider other than An Post in the past year with information on their service products?

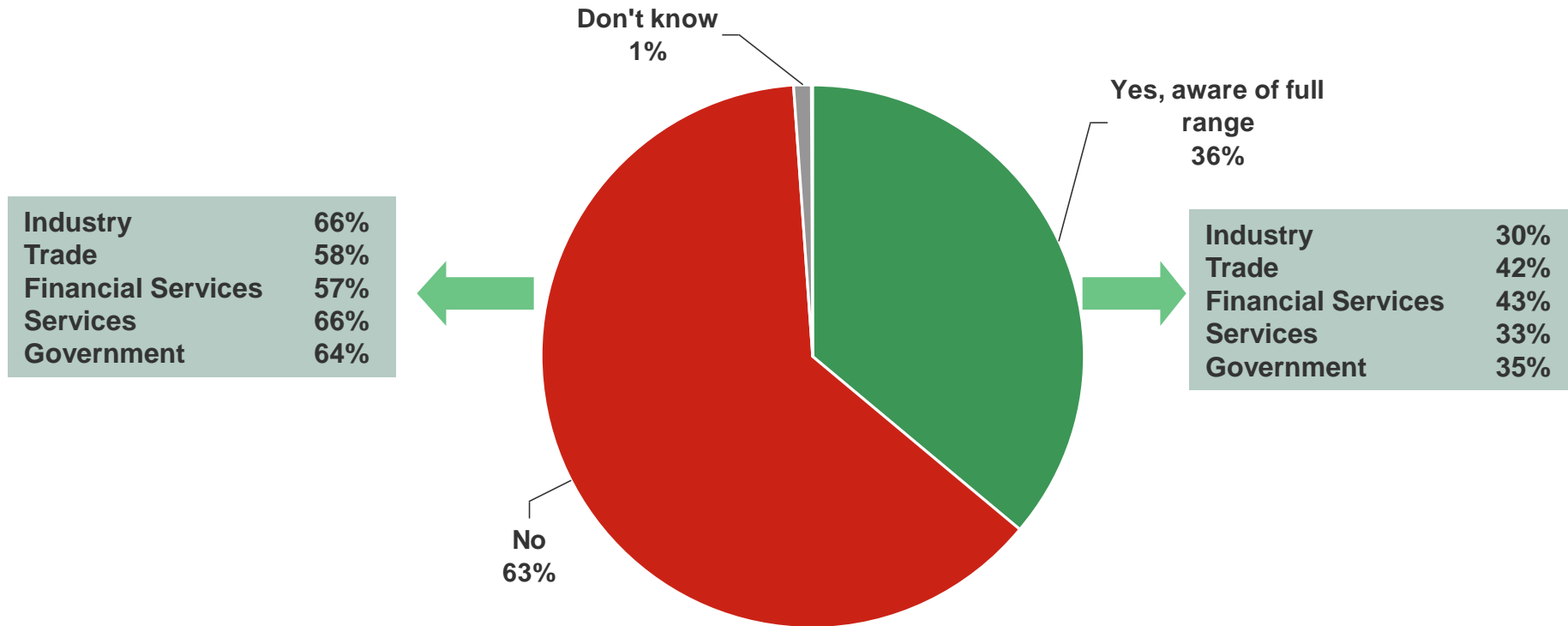


One in ten companies using only An Post claim to have been contacted by a postal service provider other than An Post in the past year with information on their service products. Corporates are more likely to be targeted for new business.

Base: All those aware of other service providers but using An Post only: 260
SMEs: 206 Corporates: 54

Awareness Of Full Range Of Postal Services Offered By Other Providers – 2010

Q.19 And are you aware of the full range of postal services that [other] postal service providers offer?



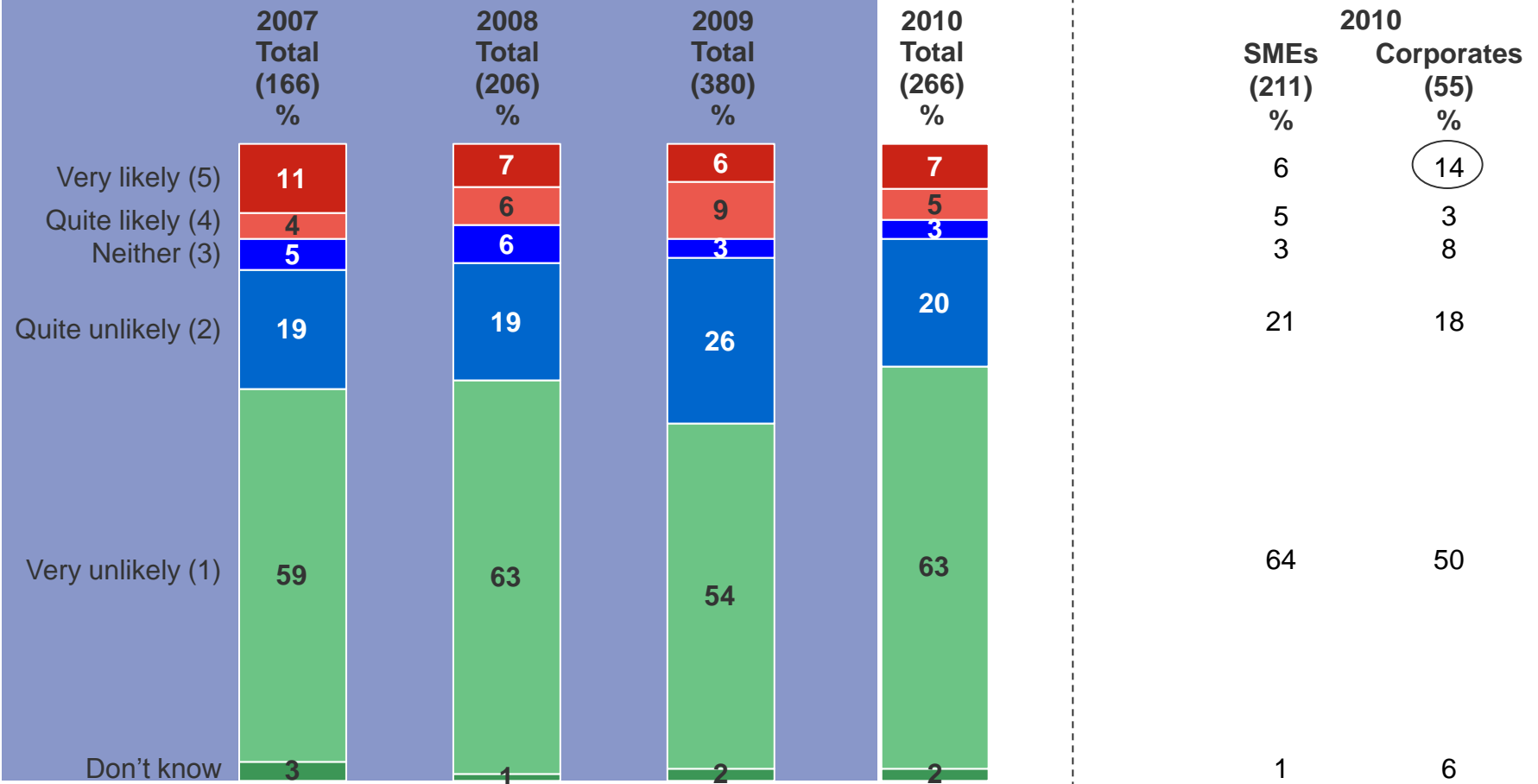
More than one third (36%) of non users of other service providers claim to be aware of the full range of services they offer. However, almost two in three (63%) are not aware of the full range.

Likelihood Of Switching From An Post To Another Service Provider For The Sending or Delivery of Postal Items

Q.17 How likely is your company to use a company other than An Post for the sending or delivery of postal items within the next 12 months?

DIFFERENT BASE DEFINITION

ALL THOSE AWARE OF OTHER SERVICE PROVIDERS, BUT CURRENTLY ONLY USING AN POST

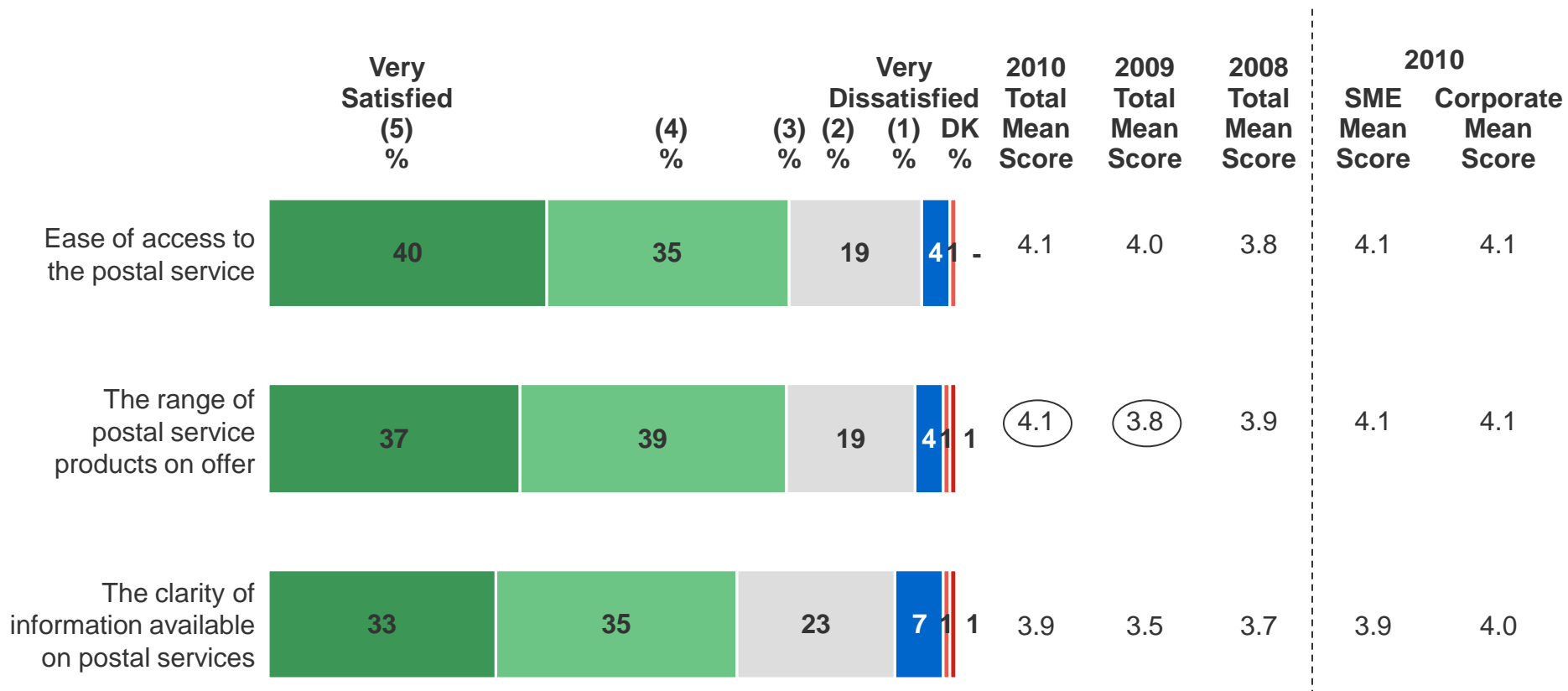


Of those companies that only use An Post, the majority are quite unlikely/very unlikely to switch from An Post to another service provider. A small minority (just 7%) are 'very likely' to switch in the next year. However, Corporates (17% 'quite likely/very likely' to switch) are more likely to perceive a benefit in switching. An Post's monopoly in the letters markets up to 50g may also be a reason for companies to declare not to switch.

Attitudes To The Postal Service

Satisfaction with the Postal Service In General

Q.32a Now thinking about Ireland's postal service in general, how satisfied or dissatisfied are you with the following aspects, using a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied?

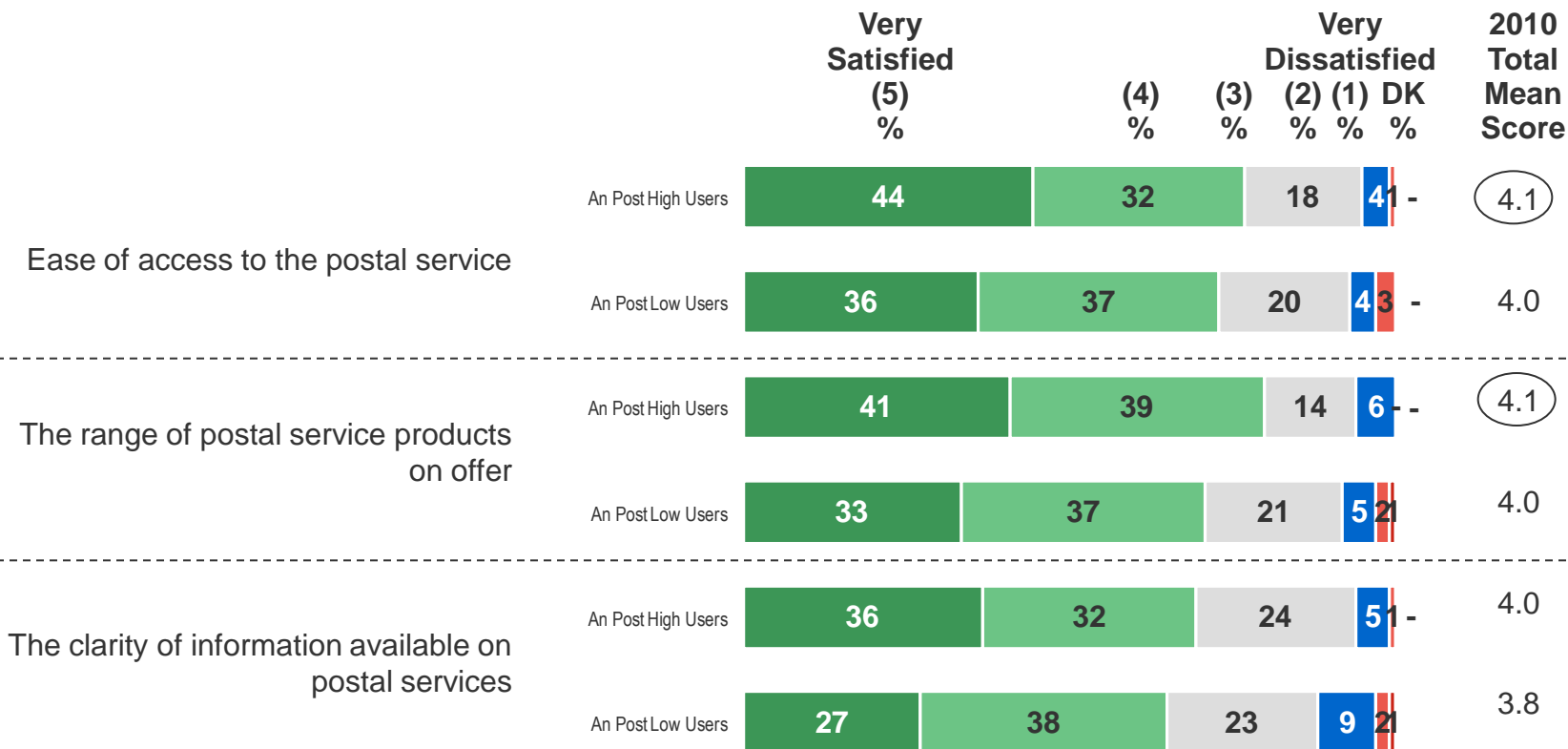


2010 shows an increase in satisfaction with the postal service in general, in particular for “the range of postal service products on offer”, which registered a mean score of 4.1 in 2010 compared to 3.8 in 2009.

Satisfaction with the Postal Service

- An Post High Users Vs. An Post Low Users

Q.32a Now thinking about Ireland's postal service in general, how satisfied or dissatisfied are you with the following aspects, using a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied?



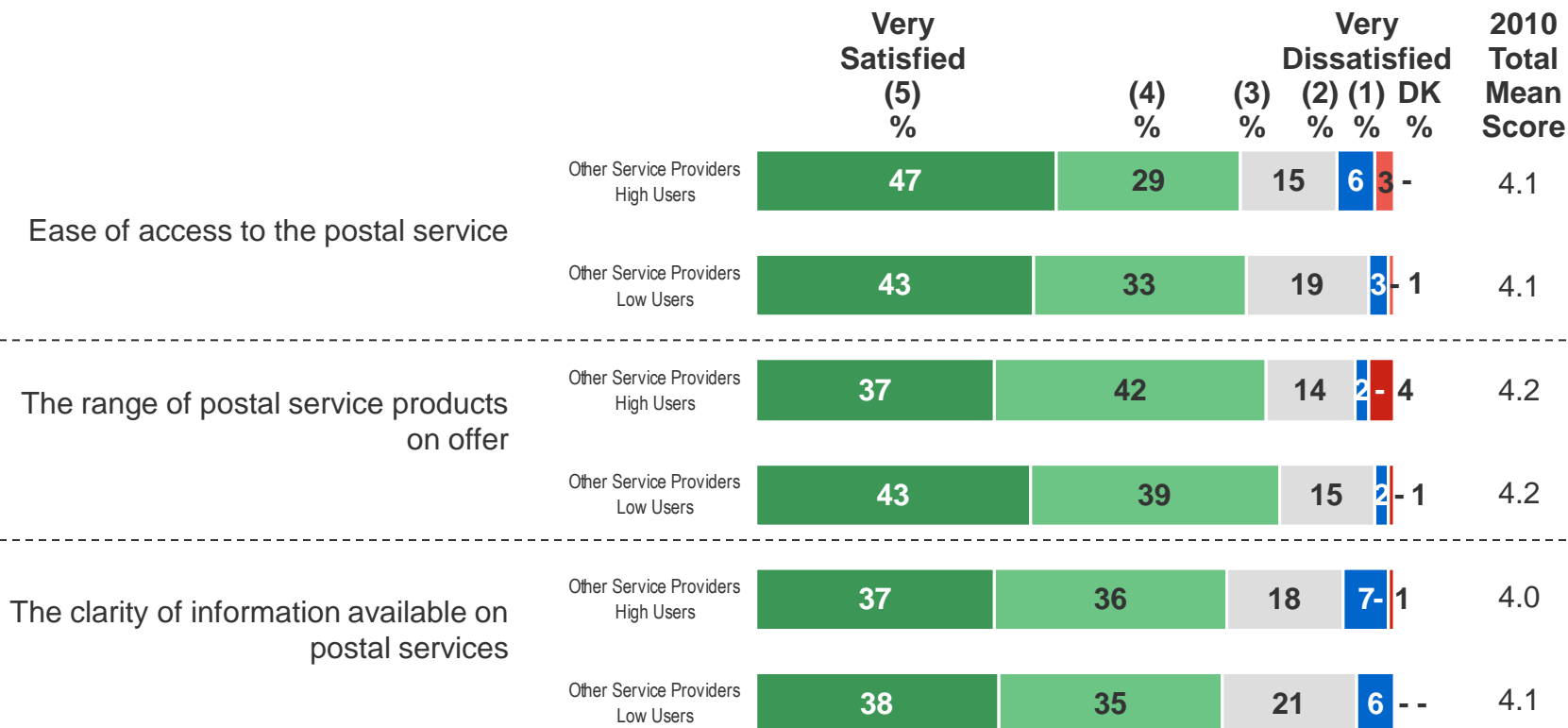
An Post High Users tend to be slightly more satisfied than An Post Low Users.

Base: All An Post High Users: 211

Base: All An Post Low Users: 333

Satisfaction with the Postal Service – Other Service Providers High Users Vs. Low Users

Q.32a Now thinking about Ireland's postal service in general, how satisfied or dissatisfied are you with the following aspects, using a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied?



For other service providers the levels of businesses satisfied/ very satisfied is broadly similar for High and Low Users.

Base: All Other Service Providers High Users: 122

Base: All Other Service Providers Low Users: 309

Satisfaction with An Post Services

Q.7 I am going to read out a list of aspects related specifically to 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 is very satisfied.

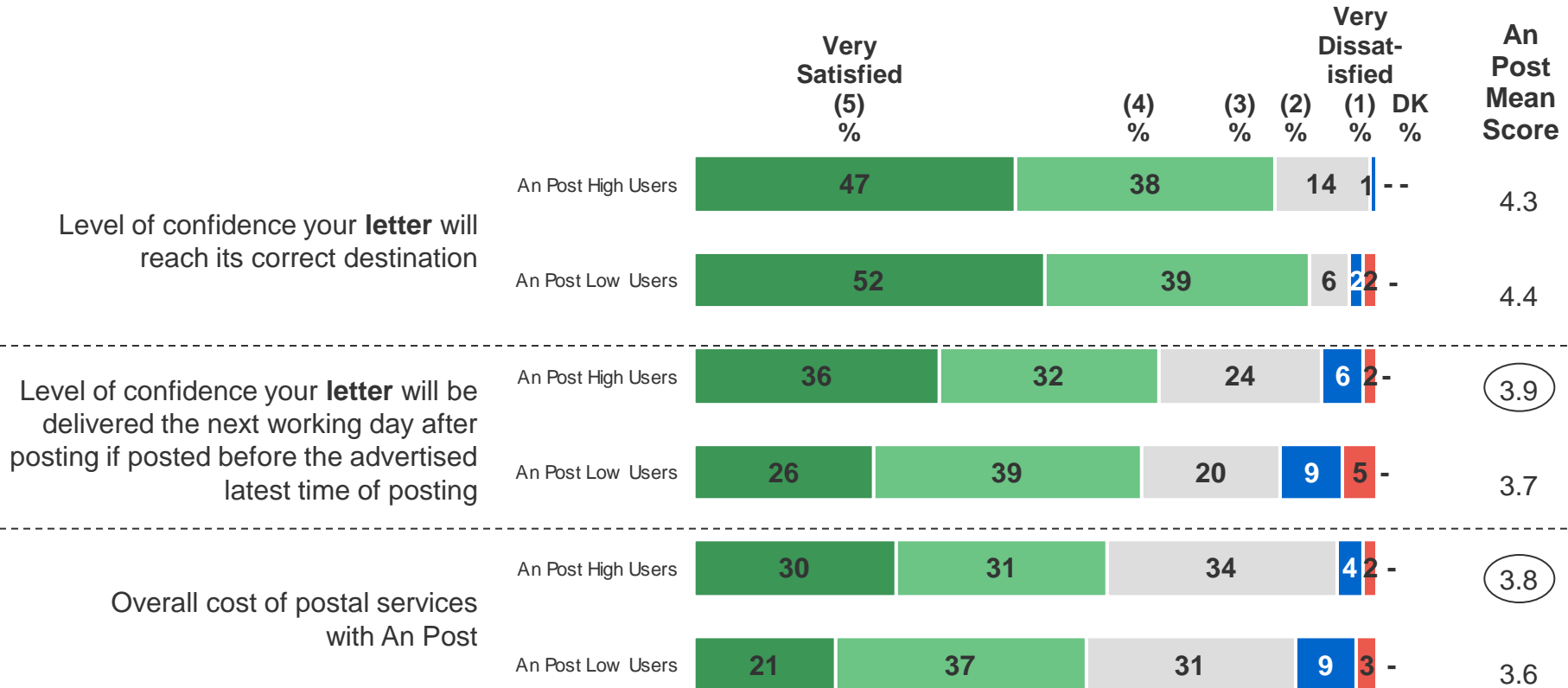


In 2010, while an increase in satisfaction with An Post is noted across all three performance dimensions, 12% of users remain dissatisfied with An Post with regard to confidence in next day delivery. In particular, 9 in 10 (91%) of An Post users are now satisfied that their letter will reach its correct destination.

Satisfaction with An Post Services

- An Post High Users Vs. An Post Low Users

Q.7 I am going to read out a list of aspects related specifically to 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 is very satisfied.



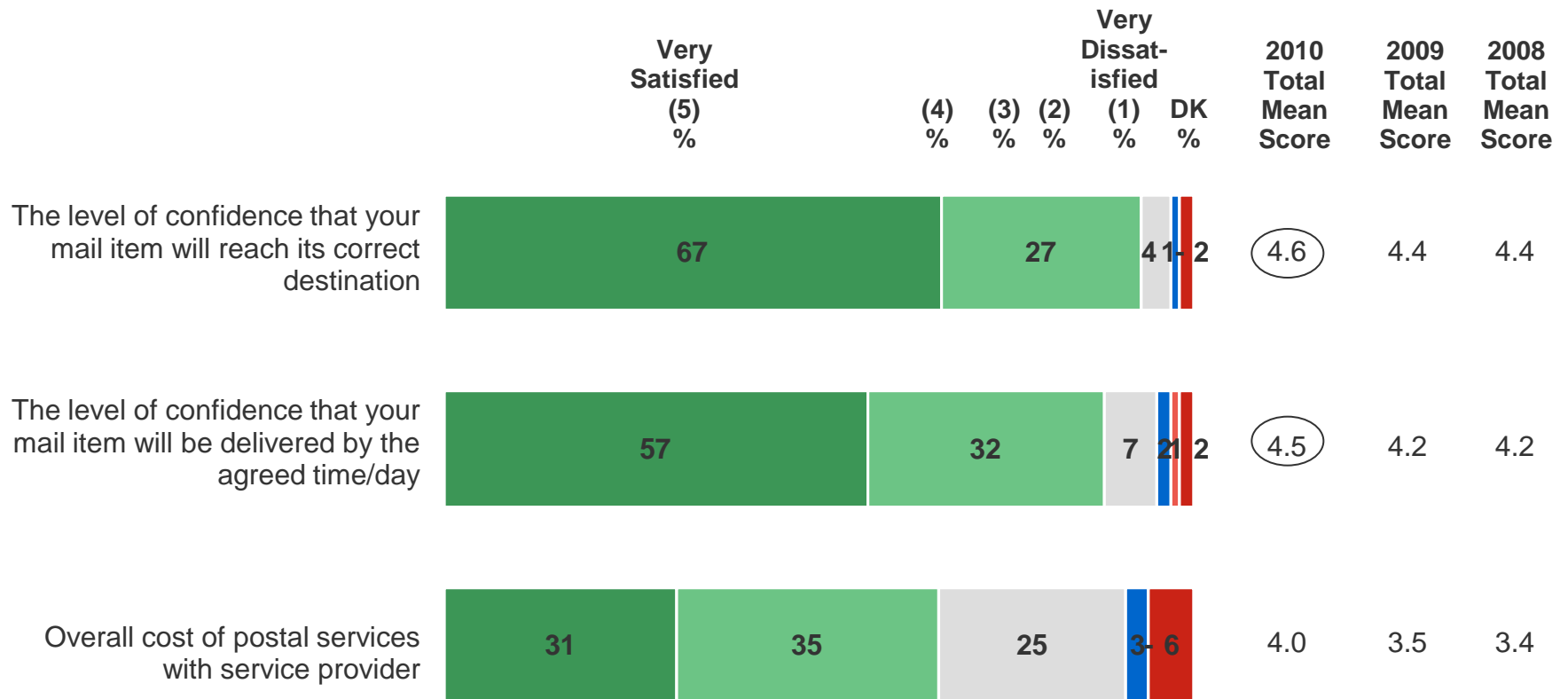
An Post High Users register slightly higher mean scores compared to An Post Low Users. In particular, Low Users are less satisfied for the “level of confidence your letter will be delivered the next working day” and the “overall cost of postal services with An Post”.



Base: All An Post High Users: 211
All An Post Low Users: 333

Satisfaction with Other Service Providers

Q.24 I am going to read out a list of aspects related specifically to _____ (service provider mentioned at Q.1b /service provider used most often at Q.23c). 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 is very satisfied.



For other service providers, who are more focused on Courier/Express services, satisfaction with how often a mail item arrives at the correct destination, on time are, as we would expect, very high.

Satisfaction with Other Service Providers - Other Service Providers High Users Vs. Low Users















Q.24 I am going to read out a list of aspects related specifically to _____ (service provider mentioned at Q.1b /service provider used most often at Q.23c). 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 is very satisfied.



Other Service Providers High Users tend to be more satisfied with the “overall cost of postal services with service provider” whereas Other Service Provider Low Users tend to be marginally more satisfied than High Users for how often a mail item arrives at the correct destination, on time.

Desired Improvements to the Postal Service – All Users

Q.45 And finally what improvements to the Postal Service would you like to see, if any, that would have a positive impact on your Business?

2008 %	2009 %		2010	2010	
				SMEs %	Corporates %
22	24	Cheaper prices/services*	 24%	24	26
1	8	Greater reliability/security/less missing post/misdirected post/guaranteed deliveries*	 7%	7	6
6	6	Earlier delivery times/more deliveries*	 6%	6	8
6	6	Faster/more efficient service/deliveries*	 6%	6	8
6	5	Next day deliveries/guaranteed next day delivery*	 6%	6	4
3	3	Later collection times/more collection times*	 5%	6	2
n/a	n/a	More competition/open up the market	 3%	3	3
n/a	n/a	Better tracking system/proof of international delivery	 2%	2	3
4	3	More local post offices/more access to services/no reduction in services	 2%	2	2
n/a	n/a	Early/late opening hrs/open during lunchtime/Saturday/weekend service	 3%	3	3
3	3	Good/better customer service/barter information/communication/friendlier staff*	 3%	3	5
n/a	n/a	On site pick up service	 2%	2	2
n/a	n/a	Reduce queues in the post offices/improve efficiency	 2%	2	1
21	25	Nothing/no suggestions	 32%	31	38

In line with previous years, nearly one quarter (24%) of companies would like to see cheaper prices/services made available to them. That said, the various service improvements mentioned (more reliable, earlier delivery time, faster, later collection times etc.) when aggregated would place service ahead of cost as the most desired improvement category.

**Slight change of wording in 2010*



Desired Improvements to the Postal Service – An Post Users

Q.45 And finally what improvements to the Postal Service would you like to see, if any, that would have a positive impact on your Business?

2008 %	2009 %		Total	An Post	
				Low Users %	High Users %
22	24	Cheaper prices/services*	24%	21	27
1	8	Greater reliability/security/less missing post/misdirected post/guaranteed deliveries*	7%	7	6
6	6	Earlier delivery times/more deliveries*	6%	5	11
6	6	Faster/more efficient service/deliveries*	6%	7	8
6	5	Next day deliveries/guaranteed next day delivery*	6%	6	6
3	3	Later collection times/more collection times*	5%	7	8
n/a	n/a	More competition/open up the market	3%	2	5
n/a	n/a	Better tracking system/proof of international delivery	2%	1	3
4	3	More local post offices/more access to services/no reduction in services	2%	3	1
n/a	n/a	Early/late opening hrs/open during lunchtime/Saturday/weekend service	3%	4	1
3	3	Good/better customer service/barter information/communication/friendlier staff*	3%	4	5
n/a	n/a	On site pick up service	2%	2	2
n/a	n/a	Reduce queues in the post offices/improve efficiency	2%	2	2
21	25	Nothing/no suggestions	32%	34	29

High Users of An Post are, not surprisingly, keener to see lower prices. For Low Users, easier access and more flexible opening hours are relatively more important to them.

**Slight change of wording in 2010*



Answers under 2% not shown

Base: All An Post Low Users: 333
All An Post High Users: 211

Ipsos MRBI

Desired Improvements to the Postal Service – Other Service Provider Users

Q.45 And finally what improvements to the Postal Service would you like to see, if any, that would have a positive impact on your Business?

2008 %	2009 %		Total	Other Service Providers	
				Low Users %	High Users %
22	24	Cheaper prices/services*	24%	20	31
1	8	Greater reliability/security/less missing post/misdirected post/guaranteed deliveries*	7%	6	11
6	6	Earlier delivery times/more deliveries*	6%	7	9
6	6	Faster/more efficient service/deliveries*	6%	4	7
6	5	Next day deliveries/guaranteed next day delivery*	6%	6	4
3	3	Later collection times/more collection times*	5%	6	6
n/a	n/a	More competition/open up the market	3%	2	7
n/a	n/a	Better tracking system/proof of international delivery	2%	1	3
4	3	More local post offices/more access to services/no reduction in services	2%	3	1
n/a	n/a	Early/late opening hrs/open during lunchtime/Saturday/weekend service	3%	5	2
3	3	Good/better customer service/barter information/communication/friendlier staff*	3%	2	3
n/a	n/a	On site pick up service	2%	2	5
n/a	n/a	Reduce queues in the post offices/improve efficiency	2%	2	3
21	25	Nothing/no suggestions	32%	32	26

Compared to Low Users, High Users of Other Service Providers are generally more demanding of improvements in the postal service, looking for cheaper prices, greater reliability, more competitive and better tracking.

*Slight change of wording in 2010



Answers under 2% not shown

Base: All Other Service Providers Low Users: 309
All Other Service Providers High Users: 122

Ipsos MRBI

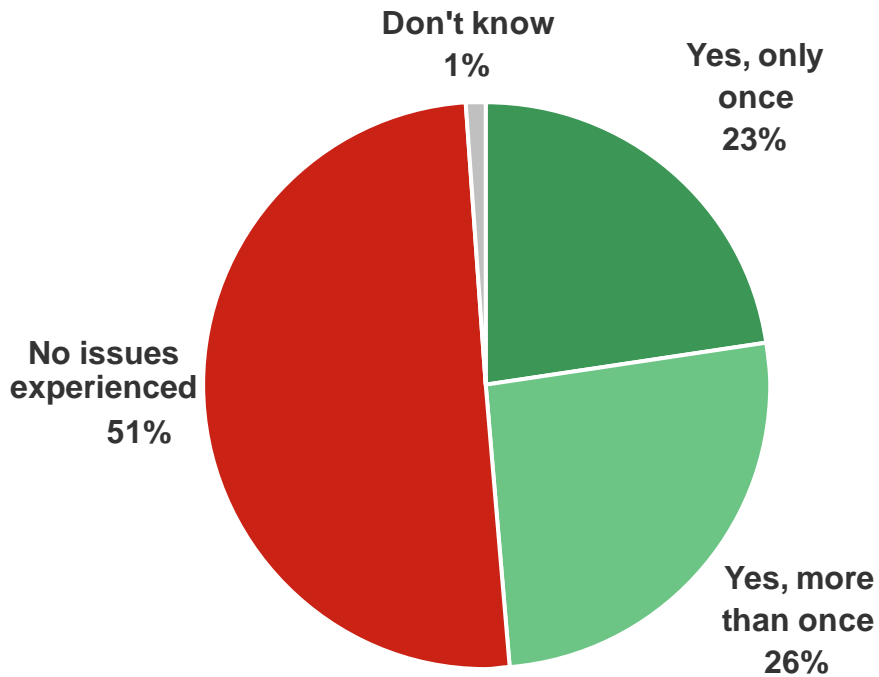
Complaints Experience

Incidence of Experiencing Issues In Past Year

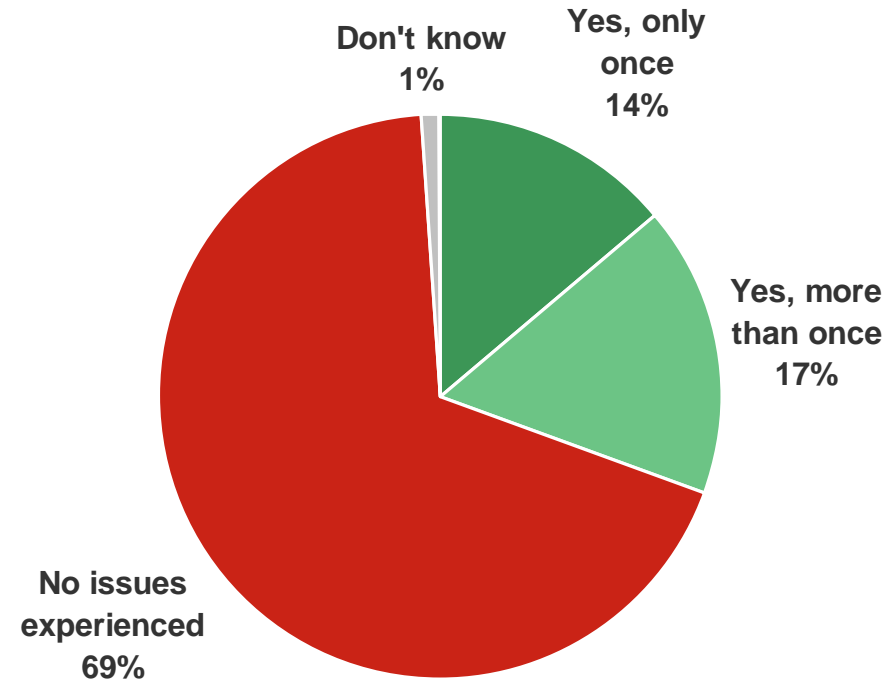
Q.10 In the past 12 months did your company experience any of the following issues with the service provided by An Post?

Q.27 In the past 12 months did your company experience any of the following issues with the service provided by _____
(service provider mentioned at Q.1b/ service provider used most often at Q.23c)?

Any Issues With An Post?



Any Issues With Other Service Provider?

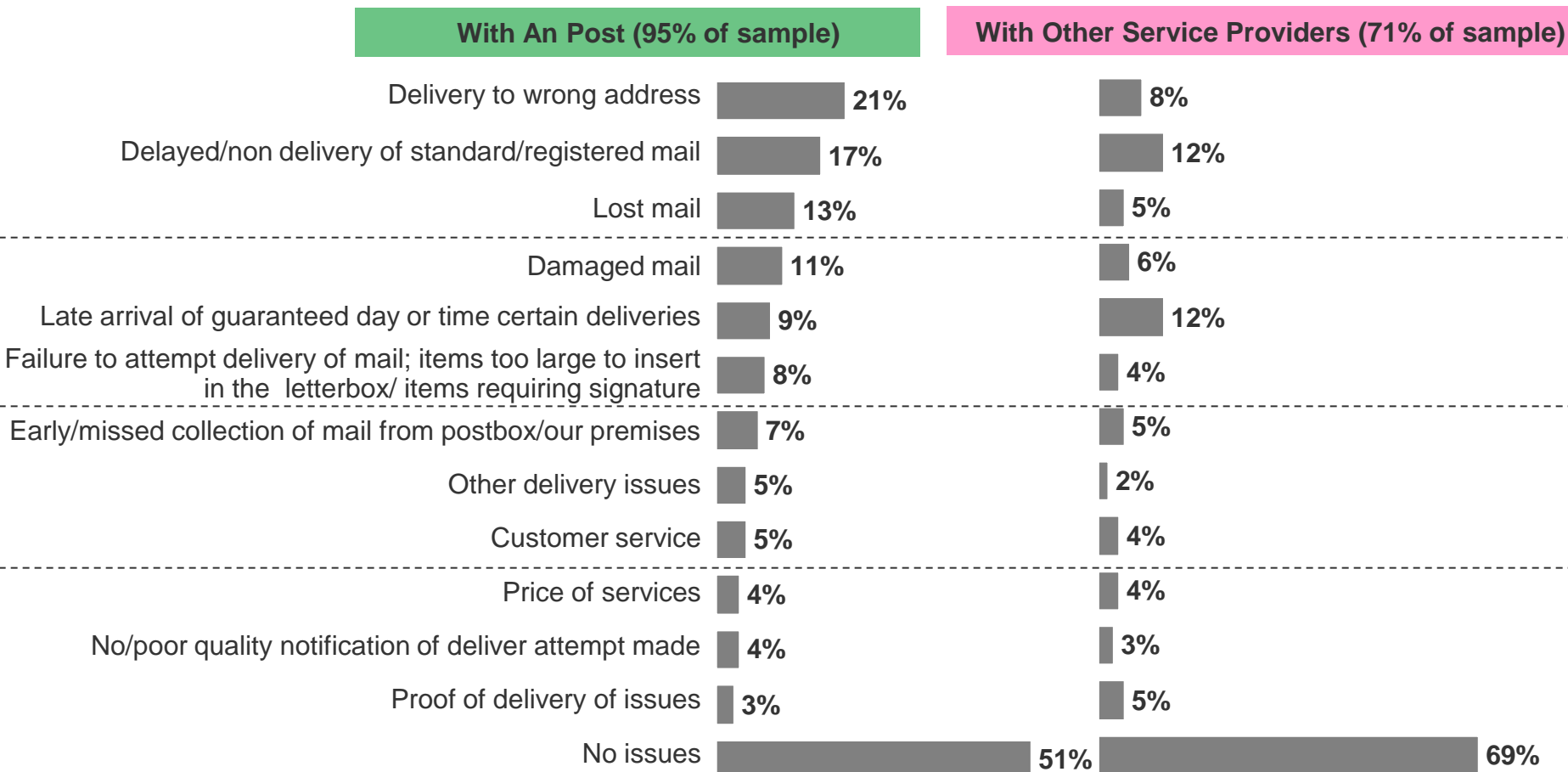


One in two An Post Users (49%) have experienced an issue with An Post in the past year, compared with one in three (31%) who had issues with Other Service Providers.

Types of Issues Experienced In Past Year - 2010

Q.10 In the past 12 months did your company experience any of the following issues with the service provided by An Post?

Q.27 In the past 12 months did your company experience any of the following issues with the service provided by _____ (service provider mentioned at Q.1b/ service provider used most often at Q.23c)?

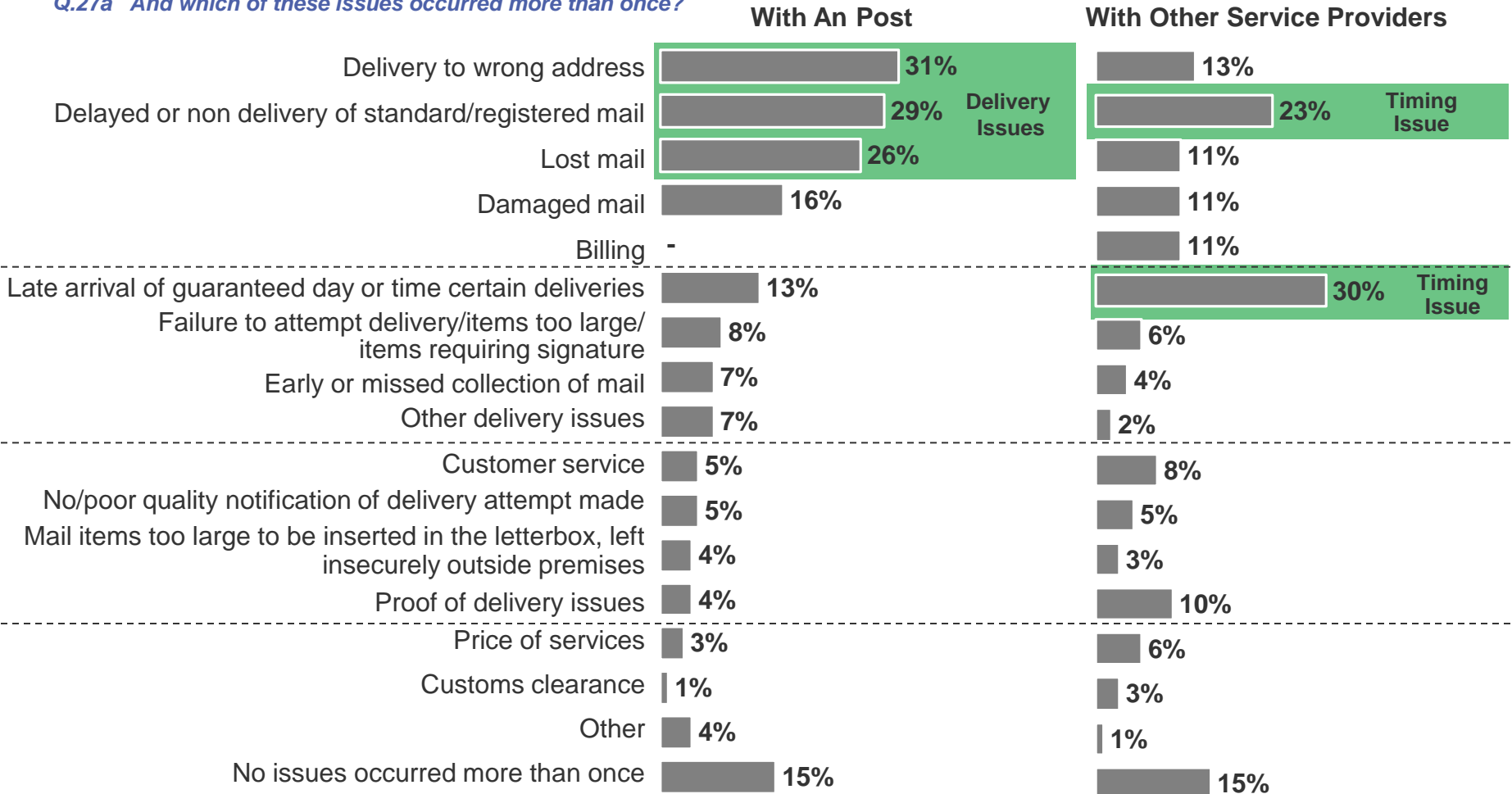


Of those using An Post, delivery to wrong address, delayed/non delivery of standard/registered mail and lost or damaged mail are the most commonly mentioned issues. Of those using other service providers, delayed/non delivery of standard/registered mail and late arrival of guaranteed day/time certain deliveries are the most frequently mentioned issues. Almost all issues relate to expectations around the basic service, with price and customer service not regarded as an “issue” by companies.

Issues That Arose More Than Once In Past Year - 2010

Q.11 And which of these issues occurred more than once?

Q.27a And which of these issues occurred more than once?



Of those using An Post, delivery to wrong address, delayed or non delivery of standard/registered mail and lost mail emerge as the main issues that arose more than once. Of those using other service providers, late arrival of guaranteed daytime certain deliveries and delayed or non delivery of standard/registered mail are the main issues than arose more than once.



Mentions <3% not shown

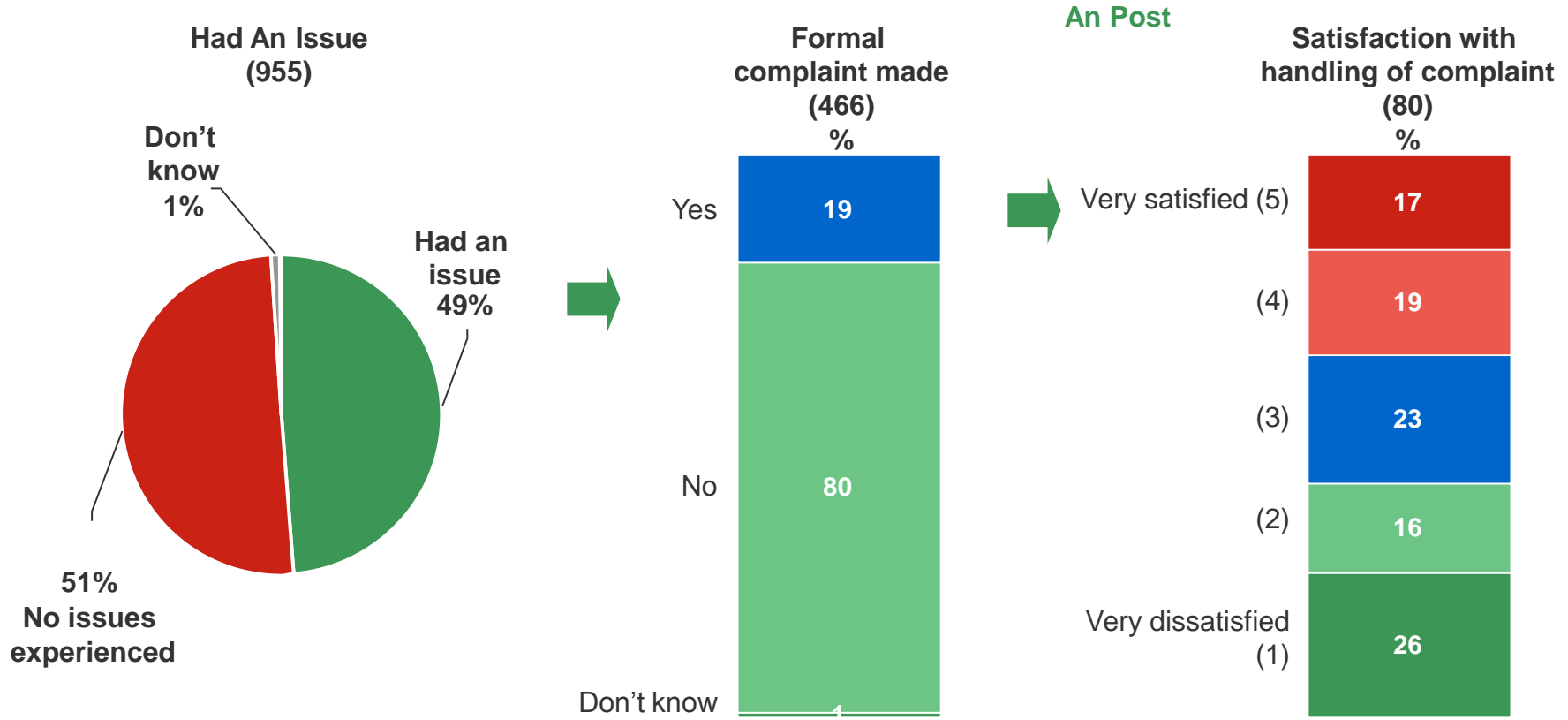
Base: All An Post Users that mentioned more than one issue: 253
All other service providers that mentioned more than one issue: 121

Ipsos MRBI

Complaints Experience – An Post - 2010

Q.13 Did your company lodge/make a formal complaint about any of these issues?

Q.15 How satisfied were you with the handling of your complaint by An Post using a scale of 1 to 5 where (1) is very dissatisfied & (5) is very satisfied?



Nearly one in five (19%) An Post users who had an issue have made a formal complaint in the past year. Of those who complained, 42% were dissatisfied/very dissatisfied with the handling of their complaint.

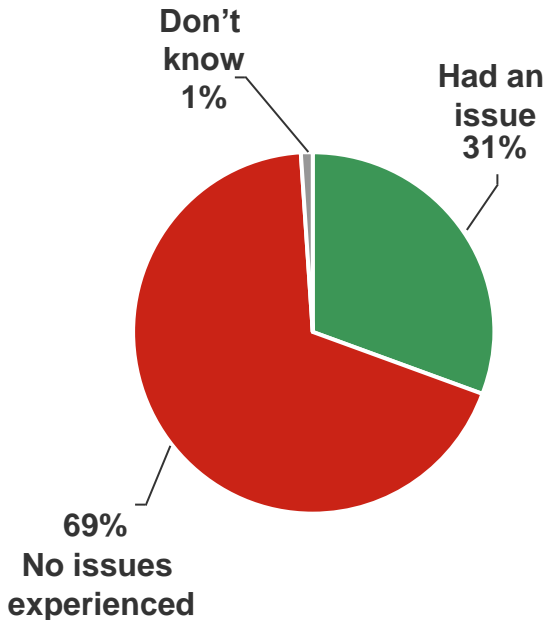
Complaints Experience – Other Service Providers - 2010

Q.29 Did your company lodge/make a formal complaint about any of these issues in the past 12 months?

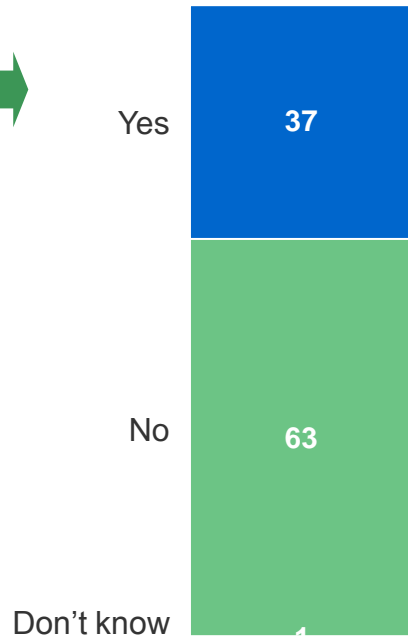
Q.31(a) How satisfied were you with the handling of your complaint by _____ (service provider mentioned at Q.1b/ service provider used most often at Q.23c) using a scale of 1 to 5 where (1) is very dissatisfied and (5) is very satisfied?

Other Service Providers

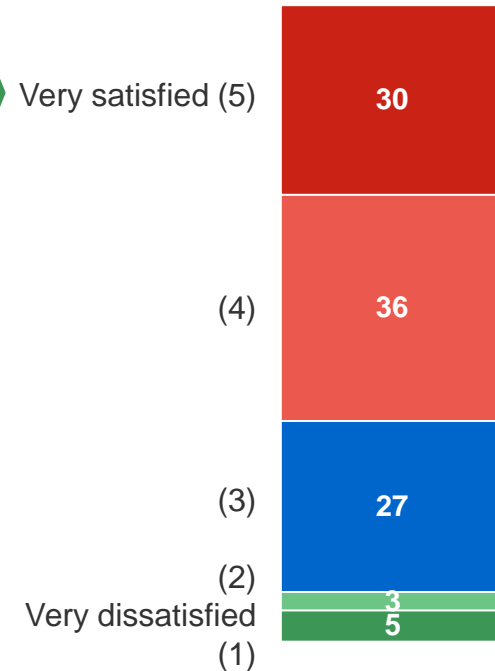
Had An Issue
(702)



Formal
complaint made
(266)
%



Satisfaction with
handling of complaint
(64)
%

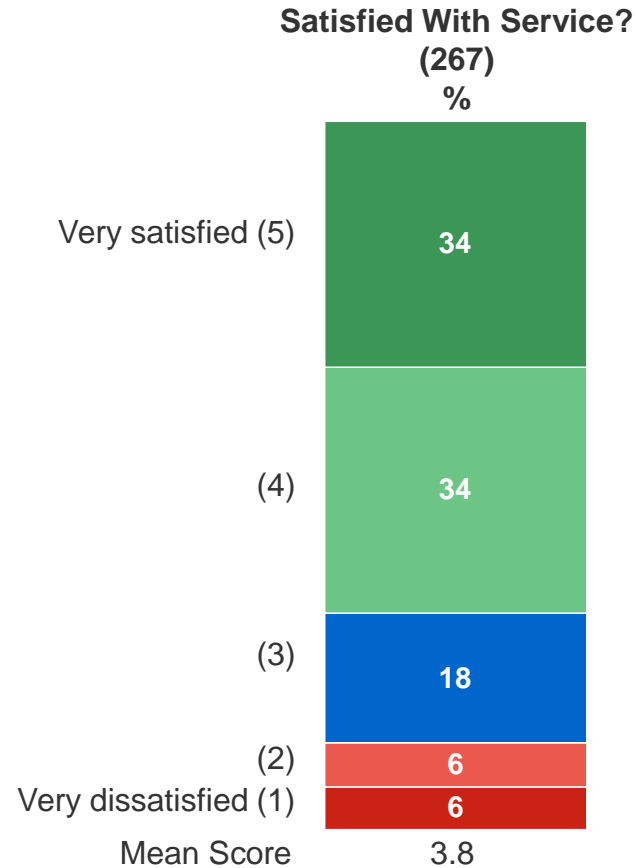
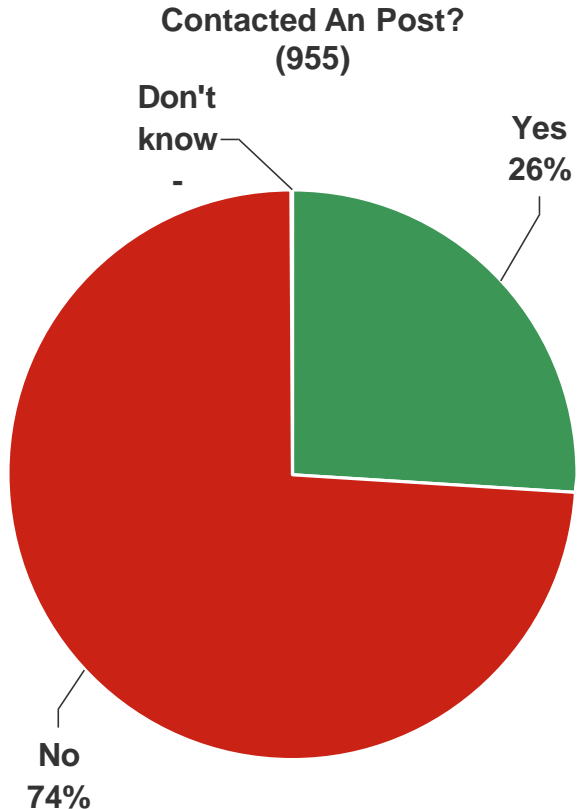


More than one third (37%) of other service provider users who had an issue made a formal complaint in the past year. Just 8% are dissatisfied with the complaint was handled.

Base: All Other Service Provider users that mentioned any issue
All who made a formal complaint to Other Service Providers

Contacted An Post In Past 12 Months & Satisfaction With Customer Service - 2010

- Q.8 *In the past 12 months, have you ever contacted An Post by telephone / email / face to face etc, with regard to its postal service product offerings?*
- Q.9 *And how would you rate your satisfaction with the standard of customer service you received with An Post using a scale of 1 to 5 where (1) is very dissatisfied and (5) is very satisfied?*



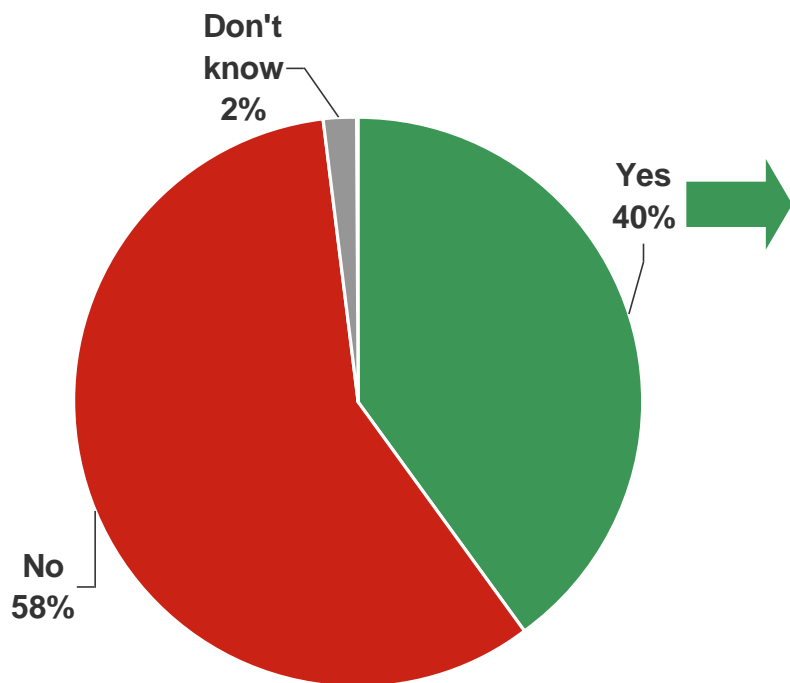
One quarter (26%) of An Post users claim to have been in contact with An Post in the past 12 months, and more than two thirds (68%) of companies were satisfied with the standard of customer service received with An Post.

Contacted Other Service Provider In Past 12 Months & Satisfaction With Customer Service - 2010

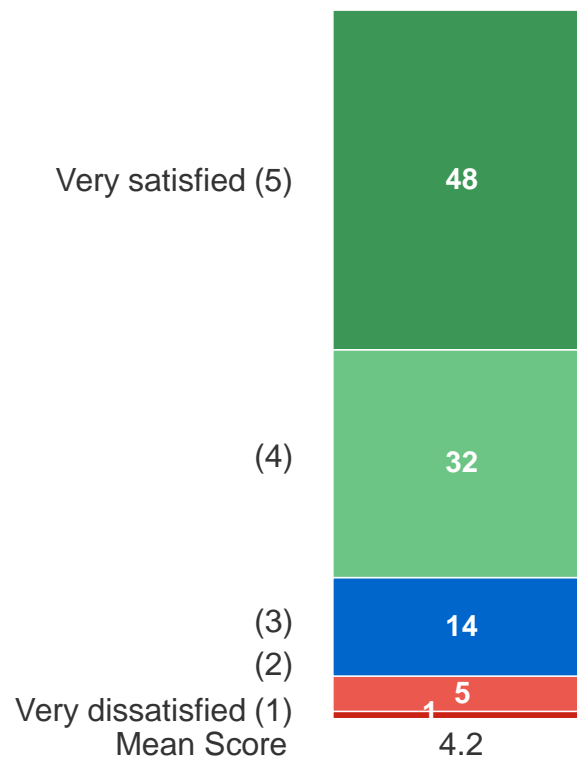
Q.25 In the past 12 months, have you ever contacted _____ (service provider mentioned at Q.1b/service provider used most often at Q.23c) by telephone / email / face to face etc, with regard to its postal service product offerings?

Q.26 How would you rate your satisfaction with the standard of customer service you received with _____ (service provider mentioned at Q.1b/service provider used most often at Q.23c) using a scale of 1 to 5 where (1) is very dissatisfied and (5) is very satisfied.

Contacted Other Service Providers?
(702)



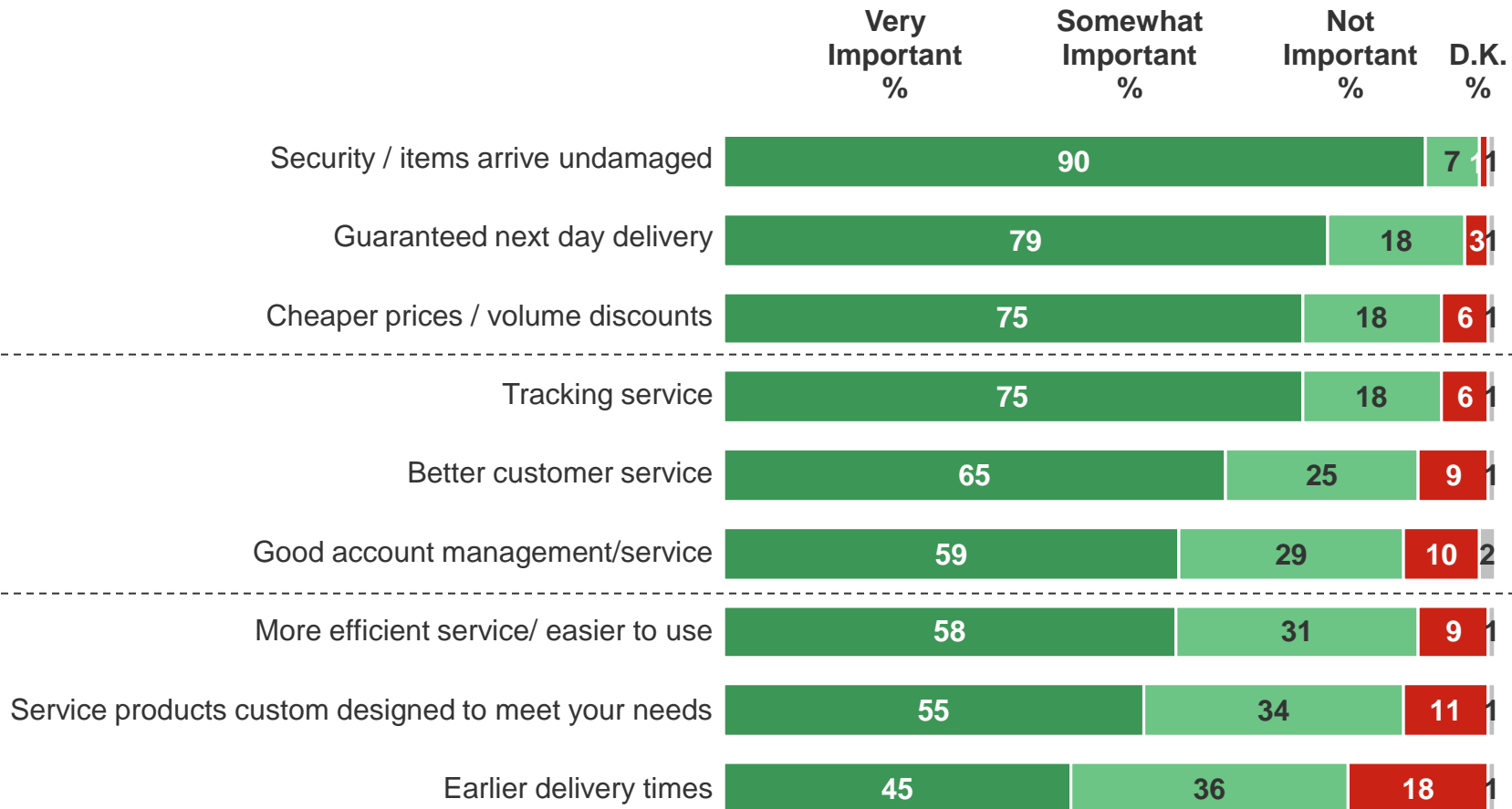
Satisfied With Other Service Providers?
(280)
%



4 in 10 (40%) users of other service providers claim to have been in contact with them in the past 12 months (more likely to have been larger businesses / higher users), and 4 in 5 companies (80%) were satisfied with the standard of customer service received.

Important Factors When Using A Service Provider Other Than An Post - 2010

Q.32b How important are the following factors to you when using a postal service provider other than An Post?



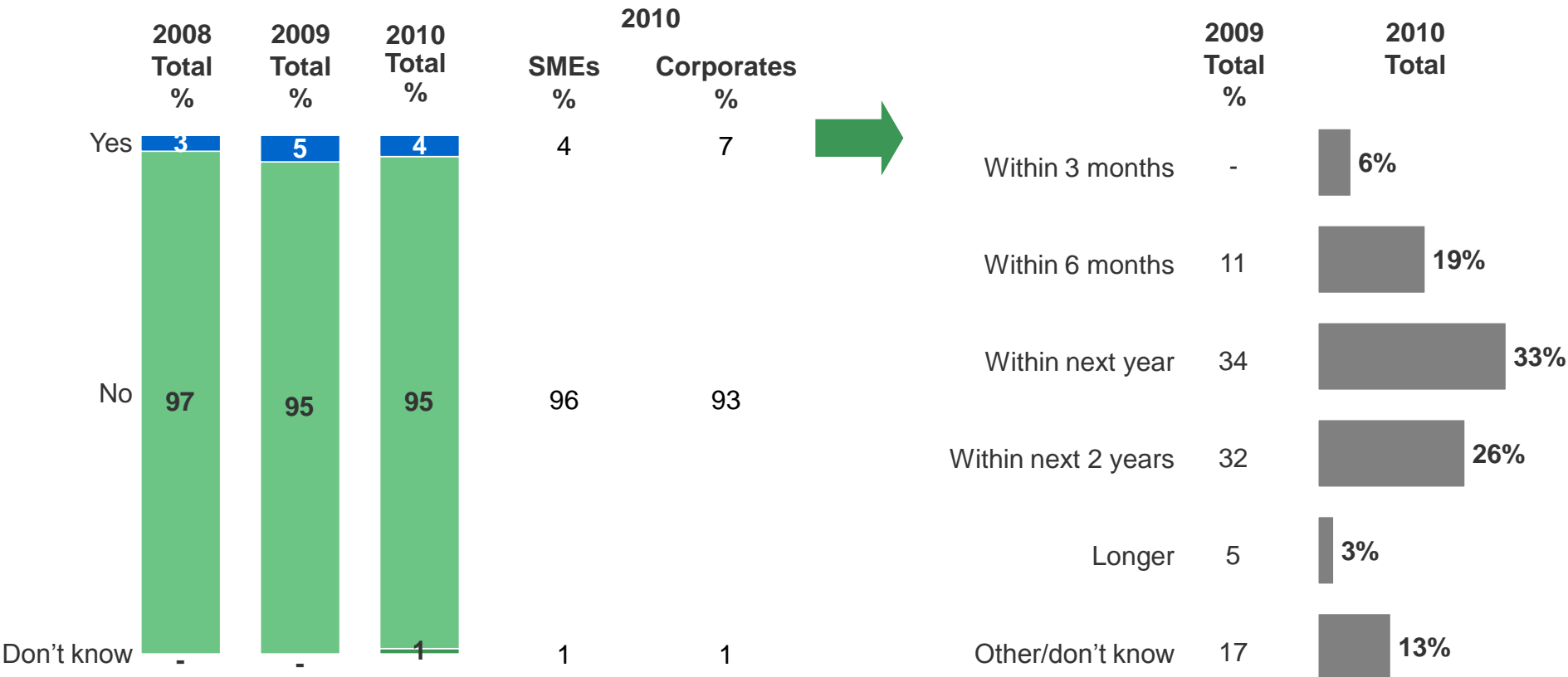
The two most important factors when using a service provider other than An Post is security/items arrive undamaged followed by guaranteed next day delivery. Cheaper prices/volume discounts was relatively more important for High An Post Users (85%) and High Other Service Provider Users (84%).

Awareness Of Market Liberalisation

Awareness Of When Market Will Be Opened To Competition

Q.33 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?

Q.34 Approximately when do you think this is due to happen?



In 2010, still only 4% of companies are aware of when the deregulation of the postal market will take place. Of those who are aware of deregulation, the majority (52%) reckon it will happen in the next 6 to 12 months.

Base: All SME/Corporates: 1,002

Base: All who claim to be aware: 52



Benefits From Full Market Opening

Q.36 What benefits, if any, would you expect a fully open competitive postal market to bring to your company?

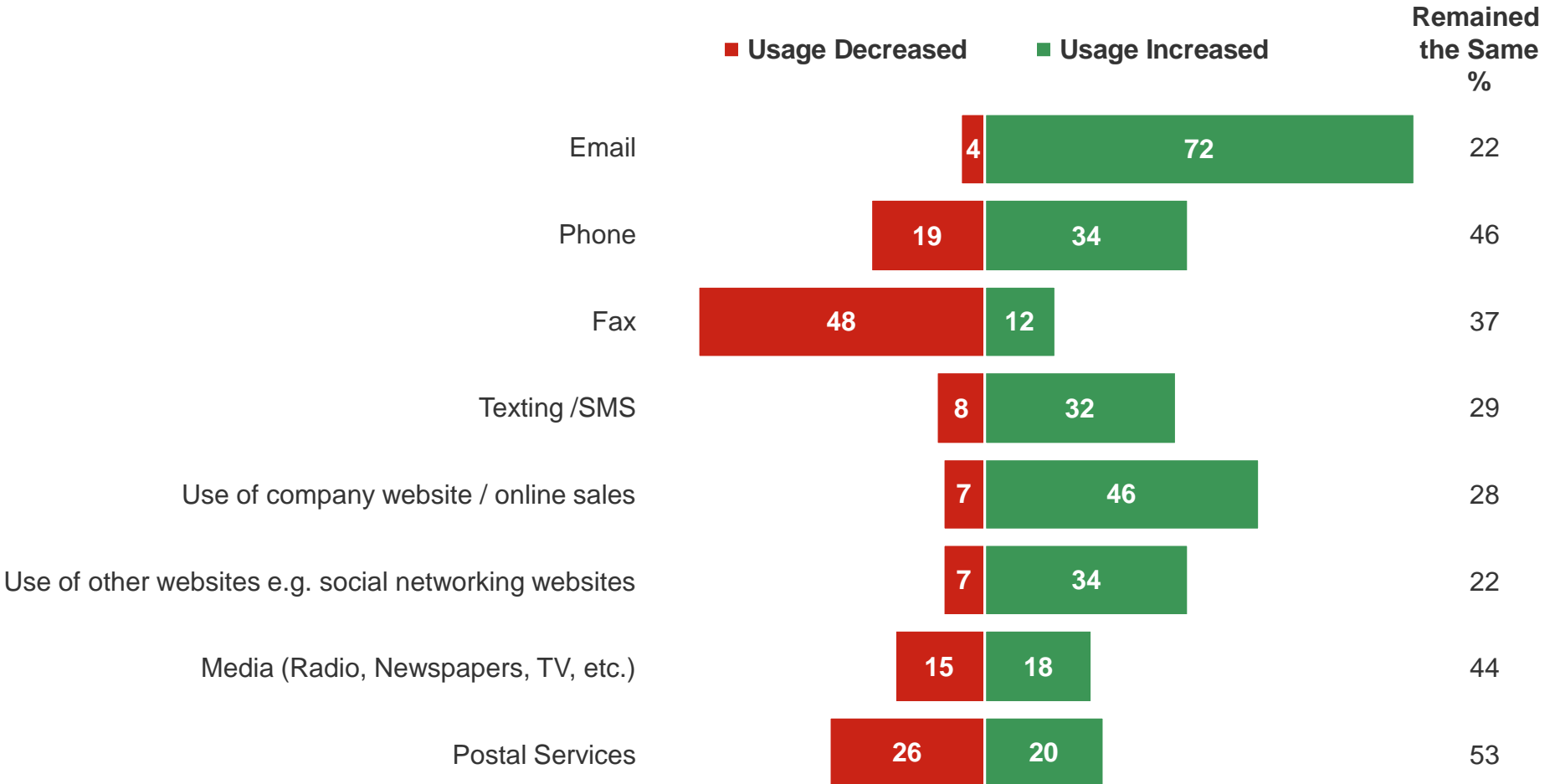
	2009 Total %	2010 Total	2010 SMEs %	2010 Corporates %
Cheaper prices	72	67%	67	71
More efficient and reliable service / better service for my customers	20	18%	18	20
Improved customer service	5	4%	4	3
More innovative postal product offerings	3	2%	2	1
More choice	n/a	2%	2	2
More competition	n/a	2%	2	1
Earlier deliveries/better delivery times/ more frequent	n/a	2%	2	2
None / no benefits	9	16%	17	14
Don't know	9	8%	8	7

Two thirds (67%) of companies mentioned cheaper prices as one of the key benefits from full market opening. A further two in ten (18%) mentioned more efficient and reliable service/better service for customers. Cheaper prices was highest in the list of benefits cited by Government/Public Sector organisations.

eCommunication & Postal Services

Methods Of Communication Used - 2010

Q.38 For each of the following forms of communicating, do you think that your company's usage has increased, decreased or remained the same in the past 12 months?



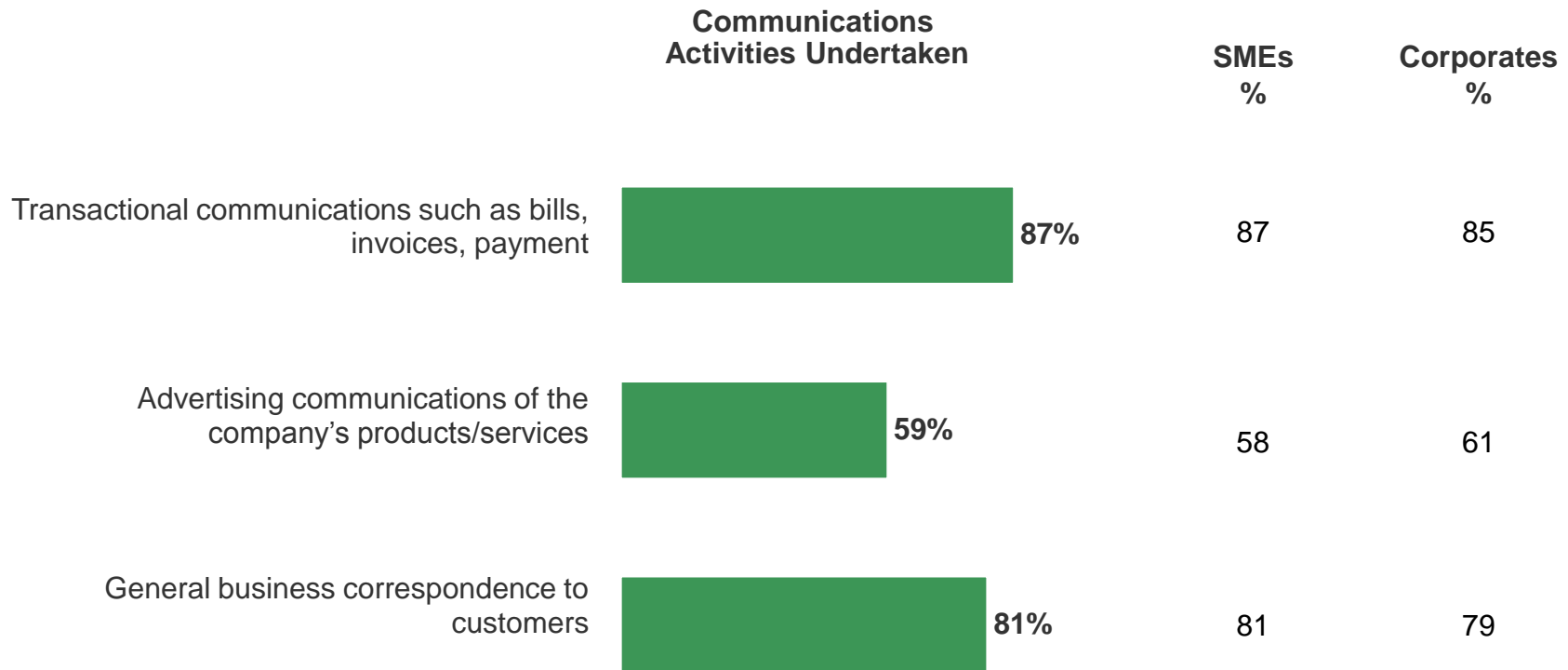
Companies are moving from traditional methods of communication to more electronic methods such as email, use of company website/online sales and the use of social networking sites. Fax and, to a lesser extent, Postal Services are the two mediums losing share of the communications mix.

Communications Activities Undertaken - 2010

ALL

54

Q.39 Which of the following types of communication does your company engage in?



87% of companies claim to engage in transactional communications such as bills/invoices/payment, with general business correspondence (81%) also relevant to the majority of companies.

Media Used For Communications Activities - 2010

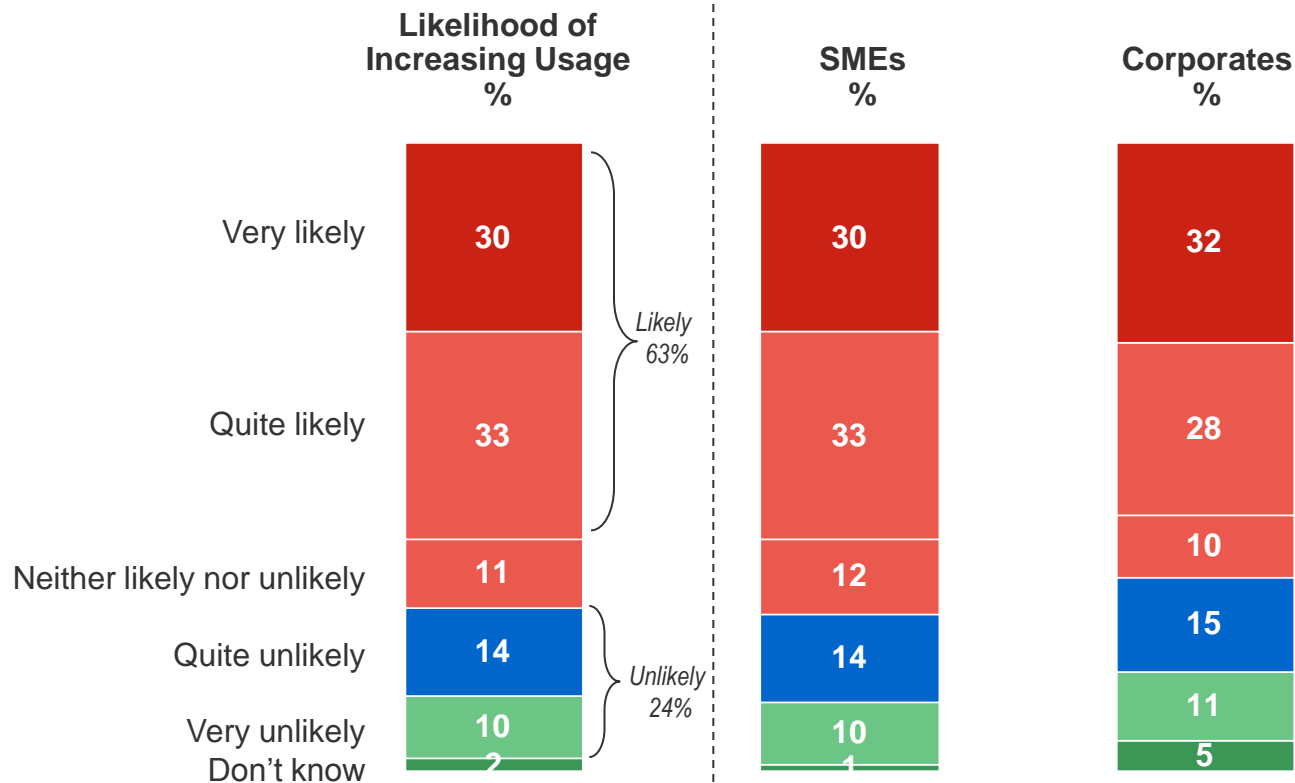
Q.40 And which of the following forms of media does your company use.....?

		Media Used					
		Online such as company/ other websites/ Electronic Fund Transfer	Email	Postal Services	SMS / Text	Fax	Other media types
Base	Communications Activities						
(855)	To send transactional communications such as bills, invoices, payments %	29	47	83	6	18	5
(590)	For advertising communications of the company's products/ services %	54	46	41	12	14	35
(795)	To send general business correspondence to customers %	28	64	75	11	21	10

Companies are more likely to use postal services to send transactional communications and to send general business correspondence to customers, whereas online and email appear to be more relevant for advertising communications.

Likelihood of Increasing Usage of eCommunications in Next Year - 2010

Q.41 How likely are you to increase your usage of electronic communications instead of postal services in the next 12 months? Would that be.....?

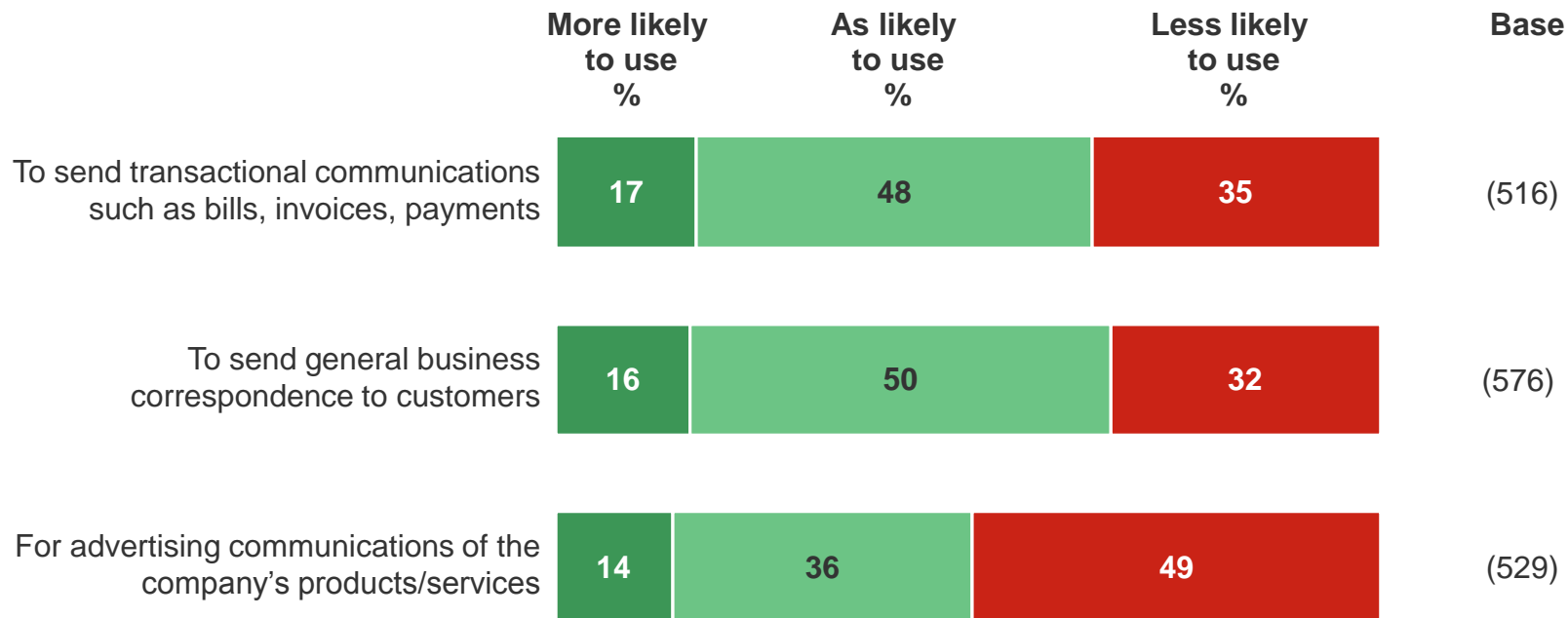


The increased usage of electronic communications is highly probable to continue into 2011, with 63% of companies claiming that they are very/quite likely to increase their usage.

Base: All who use Postal Services as form of media: 829
SMEs: 608; Corporates: 221

Likelihood Of Increasing Usage Of Postal Services More In Next Year - 2010

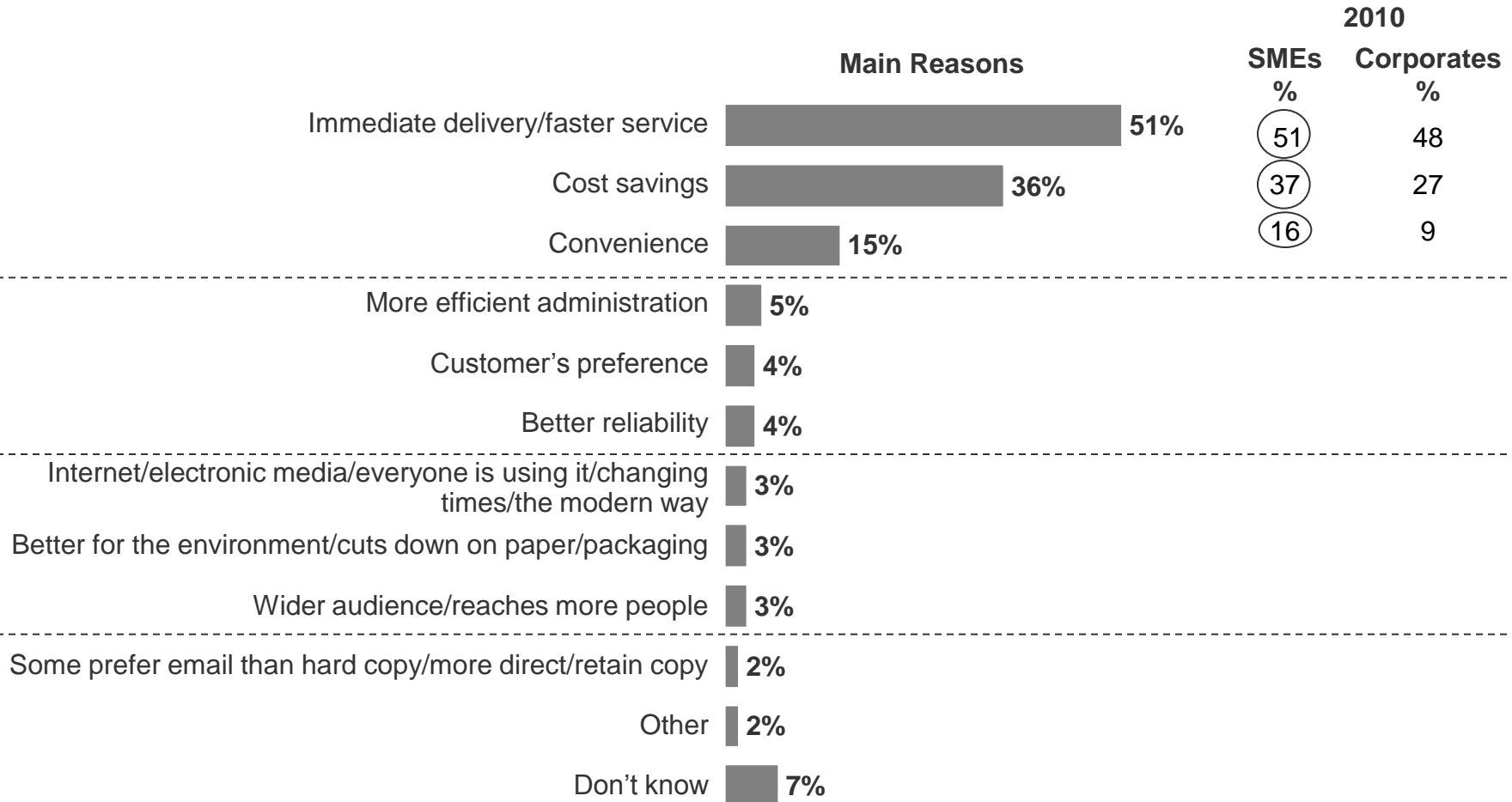
Q.42 *And how likely are you to use the postal services more in the next 12 months. Would you say that you are more likely to use postal services, as likely to use postal services or less likely to use postal services?*



With companies, on balance, less likely to use postal services for different business transactions, postal services will need to compete more aggressively in years to come.

Main Reasons For Choosing Alternative Communications Media Over Postal - 2010

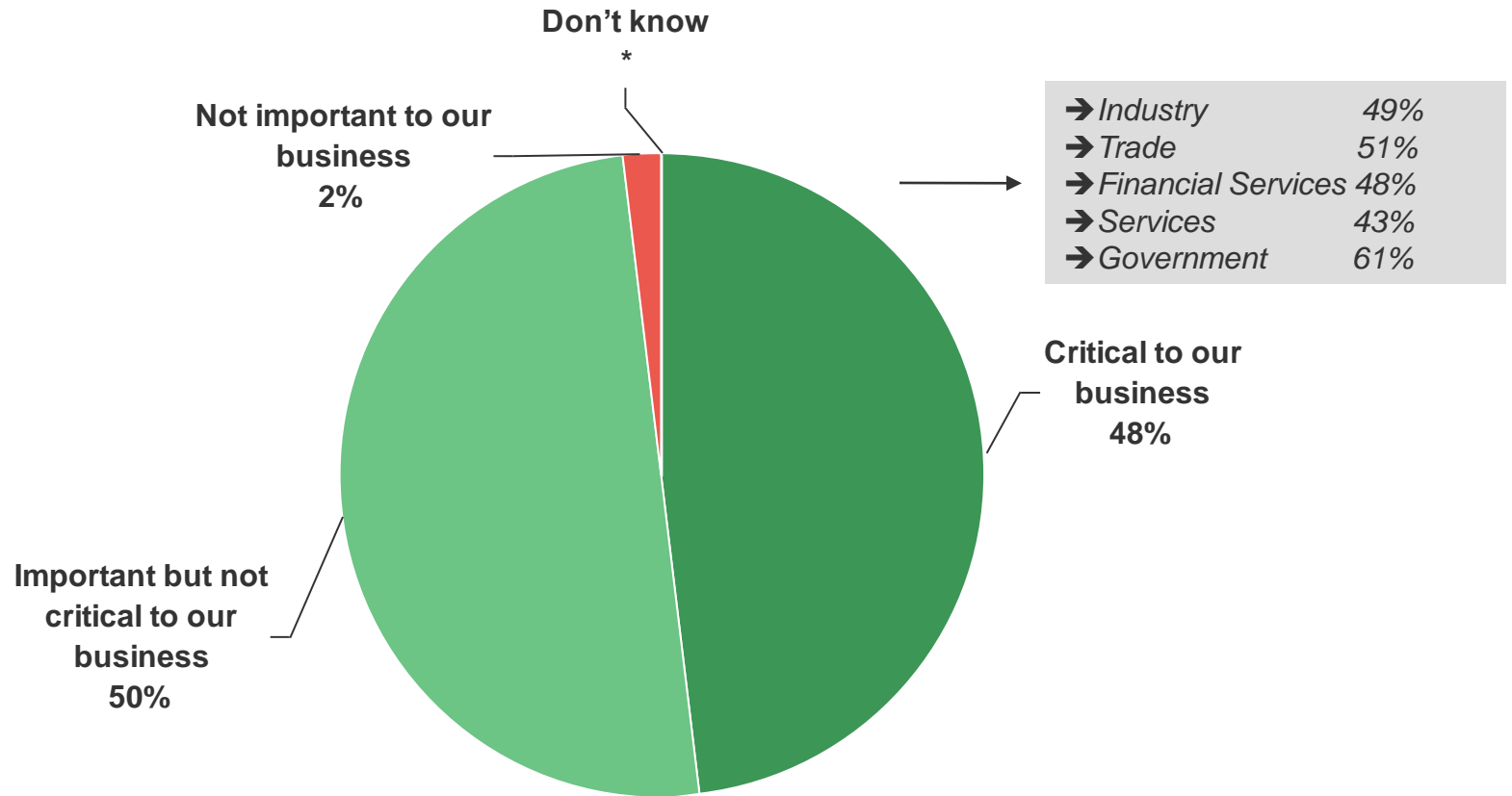
Q.43 What are your main reasons for choosing alternative communications media over postal services?



Interestingly, speed is the number one reason for choosing alternative communications media over postal, with cost savings the next most important reason. Generally, SME's appear to be either more enthusiastic about alternative communications' media or new media is more suitable to smaller businesses.

Importance Of A Good Quality Postal Service - 2010

Q. 44 Which of these statements best describes the importance of a good quality postal service to your company? A good quality postal service is... ?



Nearly half (48%) of companies feel that a good quality postal service is critical to their business, with only 2% regarding it to be not important at all.

Conclusions

Usage:

- An Post remains the dominant service provider within the Irish postal market for standard sized and large sized letters. An Post is used universally for letter post, by one in two companies for sending packages and by one in three companies for sending parcels.
- Other service providers are used by the majority (71%) of Irish companies, for sending parcels and packages mainly.
- One in four (26%) companies use only An Post, with seven in ten (70%) relying on at least one other provider for some of their mail services.
- Just 2% of companies do not use An Post but instead rely exclusively on one or more other service providers.
- Next to An Post, DHL Express (Ireland) (32%), DPD/Interlink (22%) and Fastway Couriers (17%) register the highest past year usage levels.
- Reasons for using other service providers centre on cost and service (speed, reliability and flexibility).

Satisfaction & Incidence of Issues:

- In 2010, an increase in satisfaction with the postal service in general has been recorded. Particularly on “the range of postal service products available” there is now a high level of satisfaction (76%) .
- An Post has recorded an increase in satisfaction levels across all three key performance attributes (level of confidence your letter will reach its correct destination (91%), level of confidence your letter will be delivered the next working day (70%), and overall cost of postal services with An Post (58%)) in 2010. Satisfaction levels are lower with cost, yet the highest levels of dissatisfaction are with confidence in next day delivery.
- Satisfaction with other service providers is also very high, and has increased since 2009, in particular, satisfaction with how often a mail item arrives at the correct destination (94%), and on time (89%).
- One in two (49%) An Post Users experienced issues with An Post in the past year, mostly delivery related issues (wrong address, delayed, lost etc.). Of those who complained, a significant 42% of complainants were dissatisfied with how the complaint was handled.
- One in three (31%) users of other service providers encountered issues, with delay/late arrival the key concern.

Other Issues:

- Only 4% of companies are aware of when the deregulation of the postal market will take place. Of those who are aware of when deregulation will happen, the majority (52%) believe that it will happen in the next 6 to 12 months.
- Almost half (48%) of companies feel that a good quality postal service is critical to their business, a further 50% believe that it is important but not critical to their business and only 2% consider it as not important at all.

e-Communications:

- Companies are moving from traditional methods of communication to more electronic methods such as email (72%), use of company website/online sales (46%) and the use of social networking sites (34%).
- The increased usage of electronic communications looks likely to continue into 2011, with 63% of companies claiming that they are very/quite likely to increase their usage.
- Fax and, to a lesser extent, Postal Services appear to be declining in popularity from a communications perspective.
- 87% of companies claim to engage in transactional communications such as bills/invoices/payment, with general business correspondence (81%) also relevant to the majority of companies.
- With companies, on balance, less likely to use postal services for different business transactions, postal services will need to compete more aggressively in years to come.
- Interestingly, speed is the number one reason for choosing alternative communications media over postal, with cost savings the next most important reason.



Postal Service Business Survey 2010

December 2010