

Main developments in the postal sector 2006-2008

ComReg Postal Briefing “Ensuring customer needs will be met”

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










- Background
- General results
- Comparison Ireland – Rest of Europe

Background

- Web-based questionnaire
- 56 questions on satisfaction with PO, development of mail volumes, trade off between price and service, etc.
- Medium and large mailers
- 267 respondents from 25 Member States
- Belgium, France, Hungary, the Netherlands, Poland and the UK (10-25 resp.)
- Ireland main contributor (99 resp.)
 - represents 14% of mail volume of An Post

1. Where is your company/organisation located?

(Each respondent could choose only ONE of the following responses.)

Response	Total	% of responses	%
1 Austria	8		3%
2 Belgium	23		8%
3 Bulgaria	2		1%
4 Cyprus	1		0%
5 Czech Republic	1		0%
6 Denmark	4		1%
7 Estonia	1		0%
8 Finland	9		3%
9 France	13		5%
10 Germany	10		4%
11 Greece	3		1%
12 Hungary	11		4%
13 Iceland	4		1%
14 Ireland	99		37%
15 Italy	2		1%
16 Latvia	0		0%
17 Liechtenstein	0		0%
18 Lithuania	0		0%
19 Luxembourg	2		1%
20 Malta	1		0%
21 Norway	8		3%
22 Poland	12		4%
23 Portugal	5		2%
24 Romania	0		0%
25 Slovakia	2		1%
26 Slovenia	0		0%
27 Spain	5		2%
28 Sweden	6		2%
29 The Netherlands	21		8%
30 United Kingdom	18		7%

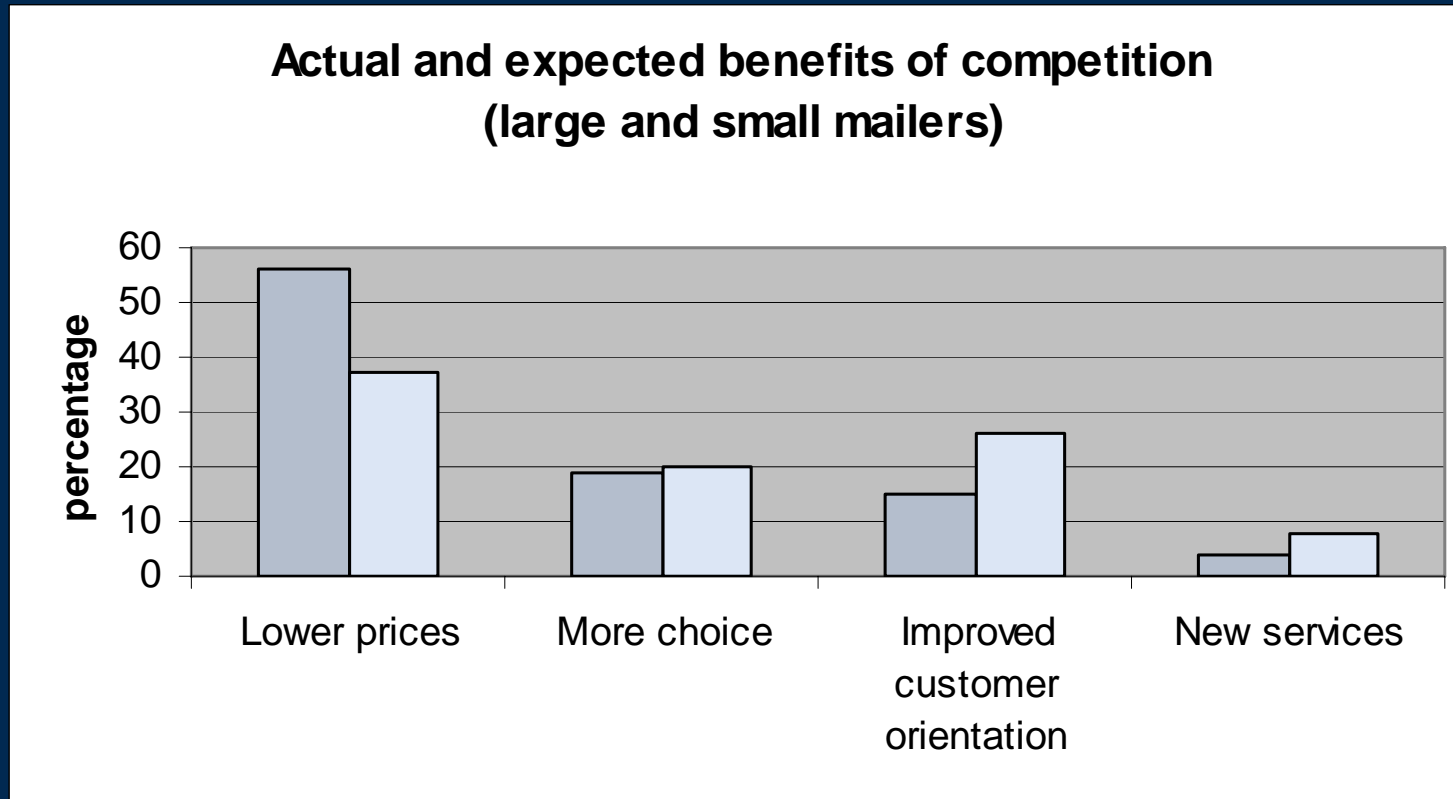
Customer needs

General results

Customer needs

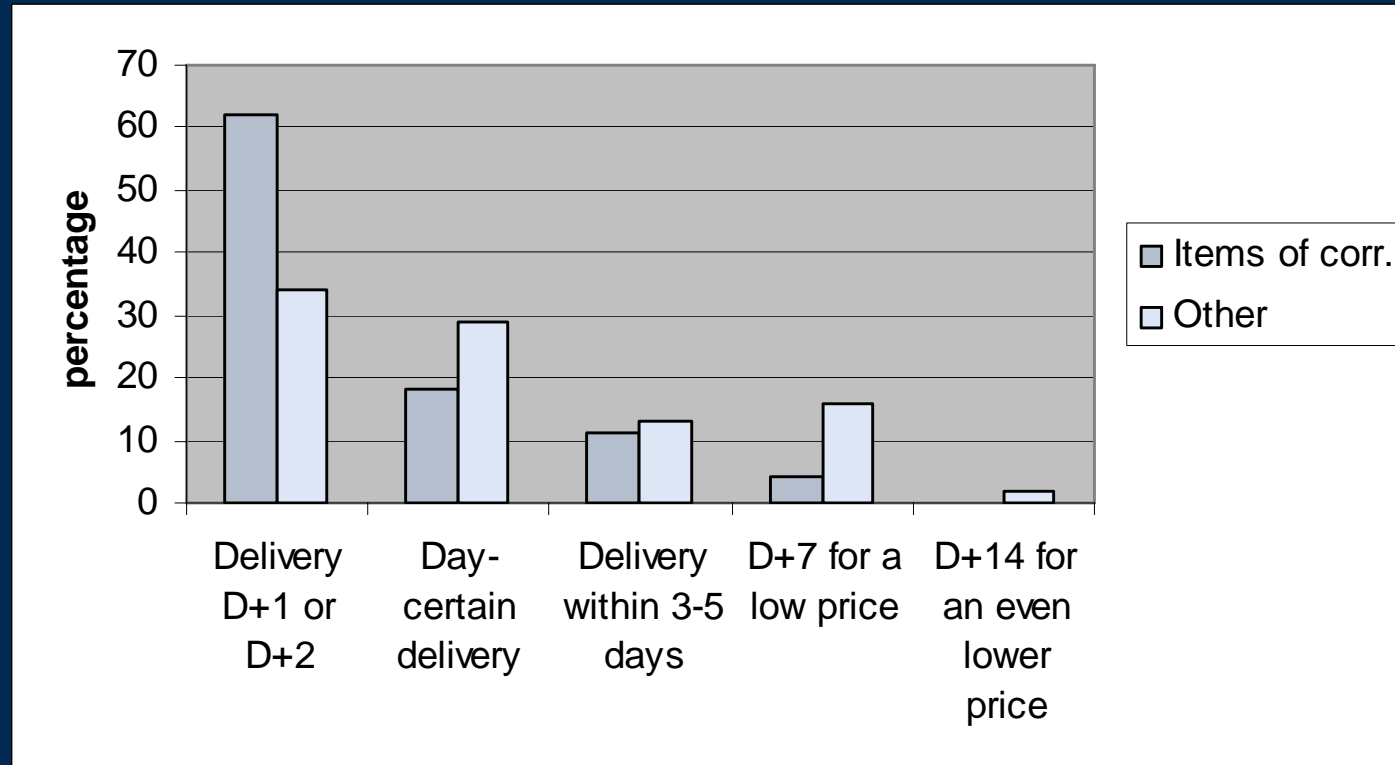
- **Customers want FMO and to become partners of postal operators**
 - Importance of FMO and increased competitive pressures stressed
 - Desire for choice, trade-off between speed and price (focus on ‘delivery of promise’)
 - Large mailers want company specific solutions

Customer needs – (perceived) benefits of competition



- Opinion survey: sustained pressure on prices + tailoring of services to individual client needs

Customer needs – importance of service aspects/ product differentiation



- Desired trade off between speed and price also outcome of opinion survey and country specific surveys (though not always part of survey)

Main trends and developments

Comparison Ireland – Rest of Europe

Web-based questionnaire

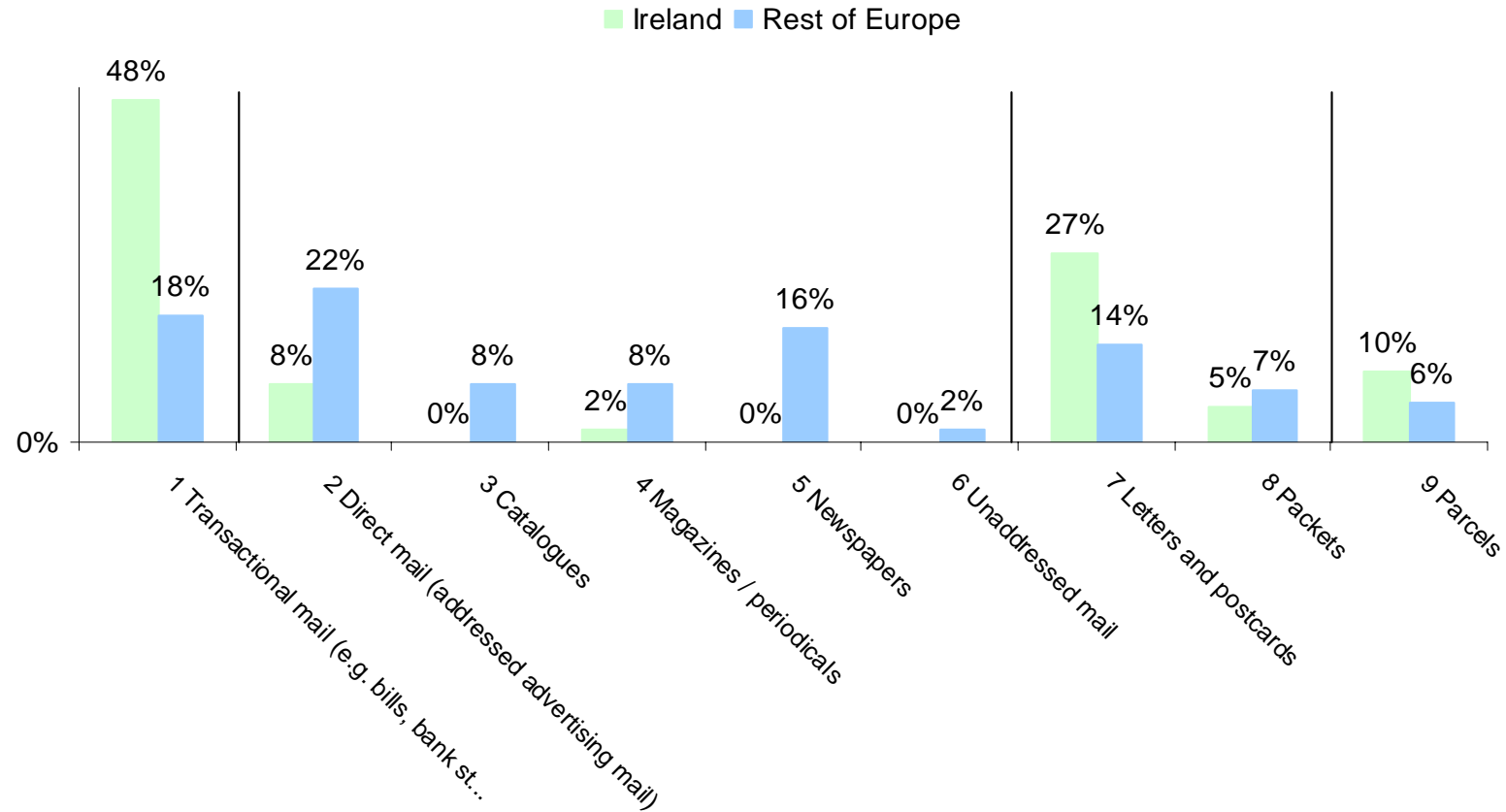
How many mail items did your company / organisation (or the typical company / organisation you represent) approximately sent in 2007?

(Each respondent could choose only ONE of the following responses.)

	Percentage	
	IRL	ROE
1 More than 5 million items	16%	34%
2 Between 1 million and 5 million items	4%	16%
3 Between 250.000 and 1 million items	13%	10%
4 Between 50.000 and 250.000 items	12%	14%
5 Less than 50.000 items	55%	26%

Web-based questionnaire

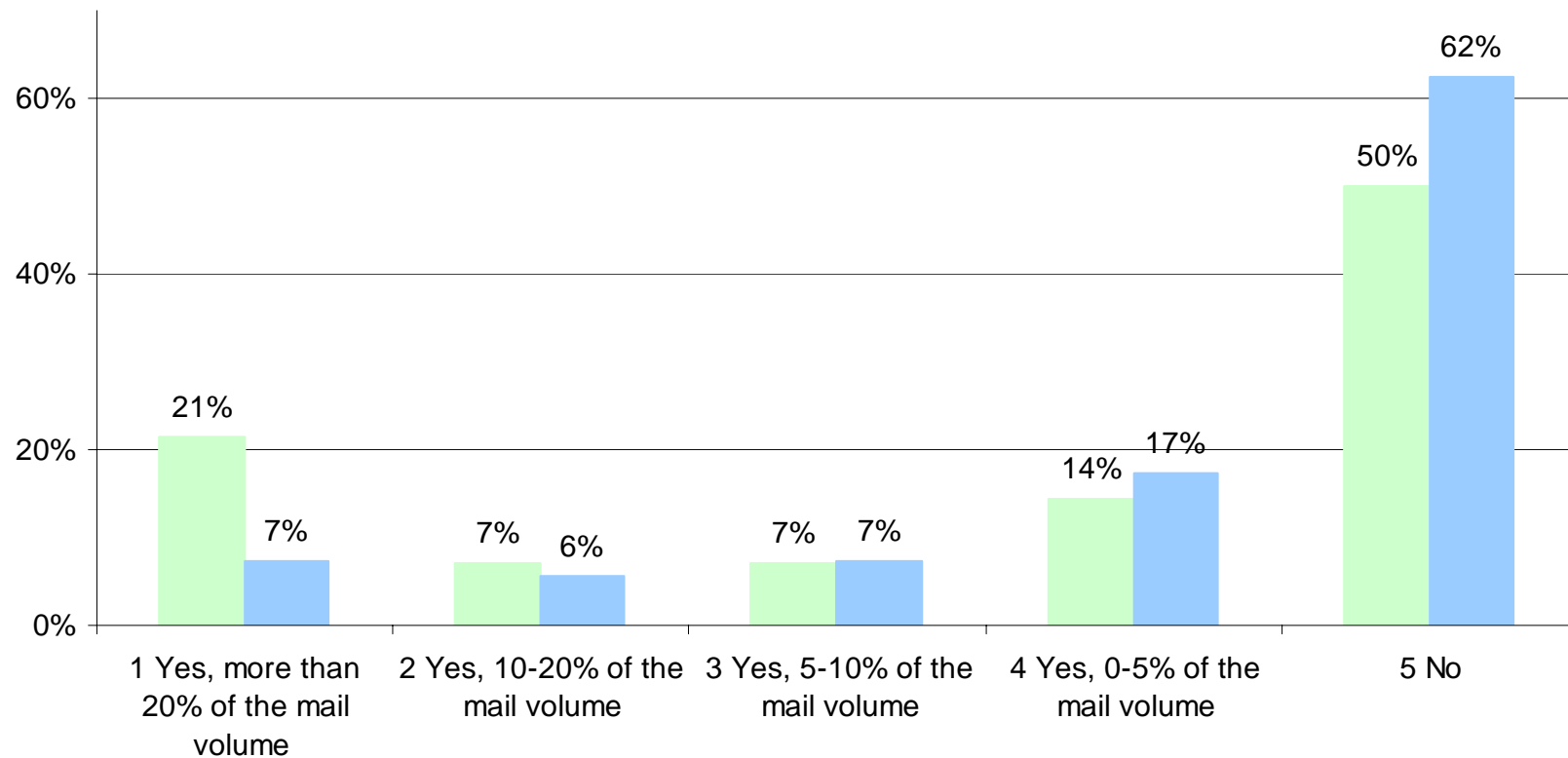
9. Please indicate the most important mail product for your company/organisation (or the typical company/organisation that you represent).



Web-based questionnaire

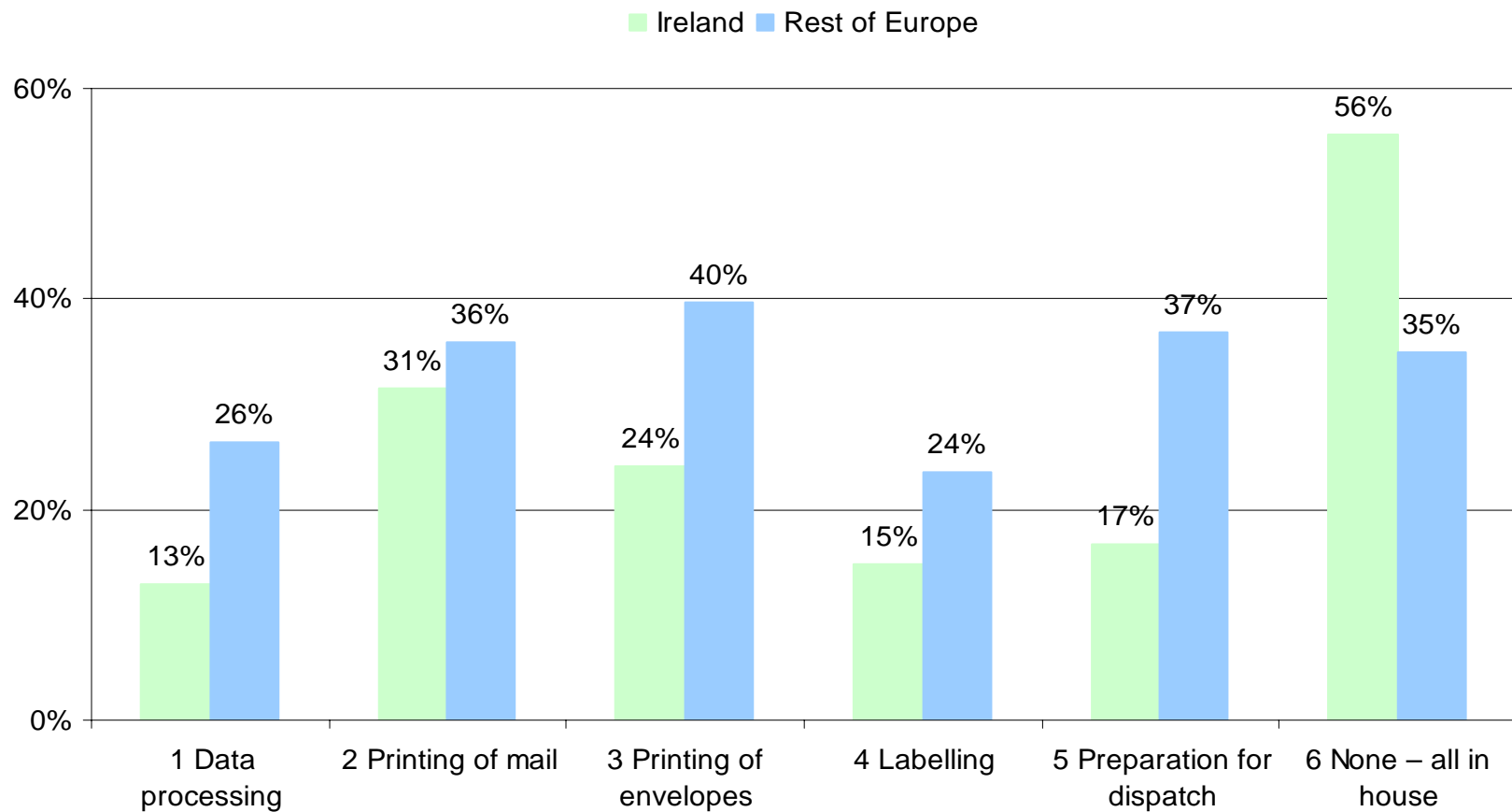
21. Did you switch from physical to electronic distribution for your most important mail product in 2007?

IRELAND REST OF EUROPE



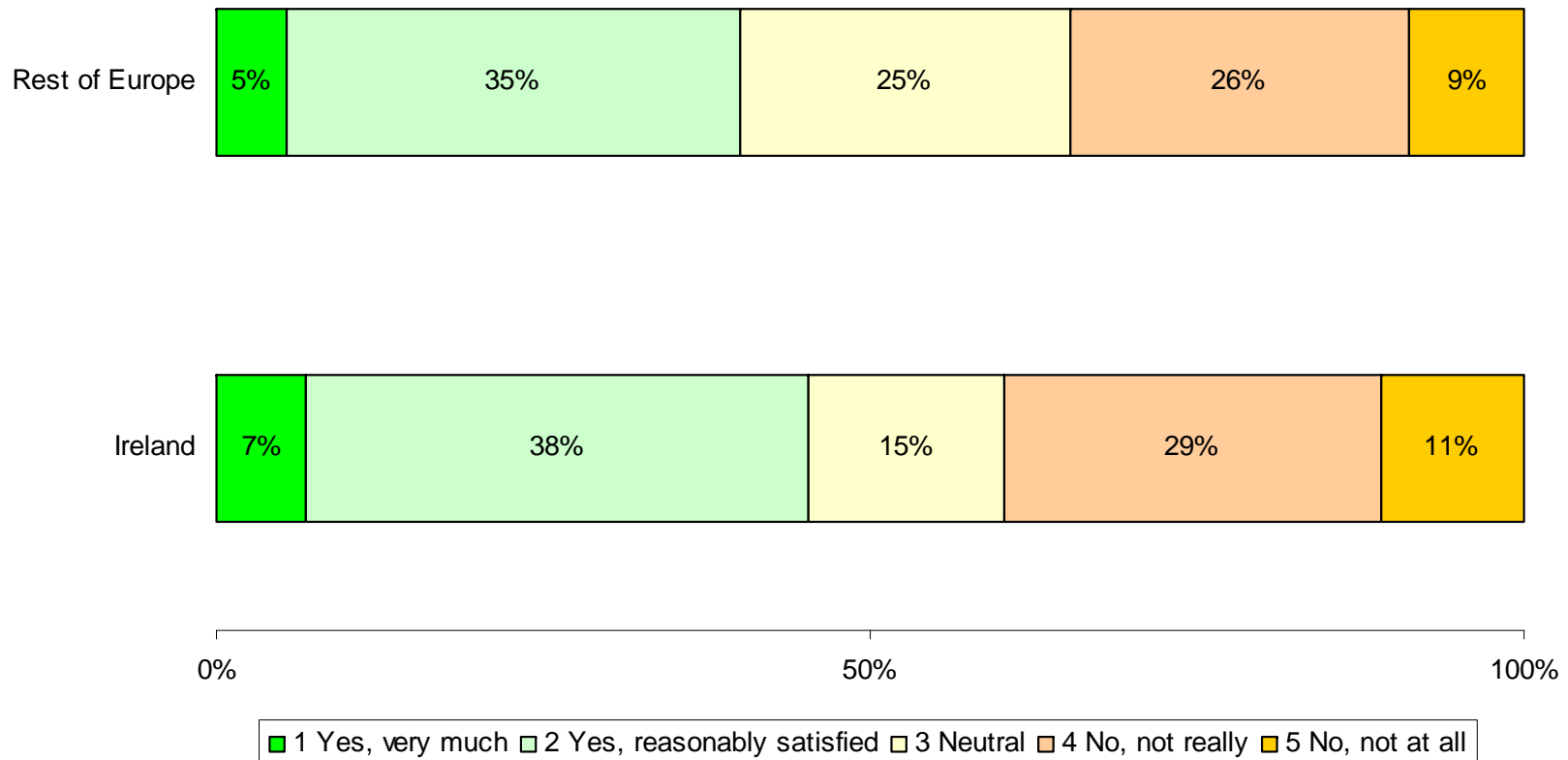
Web-based questionnaire

24. What kind of (external) services do you use for your most important mail product?(several answers are possible)



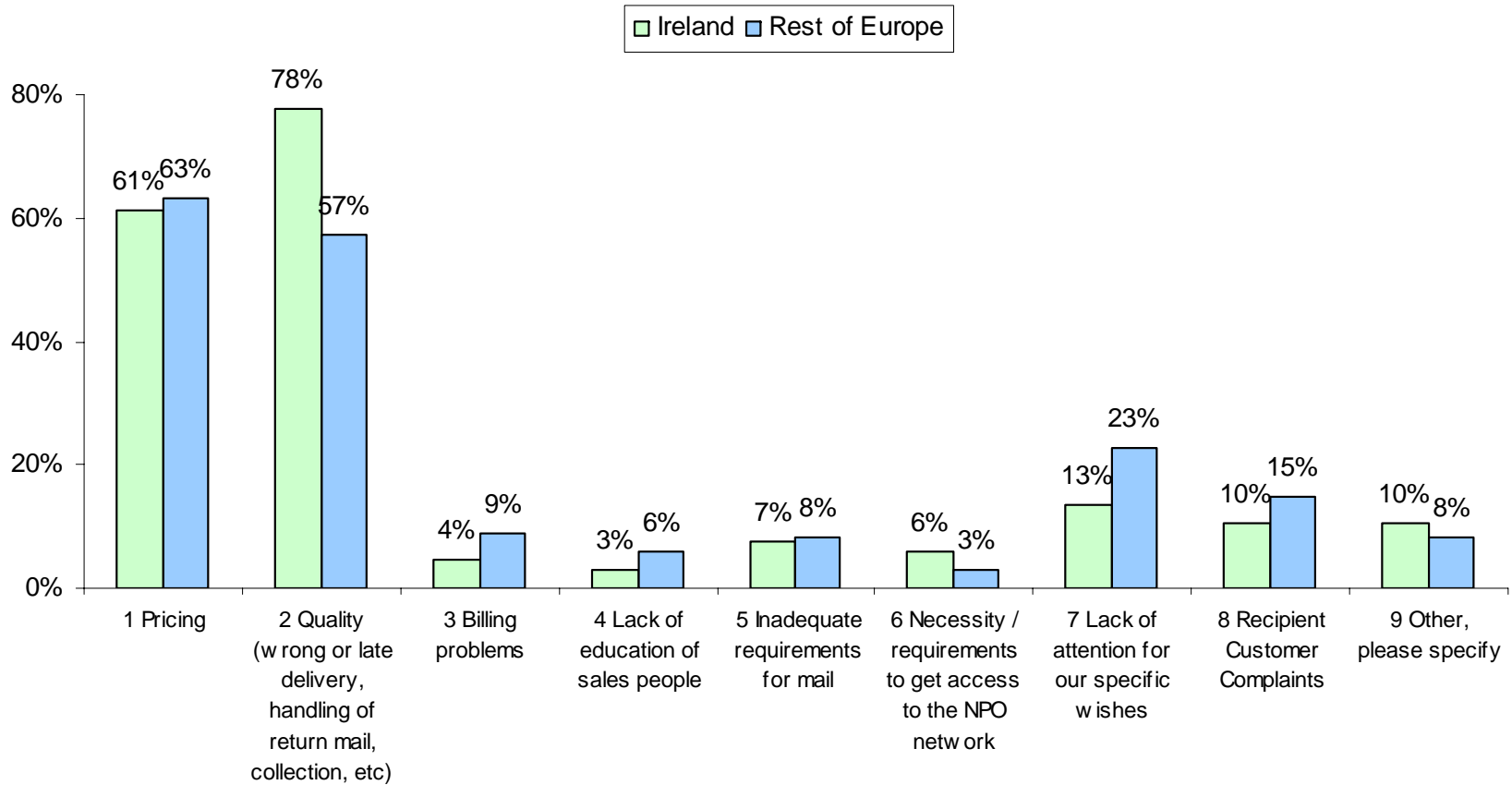
Web-based questionnaire

5. Are you satisfied with the services of the national postal operator (NPO)?



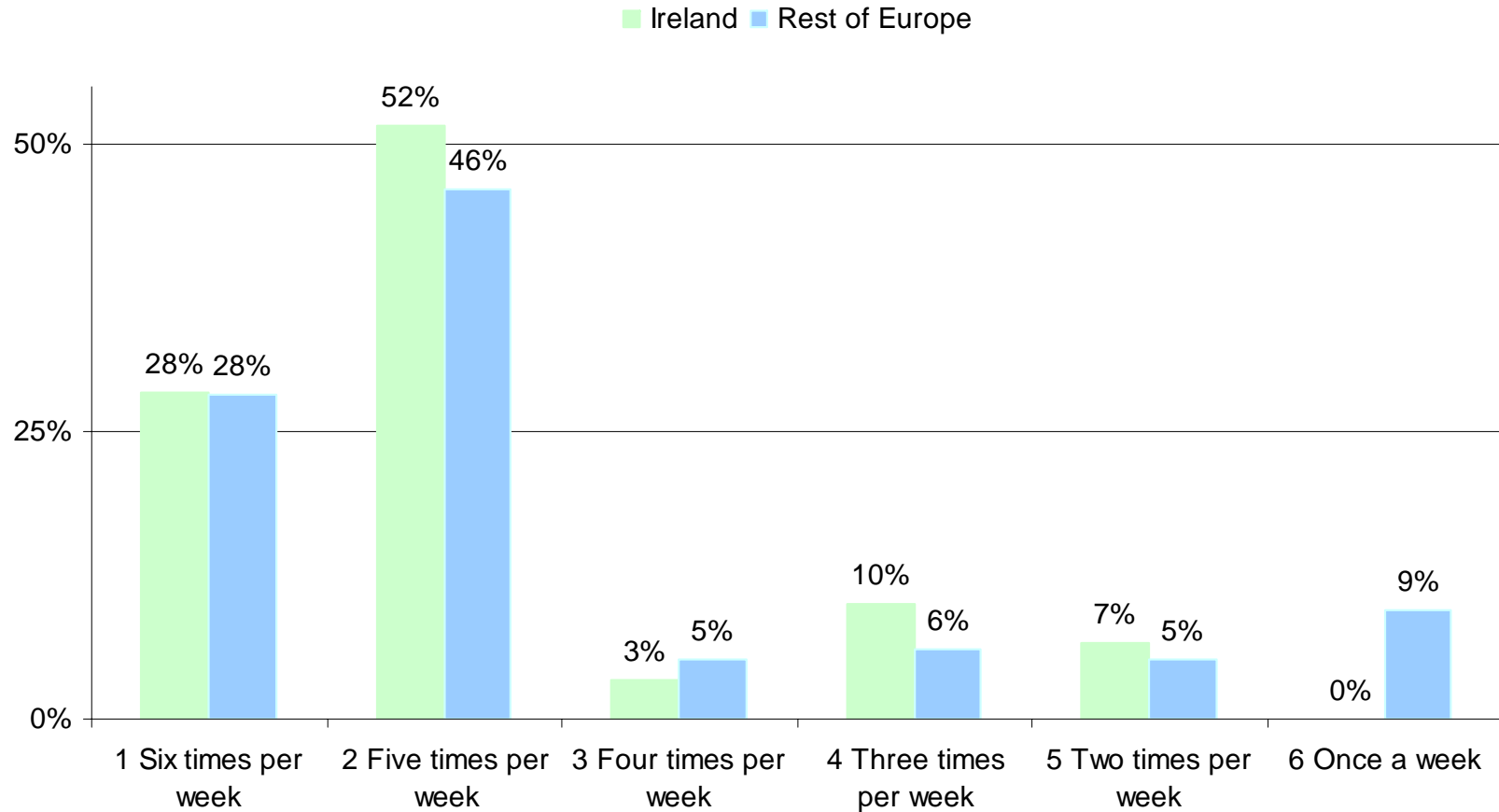
Web-based questionnaire

6. What are the dominant / most frequent issues in your relation to the NPO? (Please indicate the two most important issues)



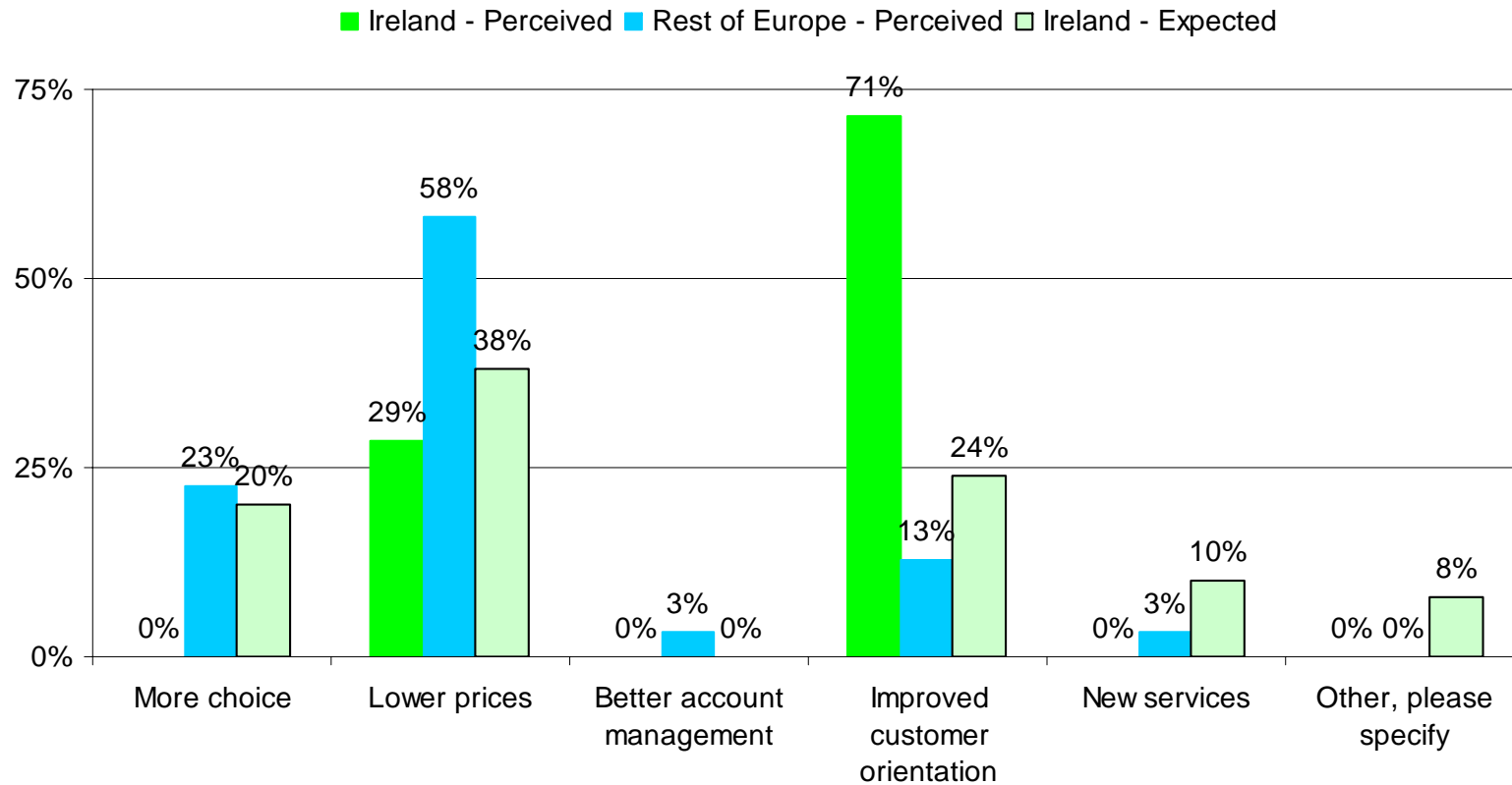
Web-based questionnaire

12. Collection of the most important mail product I send should take place at least..



Web-based questionnaire

17/18. Please rank the importance of perceived / expected benefits from competition between postal operators for your most important mail products (1 = the most important aspect)



Conclusions

Mail volumes

- Less developed market for direct mail
- Leading to ?
 - Little outsourcing
 - Larger degree of e-substitution!

Consumer wishes

- Quality is the dominant / most important issue (78%; > Europe)
- Pricing is 2nd most important issue (61%; // Europe)
- Collection & delivery: 5 - 6x / week (80%)

The real wishes?

Web-based questionnaire

'In your opinion, is there an issue that requires urgent attention by the national and/or EU regulatory authorities for the postal markets?'

Quality of Service

- *Quality of Service requirements for the postal operator should be strictly enforced. An Post ignores these requirements and are never fined or chastised for their poor performance. The loss rate for 1st class national Irish mail delivery is unfathomably high.*
- *Accountability from the service provider on why a service was not fulfilled as agreed.*
- *Improvement in all delivery services - ie. if post is supposed to be delivered next day then it should not take 3 days to deliver it.*
- *Delays in Delivery and delivered to the incorrect address.*

The real wishes?

Terminal dues

- *UPU TDs must be made cost based as soon as possible*
- *make terminal dues cost based tariffs*

Postal Code

- *rapid introduction of a 4-number postal code system*
- *I would like to see postal codes in use here*

Competition

- *remove all barriers, especially price barriers and freedom to use whatever national post operator the customer wishes*
- *Deregulation of the market is needed asap. Competition will help the postal sector. An Post is a huge monopoly and needs competition.*
- *Competition for standard bulk mailings in Ireland. The service and price is awful and this is directly as a result of the monopoly situation in Ireland!*
- *A choice of operator*

Conclusions – Consumer wishes

Competition!!!

Thank you!

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ECORYS has 20 offices in 11 countries with its main office in Rotterdam, the Netherlands