



Commission for
Communications Regulation

Information Notice

An Post's Quality of Service Domestic single piece mail.

Annual Report – January to December 2005

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1 Foreword

The Commission for Communications Regulation (ComReg) is the sole organisation responsible for monitoring An Post's quality of service performance. ComReg is also responsible for setting and publishing quality of service standards. ComReg is pleased to announce that, following a public tendering process, it has appointed TNS mrbi for a further three year term from 1 January 2006 to measure¹ the quality of service afforded by An Post to single piece mail² items posted and delivered within the Republic of Ireland.

We are now publishing TNS mrbi's annual report for 2005 and the report of the fourth quarter's performance for 2005 (October to December inclusive).

The results for 2005 show that **73%** of nationwide single piece mail items were delivered the next working day after posting. Fourth quarter performance shows that only **63%** of single piece mail items posted throughout the country were delivered the next working day, a decline of 4% over the same period in 2004. A similar decline was recorded in the third quarter and this is of some concern to ComReg. While the annual result shows a minor improvement over the annual result for 2004 (72%), performance falls well short of the quality of service target set by ComReg of **94%** for the third year in succession.

The report highlights some variation in results between the various mail flows³. Of most significance is the fact that mail posted outside of Dublin for delivery to addresses in Dublin County received a much poorer level of service than mail posted outside of Dublin for delivery within county of posting – 68% compared with 76%, or indeed mail posted in Dublin for local delivery (also 76%). This would suggest that difficulties arise once mail arrives from provincial locations for processing at the Dublin Mail Centre and this factor may well influence the lower overall quality of service experienced by consumers. This viewpoint is further supported by the fact that overall performance for local mail delivery in 2005 received a better service level (76%) compared with mail requiring nationwide delivery (73%).

The report also highlights a slight improvement for mail posted nationwide for delivery anywhere in the country within three days of posting (97%, compared with 96% for the previous two years). The purpose of this measure is to ensure that if there is a failure to provide the desired next day delivery then it is corrected as quickly as possible thereafter. The target set requires that 99.5% of all mail posted should be delivered within three working days.

¹ Measurement is in accordance with the principles set out in the European and Irish Standard I.S. EN 13850:2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'. CEN (European Standards Institute) Technical Committee 331 is responsible for postal services standardisation. It receives its mandate from the European Commission. EN 13850 has mandatory application throughout the EU.

² Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small.

³ Mail flows measured include (1) mail posted in Dublin (City and County) for delivery nationwide and in Dublin County and (2) mail posted outside Dublin County for delivery nationwide, locally (ie within the same County of posting) and in Dublin County.

ComReg notes the acknowledgement by the Chairperson of An Post in its most recent Annual Report that the achievement of improved performance in next day delivery is a major issue. ComReg is awaiting the latest An Post update in relation to the implementation of the *Quality of Service Improvement Programme* approved by the Board of An Post last year; and which is specifically geared towards the achievement of the Quality of Service targets set by ComReg. The speedy implementation of this programme must ultimately be for the benefit of business and residential consumers who demand a high quality and predictable postal service.

**Mike Byrne,
Commissioner**

2 Commentary on Results

ComReg is designated with responsibility for the regulation of Universal Postal Services in Ireland. It is the sole organisation statutorily required to set and publish quality of service standards in relation to the universal service, paying attention in particular to routing times and to the regularity and reliability of services. It is also required to monitor the performance levels achieved against the targets which have been set. It has commissioned TNS mrbi to carry out this, in accordance with the European and Irish Standard, I.S. EN 13850: 2002⁴ on its behalf. In line with the Standard, ComReg's monitor focuses exclusively on single piece priority mail⁵.

This is the third annual report on An Post's quality of service for single piece priority mail. Interim reports have been published for each quarter to date and the report of the fourth quarter is also included in this publication.

2.1 National Mail for Delivery Next Day Nationwide (D⁶+1)

National Mail refers to all mail posted and delivered within the Republic of Ireland regardless of its origination or destination address. The following table shows results for Quarter 1, Quarter 2, Quarter 3 and Quarter 4 of 2005 as well as annual results for 2005 (January to December inclusive) for next working day delivery (D+1) of single piece priority national mail as reported by TNS mrbi:

Table 1: Results for National Mail Next Day (D+1) delivery

National Mail (D+1)	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Full year Jan - Dec
		Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec	
2005	94%	76%	78%	74%	63%	73%
2004	94%	70%	70%	78%	67%	72%
2003	94%	73%	71%	76%	67%	71%

The independent measurement system reported that An Post delivered **73%** of all single piece mail within one working day of posting between January and December 2005. While the annual result shows a minor improvement over the annual result for 2004 (72%), performance falls well short of the quality of service target set by ComReg of **94%** for the third year in succession.

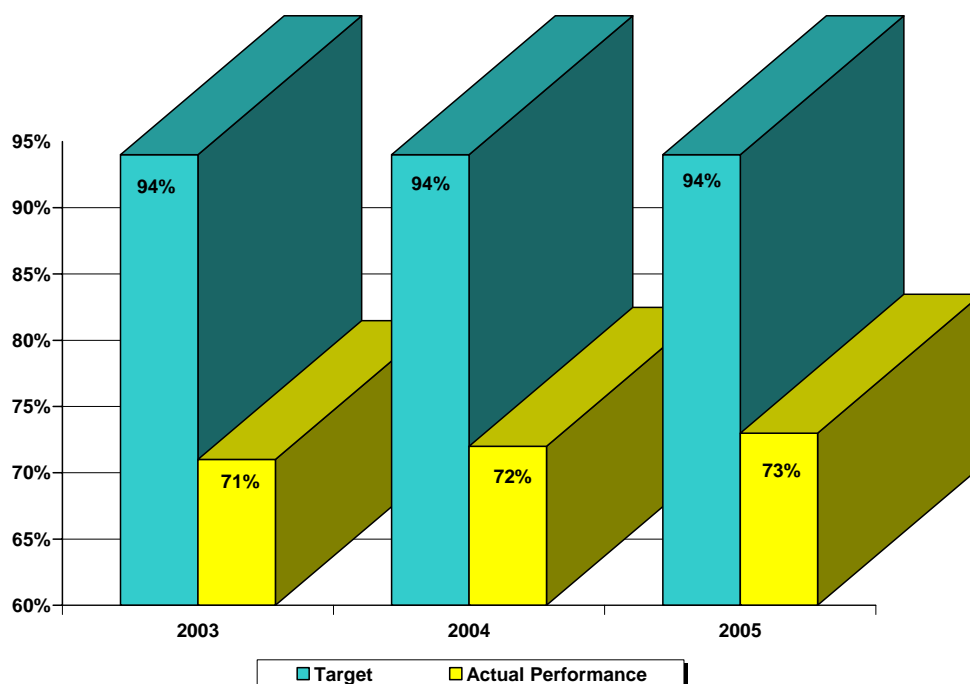
Figure 1 below shows overall national performance against the target set by ComReg of 94% for the period 2003 to 2005.

⁴ Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail

⁵ Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small

⁶ D represents the date of deposit

Figure 1: National Mail Delivery – Performance against Target set by ComReg 2003-2005



The report highlights some variation in results between the various mail flows⁷. Of significance is the fact that mail posted outside of Dublin for delivery to Dublin County received a much poorer service than mail posted outside of Dublin for delivery within county of posting – 68% compared with 76%. This would suggest that difficulties arise once mail arrives at the Dublin Mails Centre for processing and this factor may well influence the lower overall quality of service experienced by consumers in Dublin⁸. This viewpoint is further supported by the fact that overall performance for 2005 for local mail delivery received a better service level (76%) compared with mail posted requiring nationwide delivery (73%).

As in previous years Quarter 4 performance (63%) is the poorest performing quarter for the year. The result for Quarter 4 2005 performance however represents a 4% decline over the same period in 2004 and therefore this deterioration cannot be directly attributed to the increased volumes of stamped letter post that is posted in the month of December. This is of some concern to ComReg given that it is the second quarter in succession where such a decline has been reported⁹.

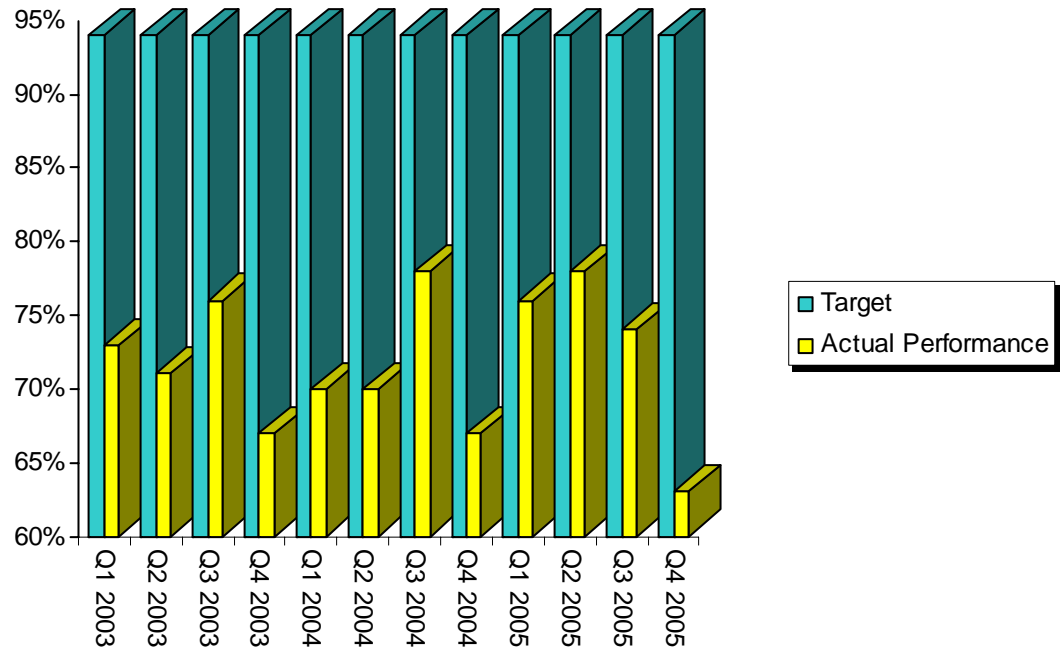
⁷ Mail flows measured include (1) mail posted in Dublin (City and County) for delivery nationwide and in Dublin County and (2) mail posted outside Dublin County for delivery nationwide, locally (ie within the same County of posting) and in Dublin County.

⁸ See also ComReg 0609b at www.comreg.ie, ComReg Residential Postal Survey 2005 (Prepared by Amárach Consulting) "Slide 23 - Satisfaction Levels - Postal Service - "The time it has taken to deliver your letters (based on indication when it was posted)" - 63% of all respondents are satisfied. Dubliners are more likely to be dissatisfied than people from other regions.

⁹ Quarter 3 reported a 4% decline over the same period in Quarter 3 in 2004 (from 78% to 74% D+1).

Figure 2 below shows that this result falls well short of the target set by ComReg of 94%.

Figure 2: National Mail Next Day (D+1) delivery performance



2.2 Local Mail for Delivery next working day in County of Posting (D+1)

Local Mail refers to mail that is delivered within the same county of posting. The results for the full year of 2005 and for Quarter 4 2005 for next working day delivery (D+1) of priority single piece local mail are reported by TNS mrbi as follows:

Table 2: Results for Local Mail Next Working Day (D+1) Delivery

	Year	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Full year
			Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
All local mail (D+1)	<u>2005</u>	94%	79%	81%	78%	67%	76%
	2004	94%	75%	75%	81%	71%	75%
Local Mail Posted in Dublin (D+1)	<u>2005</u>	94%	78%	79%	77%	70%	76%
	2004	94%	71%	75%	82%	72%	75%
Local Mail Posted outside Dublin (D+1)	<u>2005</u>	94%	80%	84%	79%	64%	76%
	2004	94%	78%	76%	80%	69%	76%

The target for local mail to be processed and delivered on the next working day is 94% (the same target as for National Mail). The results for the full year 2005 show that mail for local delivery continues to receive a better service than other mail (76% as compared with an average of 73% for national mail). Quarter 4 2005 results also support this trend with local mail receiving 67% next day delivery compared with national mail receiving 63% next day delivery.

Mail posted outside of Dublin for delivery within the county of posting shows a sharp decline in the level of service received for Quarter 4 2005 over previous results – a 20% gap can be observed between Quarter 2 and Quarter 4. This decline cannot be solely explained by the increase in volumes posted during the month of December 2005. In line with national performance, the overall performance of local mail has declined for the second half of 2005 over the same period in 2004; and contrasts poorly with the first half of 2005.

2.3 Next Working Day Delivery of Mail Posted to Dublin (D+1)

The following table shows the quality of service afforded to mail posted anywhere in the Republic of Ireland for delivery within Dublin, mail posted in Dublin for local delivery and mail posted outside of Dublin for delivery in Dublin.

Table 3: Results for Mail Delivered to Dublin for Next Working Day (D+1)

	Year	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Full year
			Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
National mail (D+1)	<u>2005</u>	94%	76%	78%	74%	66%	73%
	2004	94%	71%	73%	80%	69%	73%
Mail Posted in Dublin (D+1)	<u>2005</u>	94%	78%	79%	77%	70%	76%
	2004	94%	71%	75%	82%	72%	75%
Mail Posted outside Dublin (D+1)	<u>2005</u>	94%	72%	77%	69%	57%	68%
	2004	94%	70%	69%	77%	64%	70%

The target for this reporting stream is 94% (the same target as for National Mail).

The gap between performance for mail posted in Dublin for delivery locally and mail posted outside of Dublin for delivery in Dublin continues to widen, from 8% points in Quarter 3 2005 to 13% points in Quarter 4 2005. The annual result between these flows widened over the same period in 2004 – 8% in 2005 compared with 5% in 2004. It is clear that mail posted in Dublin for Dublin delivery is receiving a consistently better service compared with mail posted outside of Dublin for Dublin delivery. Again, this would suggest that difficulties arise once mail arrives from provincial locations for processing at the Dublin Mails Centre.

2.4 National Mail delivered within three days (D+3)

The results for Quarter 4 and the full year 2005 for delivery of single piece priority mail posted nationwide for delivery nationwide within three working days (D+3) are reported by TNS mrbi as follows:

Table 4: Results for National Mail Delivery within Three working days (D +3)

All national mail (D+3)	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual 2004 Jan - Dec
		Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec	
2005	99.50 %	98%	98%	96%	96%	97%
2004	99.50%	94%	97%	99%	96%	96%

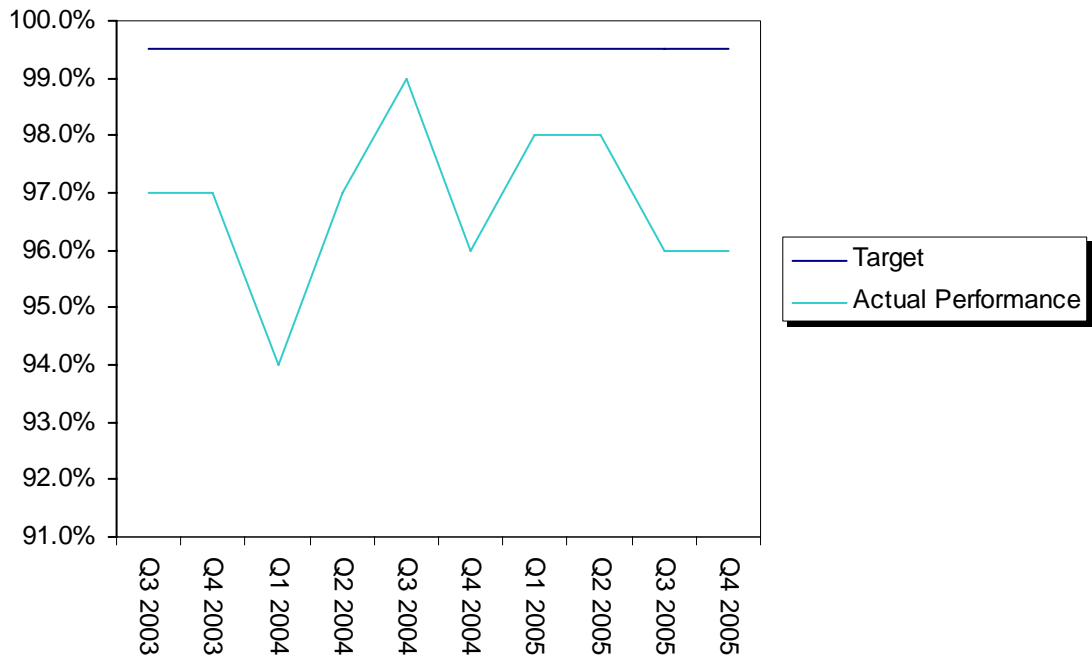
The purpose of this measure is to ensure that if there is a failure to provide the desired level of next day delivery then it is corrected as quickly as possible thereafter. The target is that 99.5% of all mail should be processed and delivered within three working days of posting.

TNS mrbi's report shows that 97% of all mail was delivered within three working days of posting in 2005. This result reflects a 1% increase over the first two years of measurement. However, it falls short of the 99.5% target set for delivery of mail within 3 days of posting.

From closer examination of the TNS mrbi report (see Annex A of annual results), the only flow which did not perform at 97% for 2005 was mail posted outside of Dublin County for delivery within Dublin (96%), mirroring the findings of the D+1 monitor and suggesting that difficulties may be arising at the Dublin Mail Centre.

The overall trend for National Mail Delivery within three working days (D +3) is illustrated in figure 3:

Figure 3: National Mail Delivery within Three working days (D +3) delivery performance



2.5 Action Underway

ComReg continues to actively pursue the issue of quality improvements with An Post. ComReg believes that quality of service is a fundamental issue, one that is essential to any business success. An Post has committed to achieving the 94% quality of service target and ComReg is awaiting the next quarterly update from An Post in relation to progress made in the implementation of its Quality of Service Improvement Programme at which time the issue of declining performance in the latter half of 2005 will be raised. ComReg will also monitor the effects on quality, if any, as An Post implements its redesigned Collection & Delivery working arrangements, the implementation of which ComReg understands is due to commence in early April.

The annual report 2005 and quarter four report for 2005 as submitted by TNS mrbi are published in full as annexes to this document.

Annex A TNS mrbi Report – First to Fourth Quarter 2005

Annex B TNS mrbi Report – Fourth Quarter 2005