



Commission for
Communications Regulation

Information Notice

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

Qtr 2, April to June 2006 & YTD, January-June 2006

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1 Foreword

The Commission for Communications Regulation (ComReg) is the sole organisation statutorily responsible for monitoring An Post's quality of service performance. ComReg is also responsible for setting and publishing quality of service standards. ComReg appointed TNS mrbi to measure¹ the quality of service afforded by An Post to single piece mail² items posted and delivered within the Republic of Ireland.

ComReg is now publishing TNS mrbi's report of the second quarter performance from April to June 2006 inclusive, together with an aggregated report for the year to date, January to June 2006. Performance results show that **73%** of nationwide single piece mail items were delivered the next working day after posting between April and June 2006. This represents a decline of 5% over the same period in 2005 and falls short of the quality of service target set by ComReg of **94%**.

The report highlights some variation in results between the different mail flows³. Mail posted outside of Dublin for delivery to addresses in Dublin County received a poorer level of service than mail posted outside of Dublin for delivery within the county of posting – 73% compared with 78%. Mail posted in Dublin County for nationwide delivery only received 69% next day delivery (representing a drop of 7% over the same period in 2005) while mail posted outside Dublin County for nationwide delivery received a 77% success rate. Local Dublin mail also experienced a 6% drop in performance over the same period in 2005.

The report does, however, highlight some performance improvement (97%) over the previous three quarters for mail posted nationwide for delivery anywhere in the country within three days of posting. However, this improvement continues to suggest a decline by comparison with the first two quarters of 2005 and falls short of the quality of service target set by ComReg of 99.5%. Mail posted in Dublin County for local and nationwide delivery shows a similar lower performance trend for delivery within three days as can be observed for these mail flows requiring a next day delivery.

ComReg remains concerned with the quality of service being afforded to postal consumers and notes the 5% drop in performance for next day deliveries over the corresponding period in 2005. ComReg is also anxious to understand the apparent decline in performance of mail originating in Dublin for delivery nationwide or indeed locally.

An Post's *Quality of Service Improvement Programme* was approved by the Board of An Post over a year ago and its lack of progress in achieving anticipated quality of

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.

service improvements within expected timeframes is acknowledged by An Post. For this reason An Post has decided to conduct an entire review of its *Quality of Service Improvement Programme*. The review is currently underway and once completed An Post will inform ComReg of the outcome. The purpose of the review is to identify issues which are stalling progress and identify ways of accelerating other areas which may yield positive improvements in a shorter timeframe. An Post is scheduled to update ComReg in October 2006 in regard to progress made.

It is paramount that the successful implementation of this programme benefits both business and residential consumers who require a high quality and dependable 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 mrobi to measure performance, 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 second interim report of 2006 on An Post's quality of service for single piece priority mail. Year to date results covering the period January to June 2006 are also reported. ComReg will continue to monitor and publish interim reports for each quarter of 2006, together with aggregated year to date reports, culminating with the publication of an annual report for 2006.

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 2 of 2006 (April to June inclusive) for next working day delivery (D+1) of single piece priority national mail as reported by TNS mrobi:

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	YTD	Actual Full year Jan - Dec
		Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec		
2006	94%	74%	73%	na	na	74%	na
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 April and June 2006. This represents a decline of 5% over the same period in 2005.

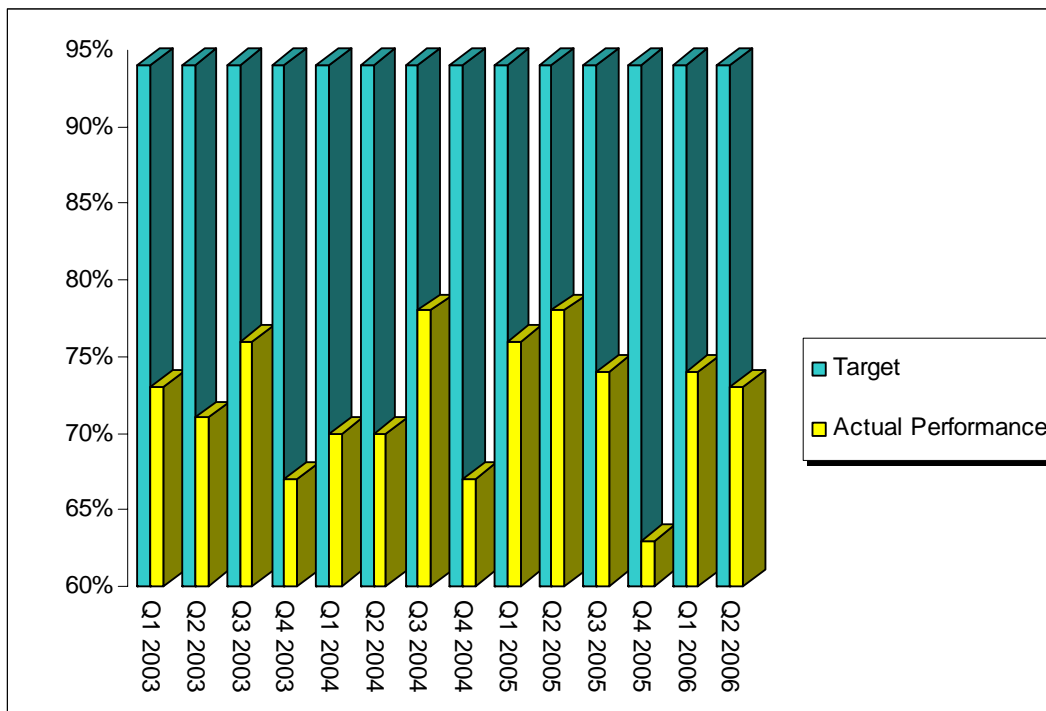
Figure 1 below shows that An Post's performance continues to fall well short of the target set by ComReg of **94%** for the period April to June 2006.

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 (i.e. posting)

Figure 1: National Mail Next Day (D+1) Delivery Performance



This result is of some concern to ComReg given that performance over the past 12 months has not stretched beyond 74% next day delivery and compares with a result of 78% for the corresponding quarter in 2005.

Looking more closely at TNS mrbi's report for Quarter 2 2006 (see Annex for Second Quarter 2006 and aggregated year to date results) it is worth noting that only 69% of mail posted in Dublin for nationwide delivery receives a next day delivery service while 77% of mail posted outside Dublin County for nationwide delivery can expect to be delivered the day after posting. This would suggest that at least parts of the difficulties are being experienced at the Dublin Mail Centre.

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 Quarter 2 2006 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	YTD	Actual Full year
			Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec		Jan - Dec
All local mail (D+1)	<u>2006</u>	94%	78%	76%	na	na	77%	na
	2005	94%	79%	81%	78%	67%		76%
Local Mail Posted in Dublin (D+1)	<u>2006</u>	94%	76%	73%	na	Na	75%	na
	2005	94%	78%	79%	77%	70%		76%
Local Mail Posted outside Dublin (D+1)	<u>2006</u>	94%	80%	78%	na	Na	79%	na
	2005	94%	80%	84%	79%	64%		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 Quarter 2 2006 shows 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).

The report also highlights some variation in results between the various mail flows⁷. Local mail posted outside of Dublin continues to receive a higher service standard (78%) compared to other flows. It should be noted that overall local mail performance continues to be brought down by a poorer local mail performance in Dublin, which suggests that some difficulties are being experienced in the Company's Dublin based delivery units. It should also be noted that performance of all local mail flows measured for Quarter 2 2006 has declined in comparison with the corresponding period in 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	YTD	Actual Full year
			Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec		Jan - Dec
National mail (D+1)	<u>2006</u>	94%	74%	73%	na	na	74%	na
	2005	94%	76%	78%	74%	66%		73%
Mail Posted in Dublin (D+1)	<u>2006</u>	94%	76%	73%	na	na	75%	na
	2005	94%	78%	79%	77%	70%		76%
Mail Posted outside Dublin (D+1)	<u>2006</u>	94%	71%	73%	na	na	72%	na
	2005	94%	72%	77%	69%	57%		68%

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

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.

Of significance from TNS mrbi's report is that mail posted outside of Dublin for delivery to addresses in Dublin County improved slightly over the first quarter results (up 2%) while mail posted in Dublin for local delivery disimproved by 3% by comparison with Quarter 1. Performance for local mail posted in Dublin (73%) can be compared with local mail delivery outside of Dublin (78% - see Table 2 above).

It is worth noting that performance of Dublin addressed mail on the whole has declined over the same period in 2005. While the performance of mail posted outside of Dublin for Dublin delivery has levelled off in Quarter 2 2006 with mail posted locally in Dublin, the aggregated year to date report suggests that mail posted outside of Dublin for Dublin delivery continues to be one of the poorer performing flows.

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

The results for Quarter 2 2006 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	YTD	Annual Jan - Dec
		Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec		
2006	99.5%	96%	97%	na	na	97%	na
<u>2005</u>	99.50%	98%	98%	96%	96%		97%

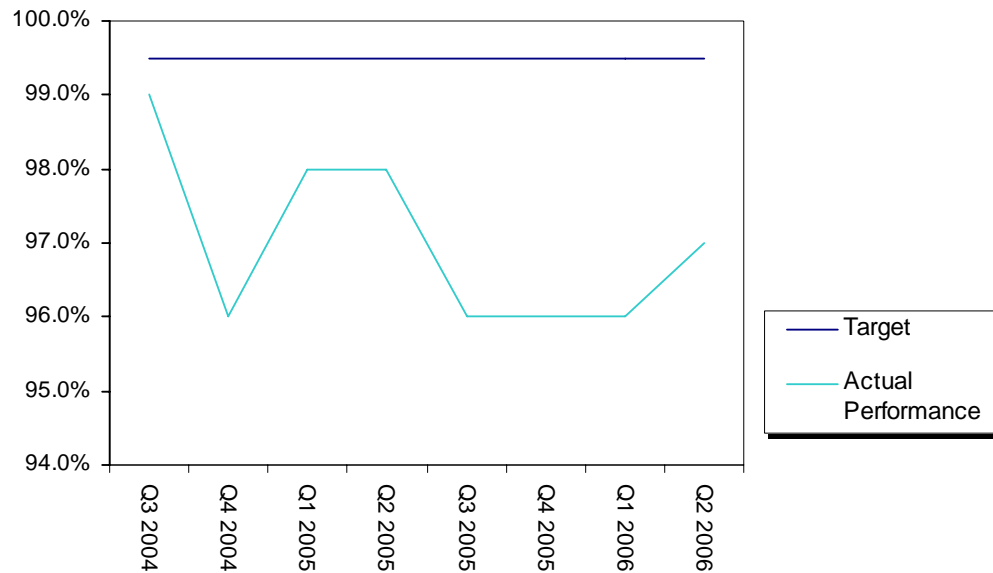
The purpose of this measure is to ensure that if there is a failure to provide the desired level of next day delivery then it is corrected as quickly as possible thereafter. The target set requires that 99.5% of all mail posted should be processed and delivered within three working days of posting.

TNS mrbi's report shows that 97% of all mail was delivered within three working days of posting for Quarter 2 2006. While this is the first sign of improvement over the last 12 months it does however suggest a decline in performance over the second Quarter of 2005 and it continues to fall 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 for Second Quarter 2006 and aggregated year to date results), the only flows that performed less well than 97% delivery within three days of posting in Quarter 2 2006 was mail inducted in Dublin for local or nationwide delivery (96%). However, the aggregated year to date results indicates that performance of mail posted outside of Dublin County for delivery locally, or for delivery within Dublin (96%) were the two poorest performing flows.

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 be concerned with the quality of service being afforded to postal consumers, and notes the 5% drop in performance for next day deliveries over the corresponding period in 2005.

An Post has committed to achieving the 94% quality of service target for next day delivery through the implementation of its *Quality of Service Improvement Programme* approved by the Board of An Post last year; and which An Post states is specifically geared towards the achievement of the Quality of Service targets set by ComReg.

Bearing in mind that An Post's *Quality of Service Improvement Programme* was approved by the Board of An Post over a year ago, its lack of progress in achieving anticipated quality of service improvements within expected timeframes is acknowledged by An Post. For this reason An Post has decided to conduct an entire review of its *Quality of Service Improvement Programme*. The review is currently underway and once completed An Post will inform ComReg of the outcome. The purpose of the review is to identify issues which are stalling progress and look for ways of accelerating other areas which may yield positive improvements in a shorter timeframe. An Post is scheduled to update ComReg in October 2006 in regard to progress made.

ComReg will also be anxious to understand the apparent decline in performance of mail originating in Dublin for delivery nationwide or indeed locally and whether there are problems at the Dublin Mail Centre which may be attributing to the poor performance of Dublin addressed mail.

An improvement in quality of service is fundamental to An Posts well-being. It is paramount that the successful implementation of its Quality of Service Improvement

Programme benefits both business and residential consumers who require a high quality and dependable postal service.

ComReg will also monitor the effects on quality, if any, as An Post implements its redesigned Collection & Delivery (C&D) working arrangements. ComReg understands that the implementation of these C&D changes is now underway, with the changeover at the Ballyfermot Delivery Service Unit (DSU) and the Ballsbridge DSU due for implementation shortly.

The second quarter report 2006 and the aggregated report for the year to date as submitted by TNS mrbi are published in full as annexes to this document.

**Annex A TNS mrbi Report – First and Second
Quarter 2006 –06/54a**

**Annex B TNS mrbi Report – Second Quarter 2006 –
06/54b**