



Commission for
Communications Regulation

Information Notice

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

Qtr 3, July-September 2005 & YTD, January-September 2005

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1 Foreword

The Commission for Communications Regulation (ComReg) is 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 in 2002 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 on the third quarter's performance from July 2005 to September 2005 inclusive and an aggregated report for the year to date (January to September 2005).

According to this report **74%** of nationwide single piece mail items were delivered the next working day after posting between July and September 2005. This result shows a 4% drop in service quality over the second quarter's performance. Moreover the result falls 20 percentage points short of the 94% target set by ComReg. ComReg will continue to monitor quality of service performance for the remaining quarter of 2005.

The report highlights a decline in the quality of service afforded to mail originating outside of Dublin to be delivered by the third working day, either for local delivery or for delivery in Dublin. It also shows that mail posted outside of Dublin for next working day delivery in Dublin is only experiencing a 69% success rate while mail originating outside of Dublin for local delivery records a success rate of 79%.

ComReg has previously highlighted its concerns about the quality of service for mail originating in Dublin, where so much of the nation's mail originates. The trend for Quarter 3 does not change our concerns. Results show that single piece priority mail posted in Dublin for next day delivery locally is only achieving a 77% success rate, while mail posted for next day delivery outside Dublin is only achieving a 75% success rate.

As indicated by ComReg in previous publications An Post will face the next stage of liberalisation of the postal service in January 2006 (with full market opening planned for 2009). While certain aspects of the postal market may provide new challenges and opportunities for An Post, quality of service will still remain a key issue for consumers. The targets set for An Post are reflective of the levels enjoyed by other comparable consumers across Europe and their achievement is important in the context of a modern competitive economy like Ireland's.

**Mike Byrne,
Commissioner**

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

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: 2002³ on its behalf. In line with the Standard, ComReg's monitor focuses exclusively on single piece priority mail⁴

This is the third interim report of 2005 reporting on An Post's quality of service for single piece priority mail. It also reports on performance for year to date (January to September 2005 inclusive).

As detailed previously by ComReg⁵ the measurement system employed does not include Bulk mail.

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 and Quarter 3 of 2005 as well as results for year to date (January to September inclusive) 2005 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	YTD	Actual Full year Jan - Dec
		Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec		
2005	94%	76%	78%	74%	na	76%	na
2004	94%	70%	70%	78%	67%	70%	72%

The independent measurement system reported that An Post delivered 74% of all single piece mail within one working day of posting between July and September 2005.

While the 4% drop in quality of service in Quarter 3 over Quarter 2 of 2005 might be considered a modest decline, Quarter 3 is generally An Post's best performing quarter of the year for seasonal reasons. However, a more in-depth analysis of the data produced by TNS mbri for Quarter 3 reveals a dramatic drop in service quality for the month of September 2005 over the corresponding period for 2004, especially

³ Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail

⁴ Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small

⁵ See ComReg 05/75 – An Post's Quality of Service Domestic single piece mail - Quarter 2, July to September & H1, January-June 2005

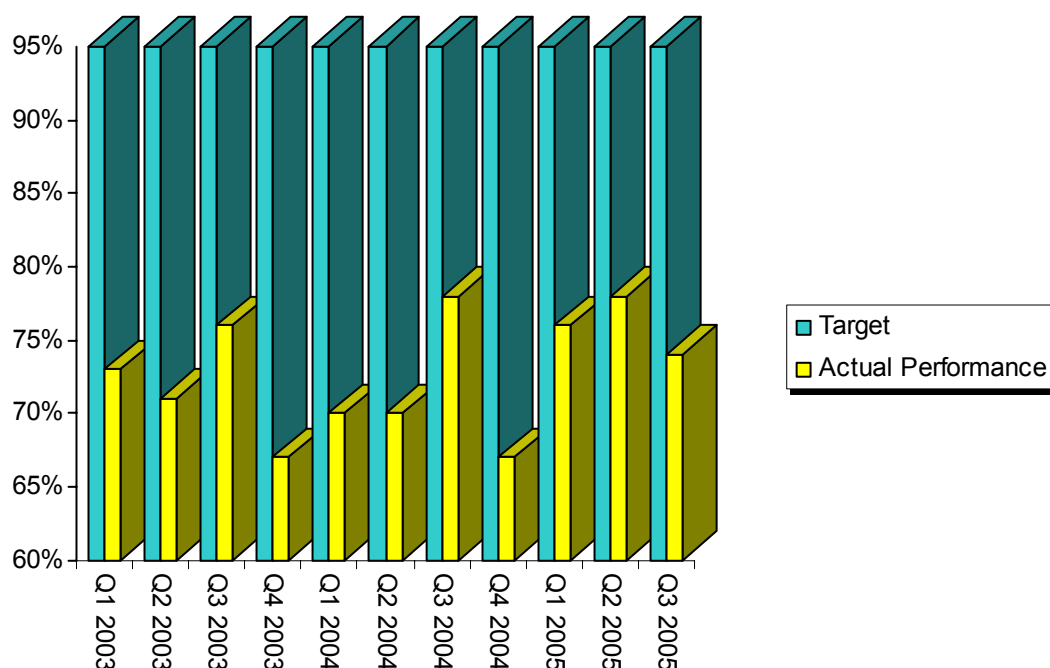
⁶ D represents the date of deposit

in the southern region. This poor performance coincided with some operational changes by An Post in the southern part of the country.

Quality of service performance for the month of September was only 68% while the months of July and August 2005 averaged at 77%. Performance for the months of July and August may therefore be more representative of overall quality of service for 2005 to date.

Figure 1 below shows that this result falls well short of the target set by ComReg of 94%.

Figure 1: 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 Quarter 3 of 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	YTD	Actual Full year
			Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec		Jan - Dec
All local mail (D+1)	2005	94%	79%	81%	78%	na	79%	na
	2004	94%	75%	75%	81%	71%	75%	75%
Local Mail Posted in Dublin (D+1)	2005	94%	78%	79%	77%	na	78%	na
	2004	94%	71%	75%	82%	72%	73%	75%
Local Mail Posted outside Dublin (D+1)	2005	94%	80%	84%	79%	na	81%	na
	2004	94%	78%	76%	80%	69%	77%	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 3 of 2005 show that mail for local delivery continues to receive a better service than other mail (78% as compared with an average of 74% for all mail).

Mail posted outside of Dublin for delivery within the county of posting receives a better quality of service than mail posted in Dublin for delivery within Dublin – 79% compared with 77%.

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)	2005	94%	76%	78%	74%	na	76%	na
	2004	94%	71%	73%	80%	69%	72%	73%
Mail Posted in Dublin (D+1)	2005	94%	78%	79%	77%	na	78%	na
	2004	94%	71%	75%	82%	72%	73%	75%
Mail Posted outside Dublin (D+1)	2005	94%	72%	77%	69%	na	72%	na
	2004	94%	70%	69%	77%	64%	69%	70%

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

Mail posted outside of Dublin for delivery in Dublin continues to lag with only 69% next working day delivery compared with 77% delivery for mail posted in Dublin for delivery in Dublin.

Comparing the result for mail posted outside of Dublin for delivery in Dublin (69%) with the result for mail posted outside of Dublin for local delivery within county of posting (79%), see Table 2 above, it is evident (10% gap) that mail posted in

provincial locations and addressed for delivery in Dublin, is continuing to receive a poorer quality of service than mail which is posted outside of Dublin for local delivery.

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

The results for Quarter 3 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	YTD	Actual 2004 Jan - Dec
		Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec		
2005	99.50 %	98%	98%	96%	na	97%	na
<i>2004</i>	<i>99.50%</i>	<i>94%</i>	<i>97%</i>	<i>99%</i>	<i>96%</i>	<i>95.50%</i>	<i>96%</i>

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.

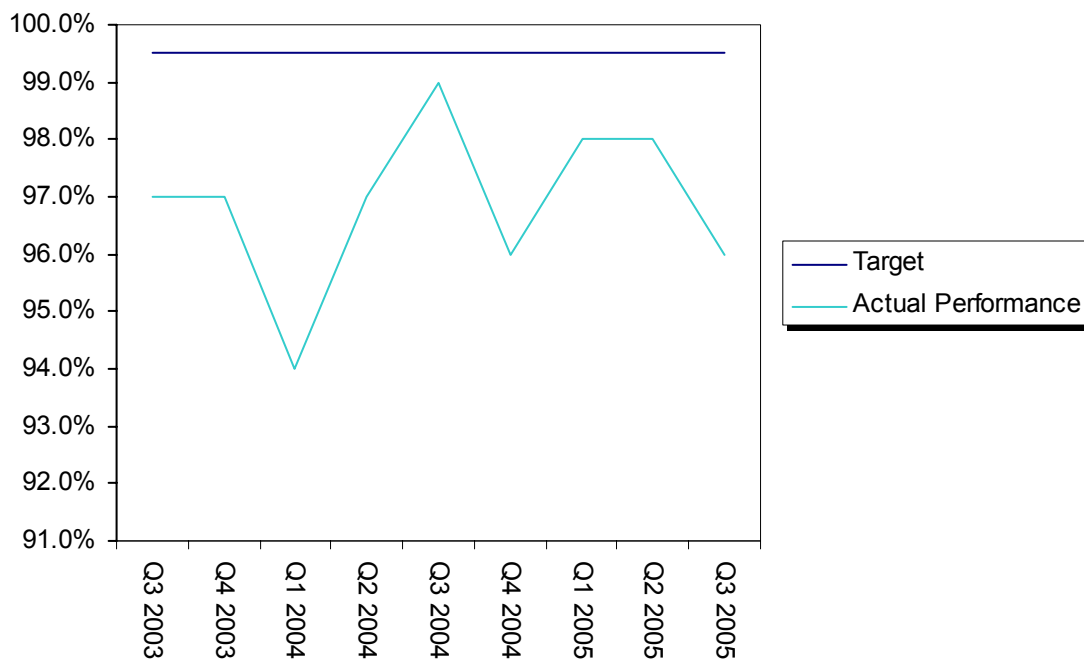
TNS mrbi's report shows that 96% of all mail was delivered within three working days of posting for Quarter 3 2005. This result reflects a 2% decline over the first two quarters of 2005. It also reflects a 3% drop in quality over the corresponding period of 2004 and it falls short of the 99.5% target set for delivery of mail within 3 days of posting.

It must be noted, from closer examination of the TNS mrbi report (see Section 3⁷), that a similar trend in D+3 performance emerges for mail posted outside of Dublin for delivery in Dublin as that for D+1 performance. Only 93% of all mail posted outside of Dublin for delivery in Dublin was delivered within 3 days of posting. This also marks a 6% decline for this flow over the previous 6 months (January to June 2005).

The overall trend for National Mail Delivery within three working days (D +3) is illustrated in figure 2:

⁷ Delivery within three days (D+3): Items posted on or between 1st July & 30th September, 2005

Figure 2: 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 and meeting the needs of consumers are key 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.

The quarterly and year to date Reports submitted by TNS mrbi are published in full in section 3 of this document.

3 TNS mrbi Report

Republic Of Ireland Quality Of Postal Service Monitor

Interim Report Items Posted On Or Between 1st July & 30th September, 2005

ComReg



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Temple House
Temple Road
Blackrock
Co. Dublin
www.tnsmrbi.ie

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TNS mrbi/102307/05

1 INTRODUCTION

TNS mrbi has been commissioned by ComReg to monitor the quality of postal service in the Republic of Ireland, according to 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' in parallel with the Guide for the implementation of EN 13850, TR 14709. For monitoring purposes, the universe of post is defined as all single piece priority mail and first class mail posted and delivered in the Republic of Ireland. Monitoring is conducted via a nationwide panel of homes and business premises posting and receiving mail on a continuous basis.

This report presents the findings for items posted on or between 1st July and 30th September, 2005.

Reports are issued on a quarterly and year-to-date basis.

TNS mrbi is an independent provider of business information. TNS mrbi is a fully owned subsidiary of TNS plc.

2 **NEXT DAY DELIVERY (D +1): ITEMS POSTED ON OR BETWEEN
1ST JULY & 30TH SEPTEMBER 2005**

		DELIVERY		
		Anywhere	Local (delivery within county of posting)	Dublin County
POSTING	Anywhere	74% (+/-1.6%)	78% (+/-2.1%)	74% (+/-2.0%)
	Dublin county	75% (+/-2.5%)	77% (+/-2.9%)	77% (+/-2.9%)
	Outside Dublin county	74% (+/-2.1%)	79% (+/-3.4%)	69% (+/-2.9%)

1. *() figures in brackets relate to accuracy levels at 95% confidence*
2. *Total number of effective observations – 5,505*
3. *Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.*

3 DELIVERY WITHIN THREE DAYS (D +3): ITEMS POSTED ON OR BETWEEN 1ST JULY & 30TH SEPTEMBER, 2005

		DELIVERY		
		Anywhere	Local (delivery within county of posting)	Dublin County
POSTING	Anywhere	96% (+/-0.7%)	97% (+/-0.9%)	96% (+/-0.9%)
	Dublin county	97% (+/-1.0%)	97% (+/-1.2%)	97% (+/-1.2%)
	Outside Dublin county	95% (+/-1.0%)	96% (+/-1.6%)	93% (+/-1.6%)

1. *() figures in brackets relate to accuracy levels at 95% confidence*
2. *Total number of effective observations – 5,505*
3. *Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.*

4 METHODOLOGY

The method of monitoring is in full accordance with 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'.

4.1. Calculation Of Transit Time

Transit times for July and August are calculated according to a five-day working week calculation rule; whereby Saturday's, Sunday's and public holidays are excluded for delivery calculation purposes.

This rule is applied on the basis that mail is posted seven days a week. Where mail is inducted on Saturday, Sunday and a public holiday to meet advertised collections on these days, Monday is regarded as the next working day for the calculation of transit time for this mail. Where there is no advertised collection on these days mail inducted over the weekend/public holiday will be regarded as having been inducted on the following Monday for the calculation of transit time.

From the 1st September onwards mail posted on Saturday and Sunday are treated as mail posted on Monday. This change reflects the fact that there is no longer a weekend collection service. The Last Time of Posting (LTOP) for next-day delivery is clearly displayed on pillar-boxes and states that 'mail posted at any post-box/location on a Saturday, Sunday or Public Holiday will be delivered nationally on the second working day'. Any test mail items posted on a Saturday, Sunday or Public Holiday, delivered on the next working day will be treated as a J+0 item. J+0 items are included in the J+1 figures for the purposes of calculating next-day delivery.

4.2. Sample Design

The sample design corresponds with the most accurate and up-to-date estimates of real mail flow and discriminant characteristics provided by An Post. The sample employs strict proportionality across all key characteristics. Discriminant characteristics are defined as:

- Method of posting
- Method of addressing
- Envelope colour
- Envelope size
- Method of payment
- Day of week of posting

Regional mail flows are quota controlled with weighting used to restore proportionality.

4.1. *Geographical Distribution*

Stratified random sampling is employed to achieve the required panel geographical distribution. All addresses are verified with panellists for accuracy and completeness.

4.2. *Calculation Of Results*

Accuracy of the transit time is assessed by calculating the variance of the estimator and the design factor, taking into account:

- number of points of induction and receiving
- correlation of test items

5 PROJECT TEAM

Ian McShane, Managing Director, TNS mrbi

Damian Loscher, Deputy Managing Director, TNS mrbi

Maura Murphy, Associate Director, TNS mrbi

Cathal Carroll, Research Consultant, TNS mrbi

**Republic Of Ireland Quality Of Postal
Service Monitor**

**Interim Report
Items Posted On Or Between
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1. () figures in brackets relate to accuracy levels at 95% confidence
2. Total number of effective observations – 16,095
3. Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.

3 DELIVERY WITHIN THREE DAYS (D +3): ITEMS POSTED ON OR BETWEEN 1ST JANUARY & 30TH SEPTEMBER, 2005

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