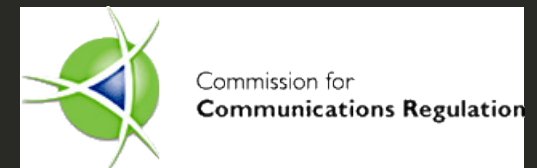




Large Postal Users Survey

November 2013 – Document No. 13/107



Ipsos MRBI



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Introduction





- Ipsos MRBI was commissioned by the Commission for Communications Regulations (ComReg) to conduct **research amongst Large Postal Users in relation to their postal experience**
- The key objectives of this research are to understand large postal users in terms of:
 - Usage and awareness of postal service providers
 - Volumes of mail sent and delivered
 - Attitudes to the postal service
 - Complaints experience
 - eCommunication/ Internet Usage & Postal Services
- The research included large senders and large receivers of post, as well as organisations which fell into both categories
- This is part of a series of research projects, with similar surveys amongst consumers and SMEs



- In consultation with ComReg, Ipsos MRBI identified possible large users of postal services
 - This list consisted of financial institutions, utilities, state bodies/government departments, charities, hospitals, universities and others
- Ipsos MRBI contacted each organisation to identify the individual with responsibility for managing postal services and recruit them for the research
- The research involved two elements:
 - A self-completion questionnaire to identify postal volumes to confirm whether a large postal user or not
 - A face-to-face interview to provide further context on that organisation's current and future usage of postal services
- 10 interviews were conducted between June and August 2013
 - 8 organisations were categorised as large senders of post
 - 9 organisations were categorised as large receivers of post
- Though only 10 interviews were conducted, this accounts for a reasonable percentage of the population of Large Postal Users. However, as Large Postal Users have significantly different relative postal volumes sent/received, some caution is required when interpreting the results



- A profile of the 10 organisations interviewed as part of this research is shown below

Type of organisation	Number of organisations
Hospital	2
Utility	2
Financial Institution	2
Government Department/State Body	1
Charity	1
University	1
Mail fulfilment company	1

Executive Summary





- The common experience across large postal users is that there has been a slight decline in postal volumes (both sent and received) over the past two years
 - This is primarily driven by a slight decline in standard letters due to increased usage of alternatives (email in particular) but also due to general downturn in business
 - However respondents anticipate that volumes may increase or remain the same in the next two years (particularly in terms of volumes received)
- About a fifth of mail sent/received has been replaced by electronic means over the past two years, and respondents believe that the rate of increased adoption of this medium for sent mail is likely to slow down in the coming years
 - Cost effectiveness is the key motivator for e-substitution, although speed of delivery also has appeal. Legal barriers and customer profile are the barriers to further adoption.
 - Digital postboxes have some appeal, although this is limited due to a perception of customer preference for postal communications
- All organisations use An Post as their primary postal provider, and claim to be satisfied with the service received. Four of the ten organisations researched have used an alternative provider, with barriers to wider usage driven by low levels of awareness, which in turn is driven by not having been approached by new providers
 - Increases in postal charges are identified as posing problems for organisations, but the common way to address this is to reduce the volumes sent or switch to electronic methods rather than seek out an alternative provider

Post – Types & Volume

Frequency of Sending Each Type of Item



Q.2 SC In the past 12 months, how frequently would your organisation send _____?

All Large Users	Standard Letters %	Large Letters %	Packages %	Parcels %	Registered Items %	Insured Items %
Daily	100	90	70	60	70	20
2-3 Days	-	-	-	-	-	-
Weekly	-	-	20	10	-	-
Monthly	-	10	-	-	-	-
Randomly	-	-	10	10	-	-
Rarely	-	-	-	-	-	20
Don't send	-	-	-	20	30	60

Large Senders	Standard Letters %	Large Letters %	Packages %	Parcels %	Registered Items %	Insured Items %
Daily	100	88	75	63	63	13
2-3 Days	-	-	-	-	-	-
Weekly	-	-	13	13	-	-
Monthly	-	13	-	-	-	-
Randomly	-	-	13	-	-	-
Rarely	-	-	-	-	-	25
Don't send	-	-	-	25	38	63

All of the large users interviewed send standard letters on a daily basis. Large letters are also sent daily by the majority. Other items are sent less frequently, with over half sending Parcels, and Packages daily. Those sending registered items send these on a regular basis.

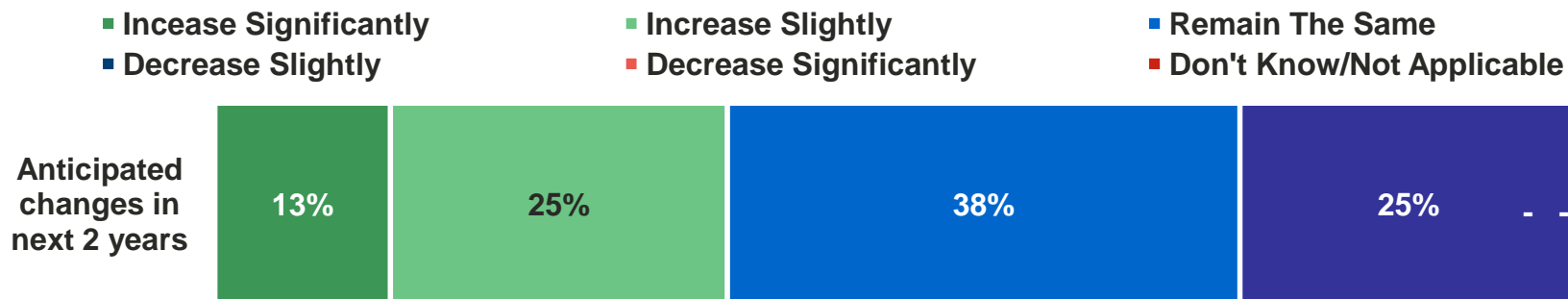
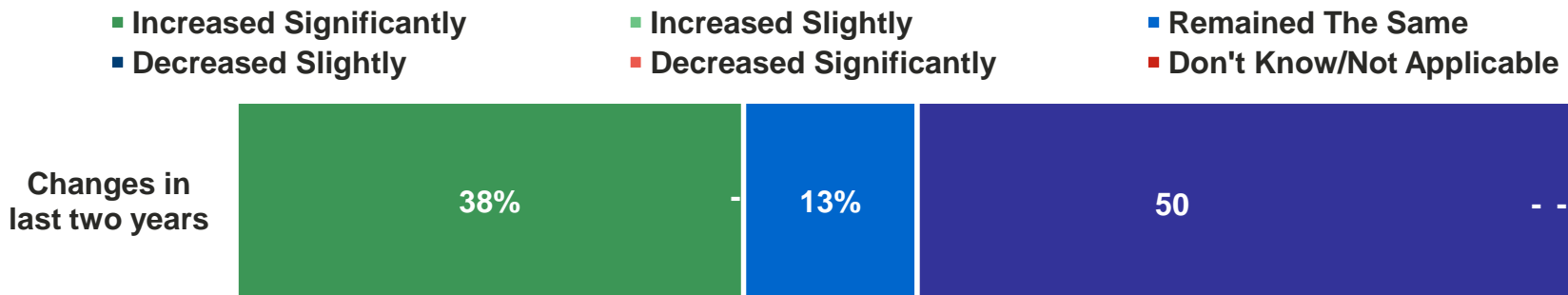
Overall Changes in Volumes Sent Over Last Two Years and Anticipated Changes in Volumes to be Sent Over the Next Two Years



Q.6 SC Overall, do you think that the number of post items that your organisation sent in the past two years has...?

Q.7 SC Overall, in the next two years, do you anticipate the number of post items that your organisation will send will...?

Large Senders



Half of the large senders of post are reporting an overall decrease in the volume of post sent in the past two years, with a quarter indicating that this decrease is likely to continue in the coming two years.

Changes in Volumes Sent Over Past Two Years and Anticipated Changes in Volumes To Be Sent Over Next Two Years – By Item



Q.4 SC Do you think the number of _____ your organisation sent in the past 2 years has increased, decreased or remained the same?

Q.5SC In the next two years, do you anticipate the number of _____ that your organisation sends will...?

Large Senders - Changes in last 2 years

	Increased Significantly %	Increased Slightly %	Remained The Same %	Decreased Slightly %	Decreased Significantly %	Don't Know/ Not Applicable %
Standard Letters	25	13	-	50	-	13
Large Letters	-	13	38	38	-	13
Packages	-	13	50	25	-	13
Parcels	-	-	38	38	-	25
Registered Items	13	13	13	25	-	38
Insured Items	-	-	38	-	-	63

Large Senders – Anticipated changes in next 2 years

	Increase Significantly %	Increase Slightly %	Remain The Same %	Decrease Slightly %	Decrease Significantly %	Don't Know/ Not Applicable %
Standard Letters	13	25	38	25	-	-
Large Letters	13	-	63	25	-	-
Packages	13	13	63	13	-	-
Parcels	13	13	50	13	-	13
Registered Items	13	13	38	13	-	25
Insured Items	-	-	38	-	-	63

The decrease in postal volumes is consistent across all types of post being sent, with half or those sending standard letters indicating a slight decrease in volumes of this type of post. A lower proportion are anticipating a decline in the volumes in the coming two years

Reasons for Changes in Volume Sent Over Past Two Years (Large Senders)



Q.9 For each type of postal item sent where quantities have increased or decreased over the past two years ask for the reasons for this increase/decrease.

Item	Reasons for Increase	Reasons for Decrease
Standard Letters	<ul style="list-style-type: none"> Expansion of services Cancellation of direct debit 	<ul style="list-style-type: none"> Increased email use (5) Downturn in business (3) Fewer staff Alternatives
Large Letters	<ul style="list-style-type: none"> Expansion of services 	<ul style="list-style-type: none"> Increased email use (3) Downturn in business (2) Fewer staff Alternatives
Packages	<ul style="list-style-type: none"> Expansion of services 	<ul style="list-style-type: none"> Downturn in business (2) Alternatives Campaigns slowed
Parcels	<ul style="list-style-type: none"> Online orders 	<ul style="list-style-type: none"> Downturn in business (2) Less activity / usage (2) Combining parcels Campaigns slowed
Registered Items	<ul style="list-style-type: none"> Protection of organisation (legal docs / sensitive info) 	<ul style="list-style-type: none"> Less activity (2) Increased live shopping Courier use Downturn in business
Insured Items		<ul style="list-style-type: none"> Downturn in business

Reasons for Expected Changes in Volume Sent Over Next Two Years (Large Senders)



Q.10 For each type of postal item sent where quantities are expected to increase or decrease over the next two years ask for the reasons for this increase/decrease.

Item	Reasons for Increase	Reasons for Decrease
Standard Letters	<ul style="list-style-type: none"> Expansion of services 	<ul style="list-style-type: none"> Increase in electronic mail Continued downturn in business
Large Letters		<ul style="list-style-type: none"> Increase in electronic use
Packages	<ul style="list-style-type: none"> Expansion of services 	
Parcels	<ul style="list-style-type: none"> Online shopping Expansion of services 	
Registered Items	<ul style="list-style-type: none"> Expansion of services 	

Payment Method Used



Q.9 SC And when sending post, what payment method does your organisation use...?

Method	Number of users of each method	
	All Large Users	Large Senders
Meter	9	7
Ceadunas	7	5
Labels	3	2
Stamps	2	2

N.B. Multi-coded question, so totals may sum to more than 10/8

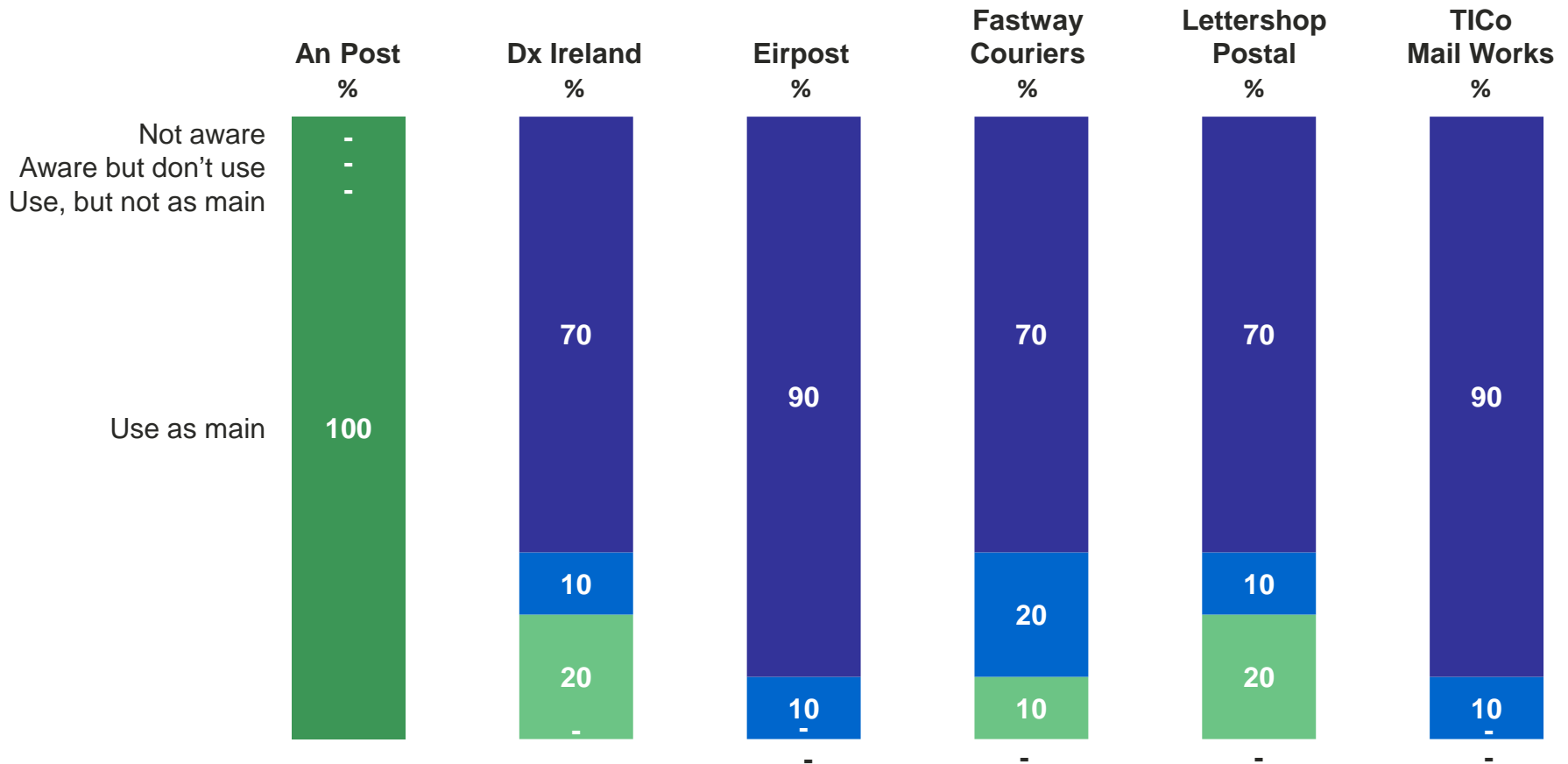
Meter is the most common form of payment method (used by all except one user) with Ceadunas used by five of the eight large senders. Two large senders indicate that they use stamps, although the extent of usage of this method within those organisations is unclear.

Awareness & Usage of Postal Providers

Awareness & Usage of Postal Services



- Q. 1 Which of the following companies that send or deliver post have you heard of?
- Q. 2 And, which of those companies have you used in the past 12 months?
- Q. 3 And, which of those companies would you consider to be your primary postal service provider?



All those interviewed use An Post as their main provider. Most are aware of at least one other provider, however only 40% have used another provider in the past 12 months.

Reasons For Using Other Providers



Q.8 For what reasons did you start using _____?

[Provider] is *cheaper*
and good for
business addresses

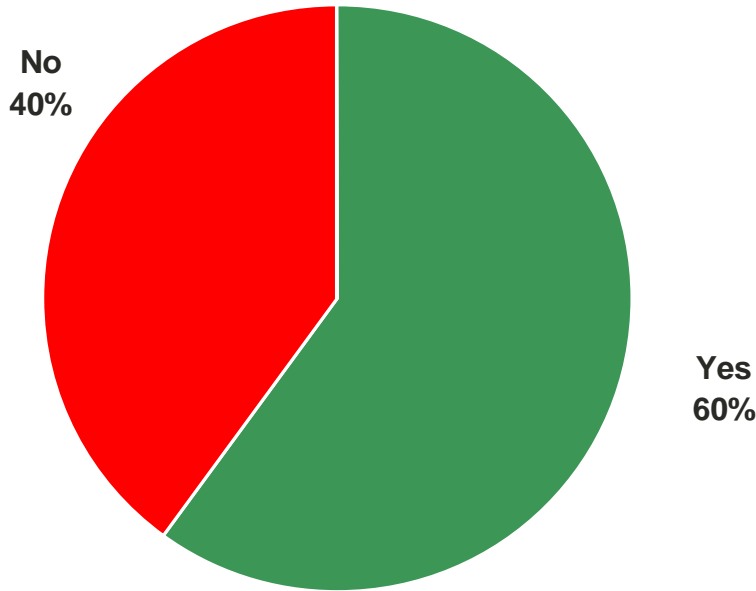
[Provider] offers
internal mail
between branches
... this service isn't
provided by An Post

Whether Approached by Other Providers

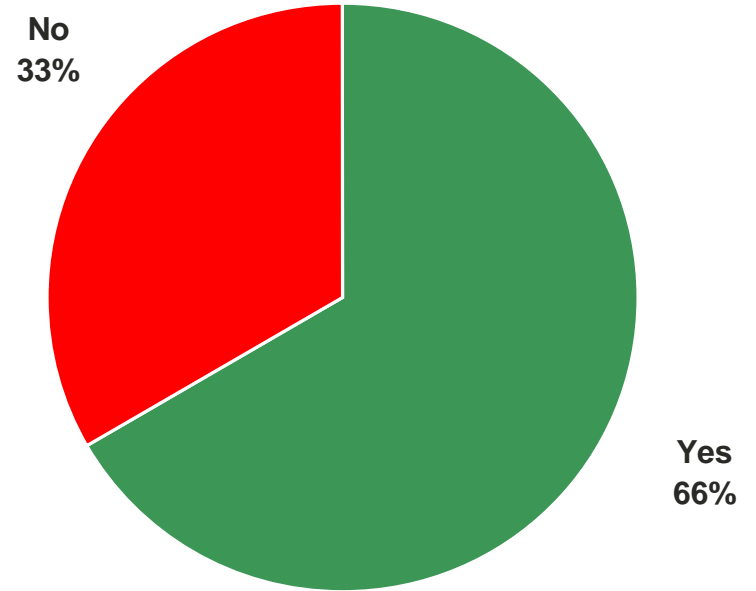


Q. 4a In the past two years, have you ever been approached by a provider other than An Post in terms of your organisation's postal needs

Large Senders



Large Receivers



Of those that use An Post exclusively, most have been approached by another provider in the past two years

Reasons for Only Using An Post



Q.5 For what reasons do you not use any other providers for your organisation's postal needs?

Reasons for using An Post exclusively:

- **Use An Post / Happy with An Post (4 mentions)**
- **Have not been approached by other provider (2 mentions)**
- **No need to use other provider (2 mentions)**

Single mentions:

- A tendering process would be required
- Other providers could not provide national coverage as quickly as An Post

The main reason for not using any other providers is satisfaction with the An Post service. Other reasons include lack of opportunity (haven't been approached) and lack of need. However, three of the four organisations using An Post exclusively and have been approached by another provider say they are likely to start using another provider in the next two years.

Overall Satisfaction / Problems With Postal Services



- Q. 25 Overall, how satisfied or dissatisfied is your organisation with the service that it receives from its main postal provider?
- Q. 26 Have you experienced any problems with [any of] your postal service provider[s] within the last 12 months?
- Q. 27 And what was the nature of these problems?

All 10 providers report being **'Very Satisfied'** with the service received from their main provider.

3 of 10 have experienced **problems** with [any of] their postal services within the last 12 months.



- **Delayed or non-delivery** of services (two mentions)
- **Delivery to wrong address** (single mention)
- **Early or missed collection** (single mention)
- **Late arrival** of guaranteed day/time (single mention)

Base: 10; Those who experienced problems: 3
Caution Small Base

Spend

Q.13 How much does it cost for each standard letter that your organisation sends?

Q.14 How sensitive is your organisation to increases in prices, such as the one recently implemented by An Post?

Seven large senders identified that **€0.59** is the average cost per standard letter sent. One identified it as **€0.60**.

Overall, large users are **very sensitive to increases in price** such as the one recently implemented by An Post.

Our organisation
is not happy
(2 mentions)

Our overall
budget has been
affected
(3 mentions)

Increases put
people off
posting
(single mention)

The recent
increase cost us
€1 million
annually
(single mention)

For us, it's not an
issue
(3 mentions)

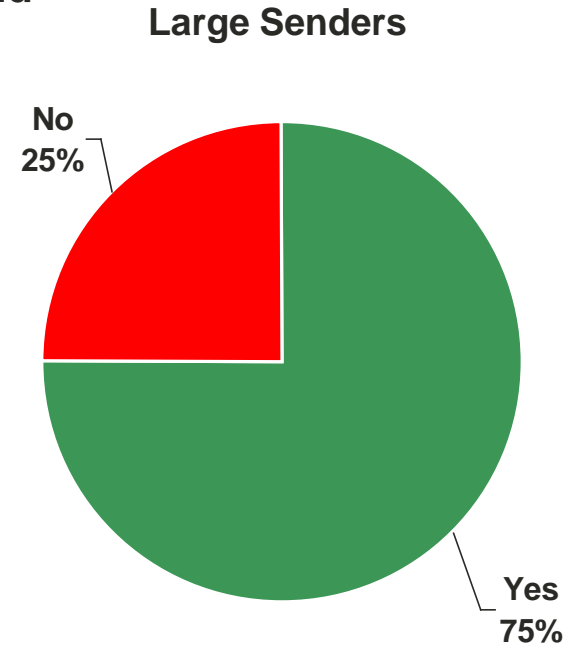
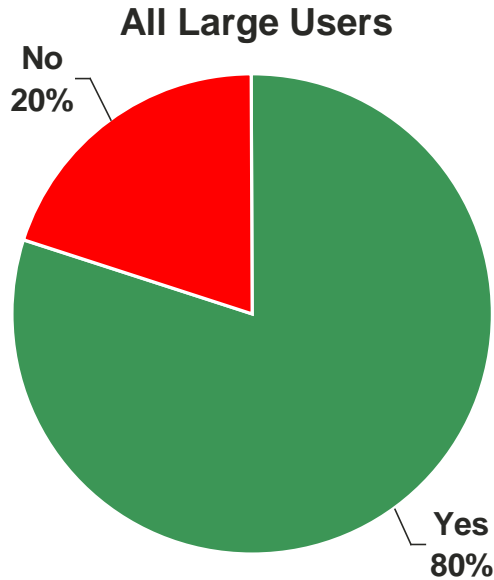
Intentions to Reduce Postal Service Spend



Q.11 Does your organisation intend to reduce the amount that it spends on postal services?

Q.12 What types of actions is your organisation taking to reduce the amount it spends on postal services?

Intentions to Reduce Spend



Actions taken to reduce spend

- Increased email use
- Use of courier
- Deferred post service
- Cheaper supplier

Eighty percent of the large users included in the research are intending to reduce their spend on postal services, primarily through using electronic forms or postal volumes

E-Communications & Postal Services

Electronic Substitution



- Q.15 Over the past 2 years, what percentage of the post that your organisation sends has been replaced by electronic means, such as email or online?
- Q.16 And over the next 2 years, what percentage of post that your organisation currently [sends/receives] do you anticipate will be replaced by electronic means?
- Q.19 Over the past 2 years, what percentage of the post that your organisation receives has been replaced by electronic means?
- Q.20 And over the next 2 years, what percentage of the post that your organisation currently receives do you anticipate will be replaced by electronic means?

Avg. % of post replaced by electronic means over past two years

Avg. % of post likely to be replaced by electronic means over next two years

**Sent post
(Large Senders)**

20%

8%

**Received post
(Large Receivers)**

14%

14%

Whilst large senders identified that , on average, a fifth of the post sent/received had been replaced by electronic means over the past two years, they are anticipating a fall in the level of replacement over the coming years. The replacement of received post is likely to continue at the same level.

Motivations & Barriers for Electronic Communications



- Q.17 What would you say are the key motivators to your organisation of e-substitution for the post that your organisation sends?
- Q.18 And what would you say are the key barriers to changing over to electronic means?
- Q.21 What would you say are the key motivators to e-substitution for the post that your organisation receives?
- Q.22 And what would you say are the key barriers?

Motivator	Sent Post		Received Post	
	Overall (No. of Mentions)	Large Senders	Overall (No. of Mentions)	Large Receivers
Cost effective	6	5	5	4
Faster	5	4	5	5
Environmental impact	1	-	-	-
Ease of communication	2	1	-	-
Security	1	-	2	2
Customer choice	1	1	1	1

Barrier	Sent Post		Received Post	
	Overall (No. of Mentions)	Large Senders	Overall (No. of Mentions)	Large Receivers
Legal barriers	3	2	1	1
Development costs	3	2	2	1
Customer profile	4	3	3	3
Security	2	2	2	2
Few/none	-	-	2	2

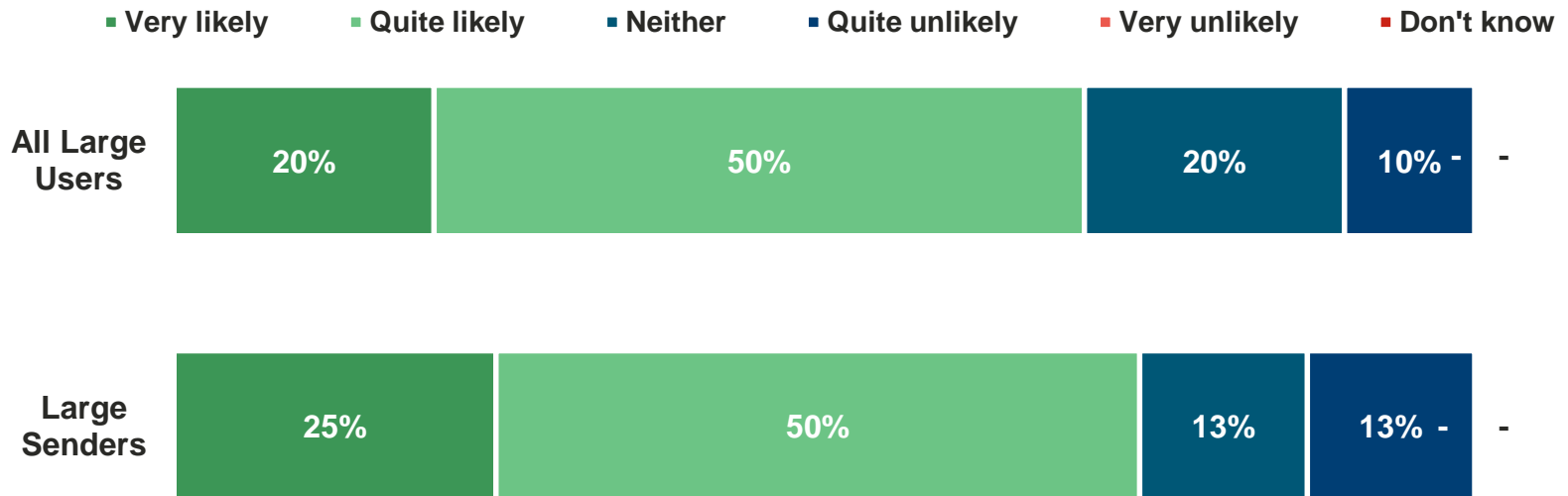
Cost effectiveness is the key appeal for electronic substitution, although speed is also prominent. A variety of barriers exist, with customer profile and security being concerns for substitution of both sent and received post.

Likelihood of Using Digital Post-boxes



Q.24 If this service was made available in Ireland, how likely would your organisation be to use it to send mail?

Likelihood to send mail using digital postboxes



Motivators

- Cost (6)
- Speed (2)
- Security (2)
- Efficiency (2)

Barriers

- Lack of information
- Elderly not on computer
- Culture shift required

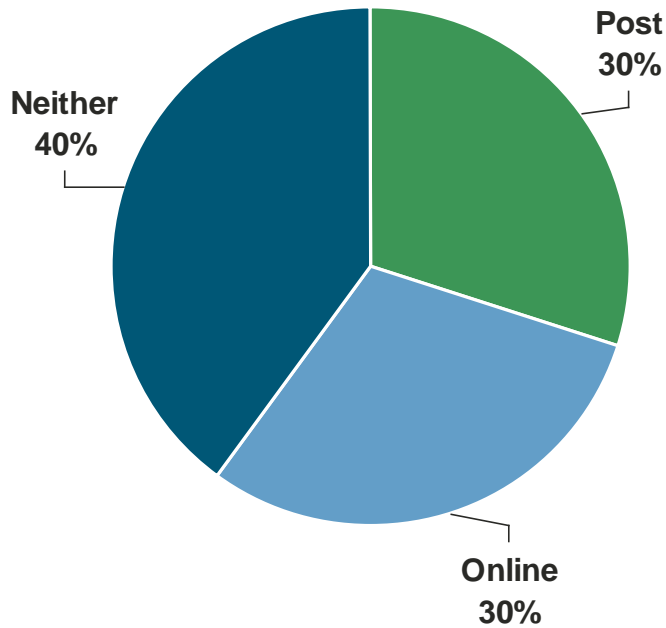
Digital postboxes have predominantly positive appeal (primarily for cost reasons). However, a few require more information before they would avail of the service and some concern exists in relation to clients who would not be able to access a digital post box (e.g. the elderly).

Customer Preference for Communications



Q.23 Do your customers have a preference for receiving communications by post or online?

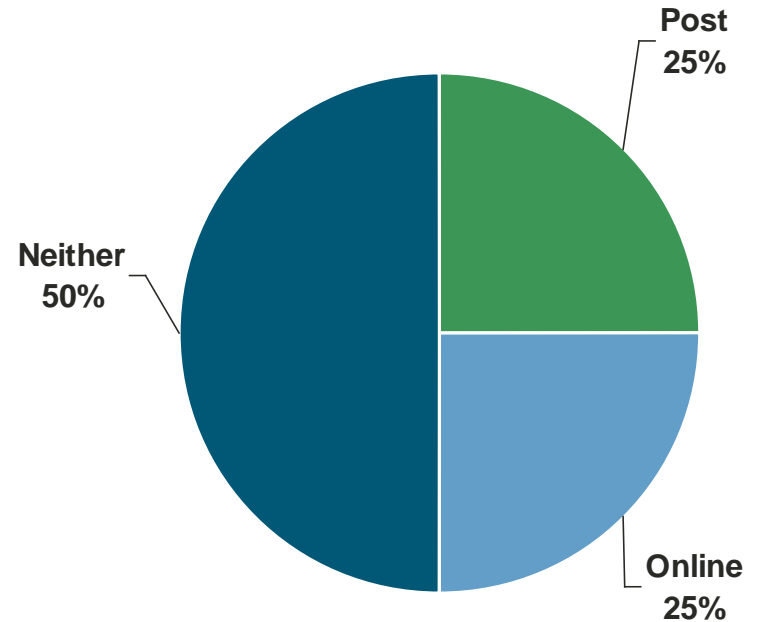
All Large Users



Motivators for online

- Secure
- Accessible
- Not mistaken for junk mail
- More inclined to read

Large Senders



Motivators for post

- Older generation preference / customer expectations
- Security
- More official

Service Level Agreement & Rebates

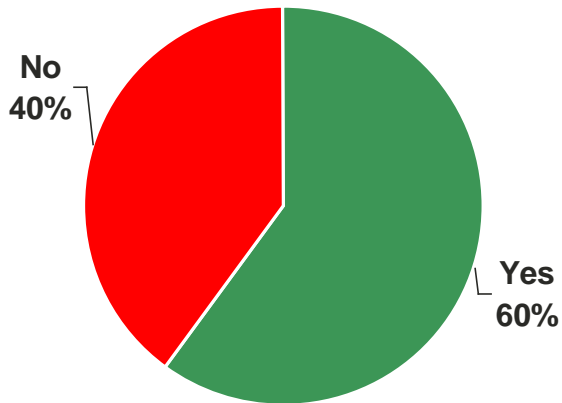
Service Level Agreement



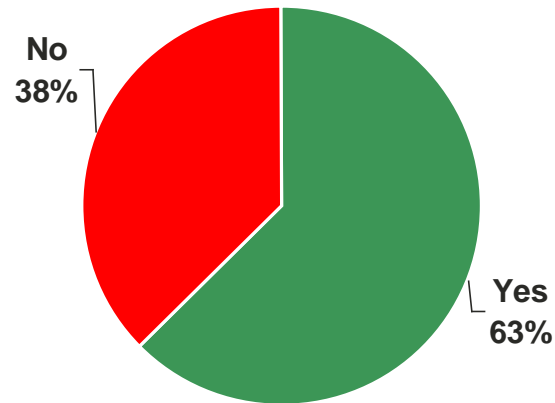
Q.28a Does your organisation have a service level agreement with your postal provider for commercially negotiated contracts?

Q.28b What is covered by this Service Level Agreement?

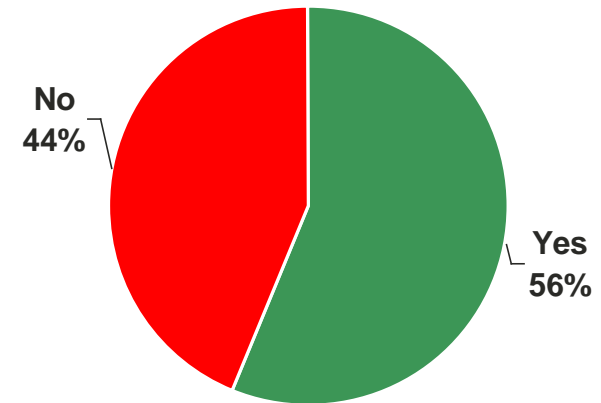
All Large Users



Large Senders



Large Receivers



Service Level Agreement Covers:

- Time in posting / delivery (2 mentions)
- Metered post rate (single mention)
- Cost (single mention)
- Don't know (4)

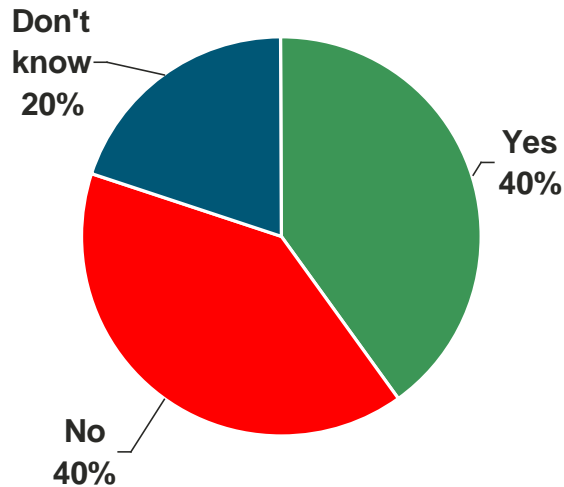
Most of the large users have a SLA in place with their postal provider, although half were unsure what was covered by the agreement

Rebates for Large Volume



- Q.29 Does your organisation receive rebates from your service provider for posting large volumes?
- Q.30 What is the nature of these rebates?
- Q.31 Has your organisation discussed the possibility of rebates with your service provider?
- Q.32 What was the nature of this discussion?

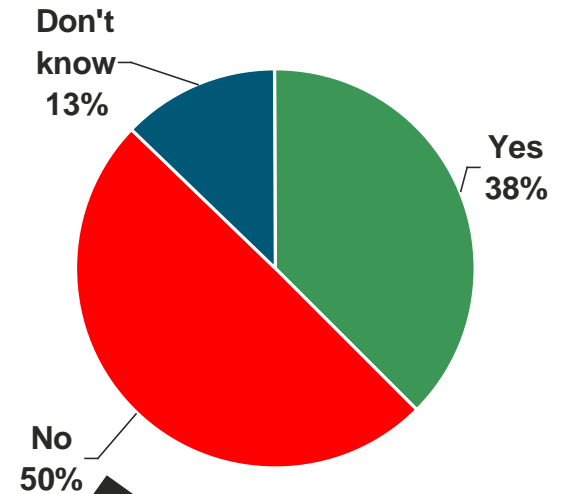
All Large Users



Nature of Rebates:

- Discount rather than rebate (2 mentions)
- Ceadunas reduction (2 mentions)
- Quarterly refund
- Refund for errors

Large Senders



Of these, only **one** has **discussed the possibility of rebates** with their service provider and could not provide details on the discussion.

Four of the organisations included in the research receive a rebate for large volume postage, with this rebate taking a variety of forms

Receiving Mail

Frequency of Receipt of Each Item



Q.11 SC In the past 12 months, how frequently would your organisation receives _____ ?

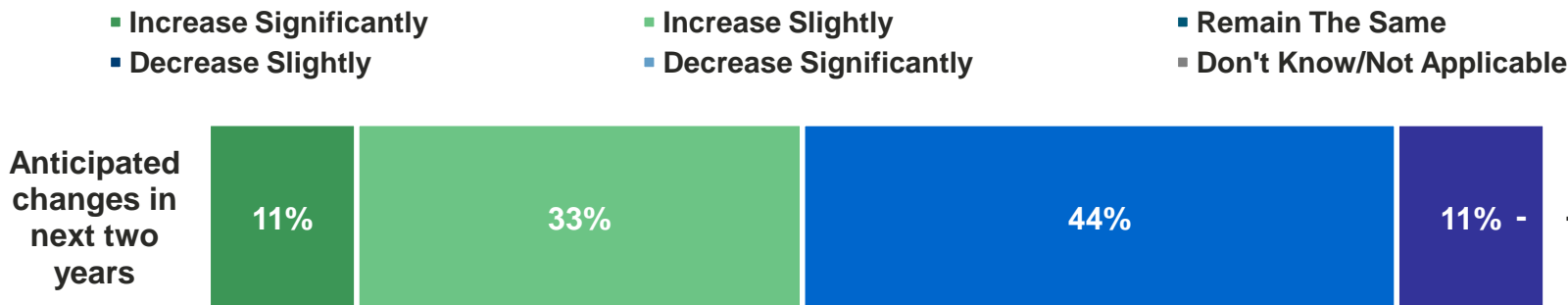
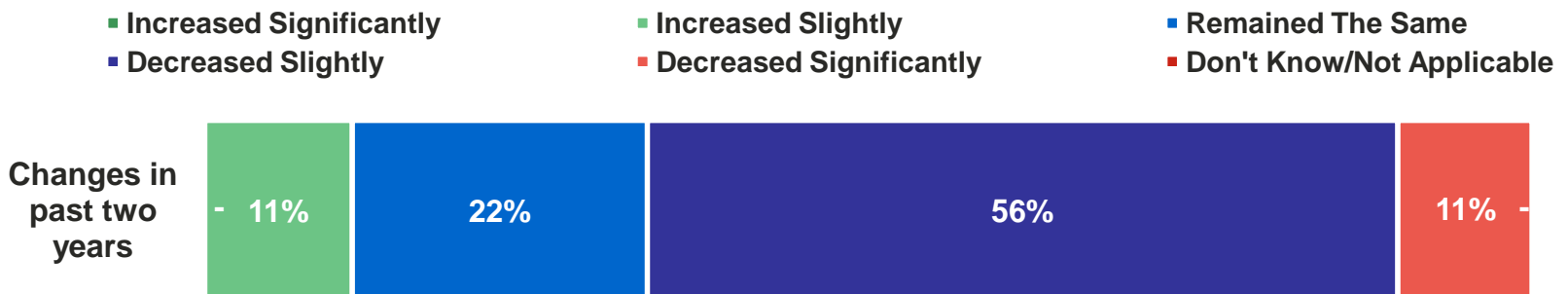
Large Receivers						
	Standard Letters %	Large Letters %	Packages %	Parcels %	Registered Items %	Insured Items %
Daily	89	89	67	67	78	11
2-3 Days	-	-	-	-	-	-
Weekly	-	-	11	-	-	-
Monthly	-	-	-	-	-	-
Randomly	-	-	11	11	-	11
Rarely	-	-	-	-	-	11
Don't receive	11	11	11	22	22	67

All but one of the large users interviewed receive both standard and large letters on a daily basis. Other items are received less frequently, with more than half receiving registered items, parcels, and packages daily.

Overall Changes in Volumes Received Over Last Two Years

Q.15 SC Overall, do you think that the number of post items that your organisation received in the past two years has...?
 Q.16 SC Overall, do you think that the number of post items that your organisation will receive in the next two years will...?

Large Receivers



As with postal volumes being sent, most large users are reporting a decrease in received volumes over the past two years, however almost half are anticipating an increase in received volumes over the next two years

Changes in Volumes Received Over Past Two Years – By Item



Q.13 SC Over the past 2 years, has the amount of post that your organisation receives....

Q.14 SC In the next two years, do you anticipate the number of _____ that your organisation receives will...?

Large Receivers – Changes Past Two Years

	Increased Significantly %	Increased Slightly %	Remained The Same %	Decreased Slightly %	Decreased Significantly %	Don't Know Not Applicable %
Standard Letters	-	-	33	56	11	-
Large Letters	-	-	44	33	22	-
Packages	-	33	33	33	-	-
Parcels	-	33	11	33	-	22
Registered Items	11	22	33	22	-	11
Insured Items	-	-	44	-	-	56

Large Receivers – Anticipated Changes In Next Two Years

	Increase Significantly %	Increase Slightly %	Remain The Same %	Decrease Slightly %	Decrease Significantly %	Don't Know Not Applicable %
Standard Letters	11	11	56	22	-	-
Large Letters	11	11	56	22	-	-
Packages	11	33	56	-	-	-
Parcels	11	33	33	-	-	22
Registered Items	11	22	56	-	-	11
Insured Items	-	11	33	-	-	56

Four of the nine large receivers expect an increase in the number of packages and parcels received, with two anticipating a decrease in the number of standard letters received

Thank you

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