



SMEs Postal Users Survey

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Commission for
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Introduction



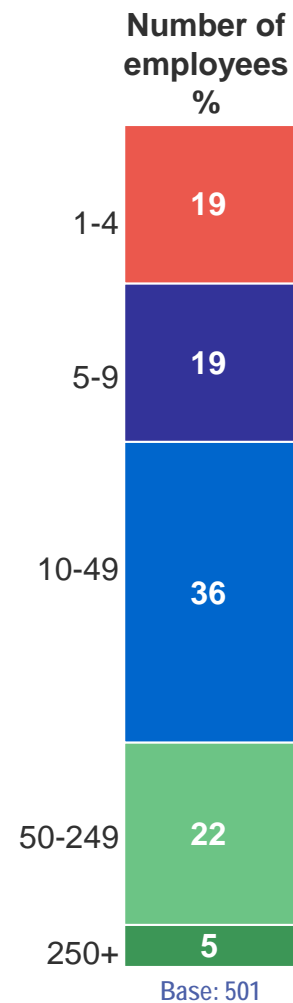
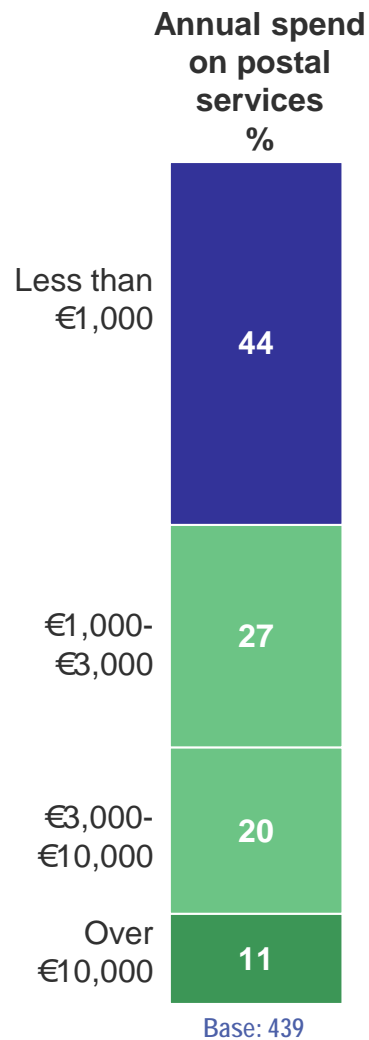
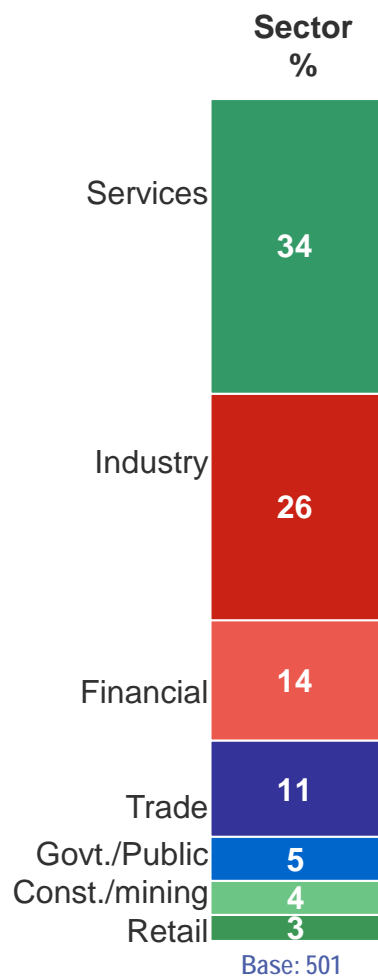
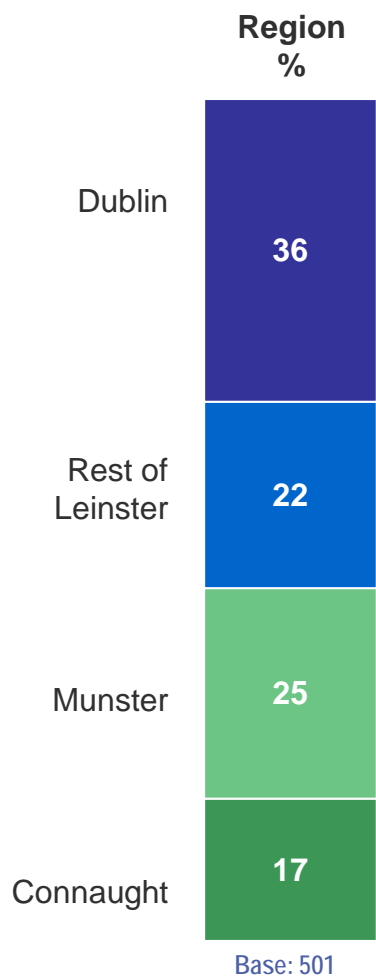
- Ipsos MRBI was commissioned by the Commissions for Communications Regulations (ComReg) to conduct **research amongst SMEs in relation to their postal experience**

- The key objectives of this research are to understand the SME market 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



- Survey conducted by Ipsos MRBI using **CATI** (telephone) methodology from its office in Blackrock, Co. Dublin.
- **501 interviews** conducted amongst **SMEs**.
 - The person with responsibility for managing the post at each business was interviewed
- The contact sample was **purchased from a leads provider**
 - **Quotas** were placed on **number of employees** and **business sector** which aligned with the overall population of SMEs in Ireland
 - **Post-survey weighting** (by company size and sector) was also used to address any discrepancies compared to the overall population
- Fieldwork took place between **21st and 29th May 2013**.

Sample Profile

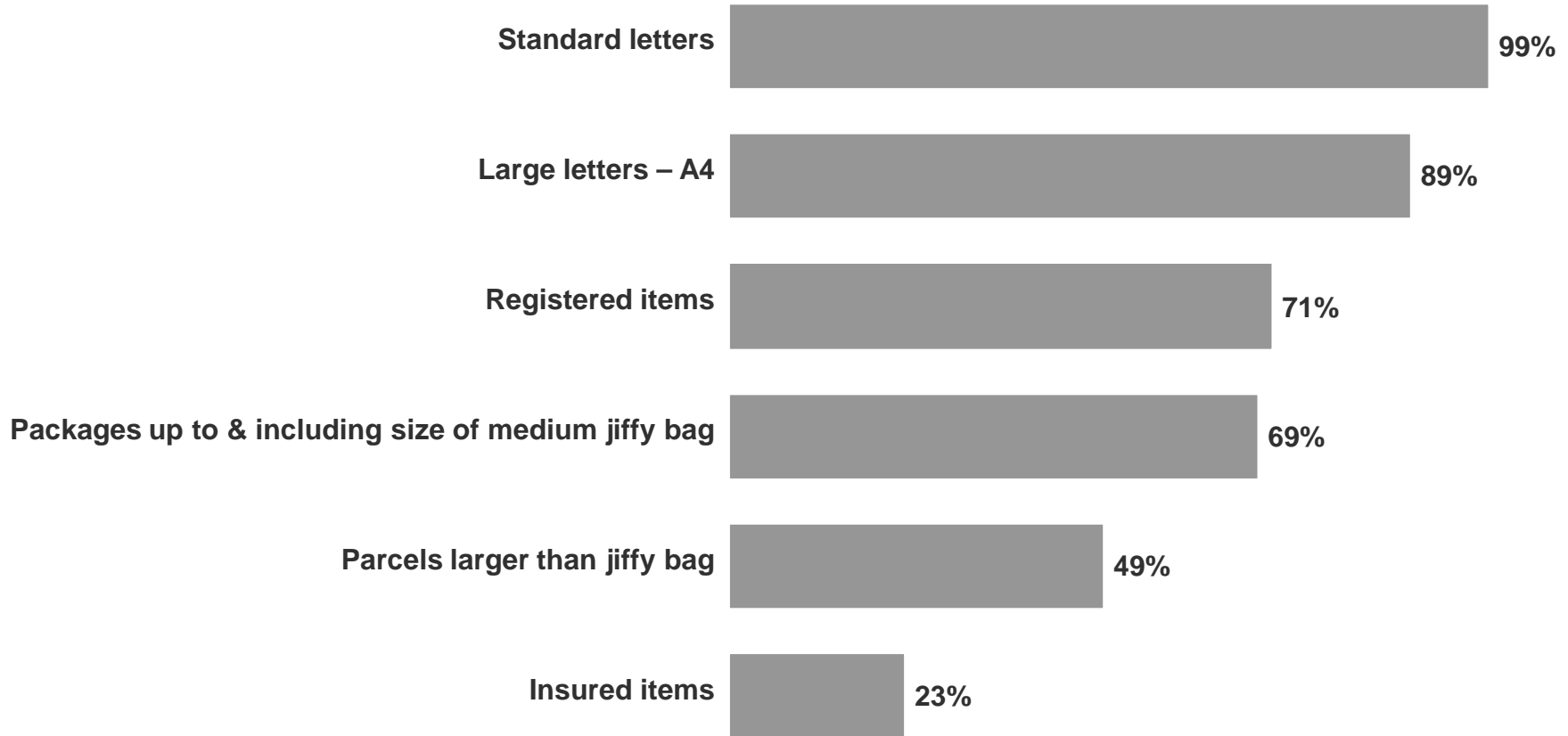


Post – Types & Volume

Types of Post Sent



Q. 4 Which of the following post types does your organisation send?

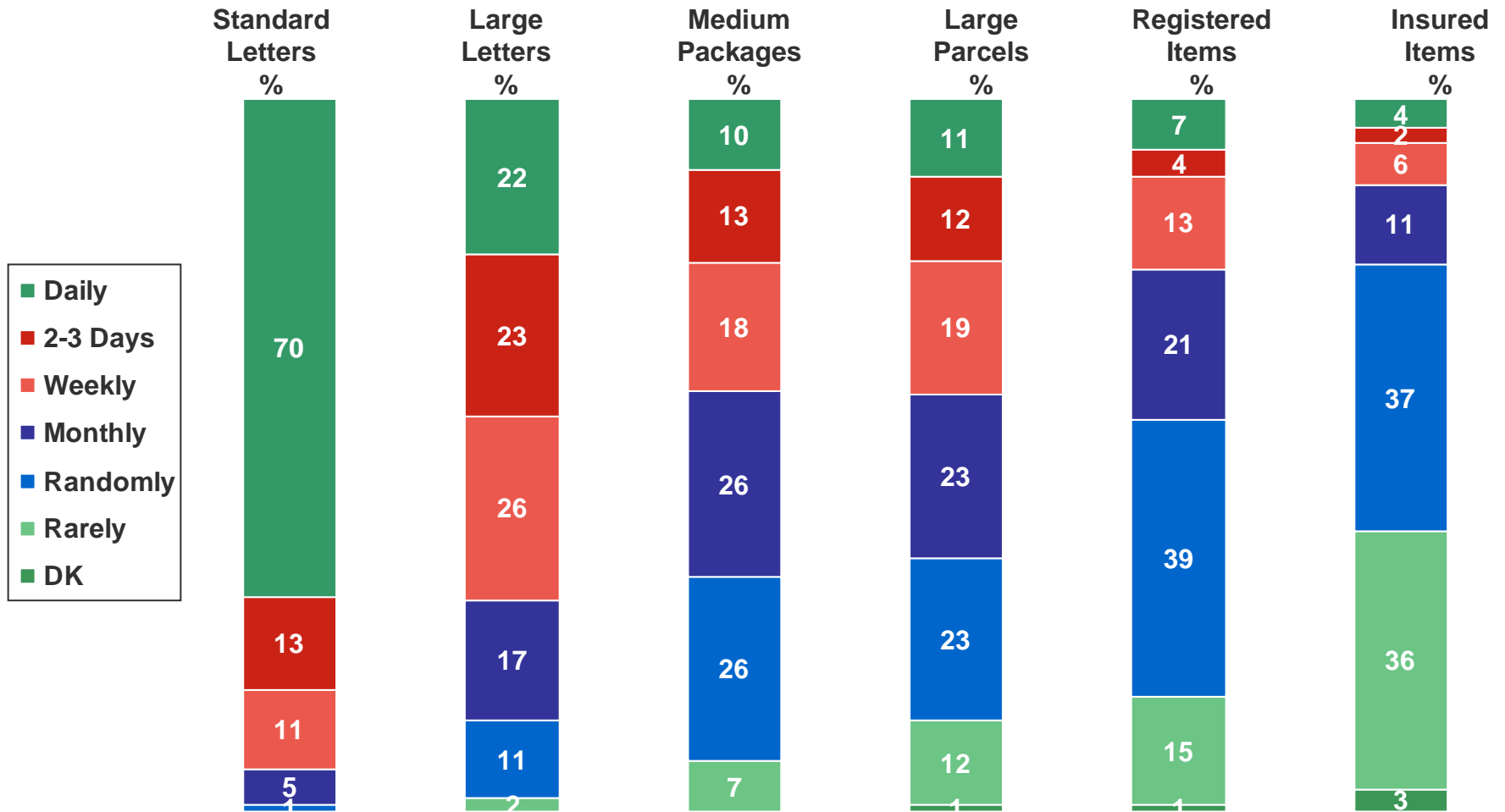


Almost all businesses send standard letters (99%) and 9 in 10 send large letters. Registered items and packages are sent by approximately 7 in 10 businesses, with parcels sent by half of businesses and insured items by approximately a quarter.

Frequency of Sending Each Type of Item



Q. 6 In the past 12 months, how frequently would your organisation send _____?

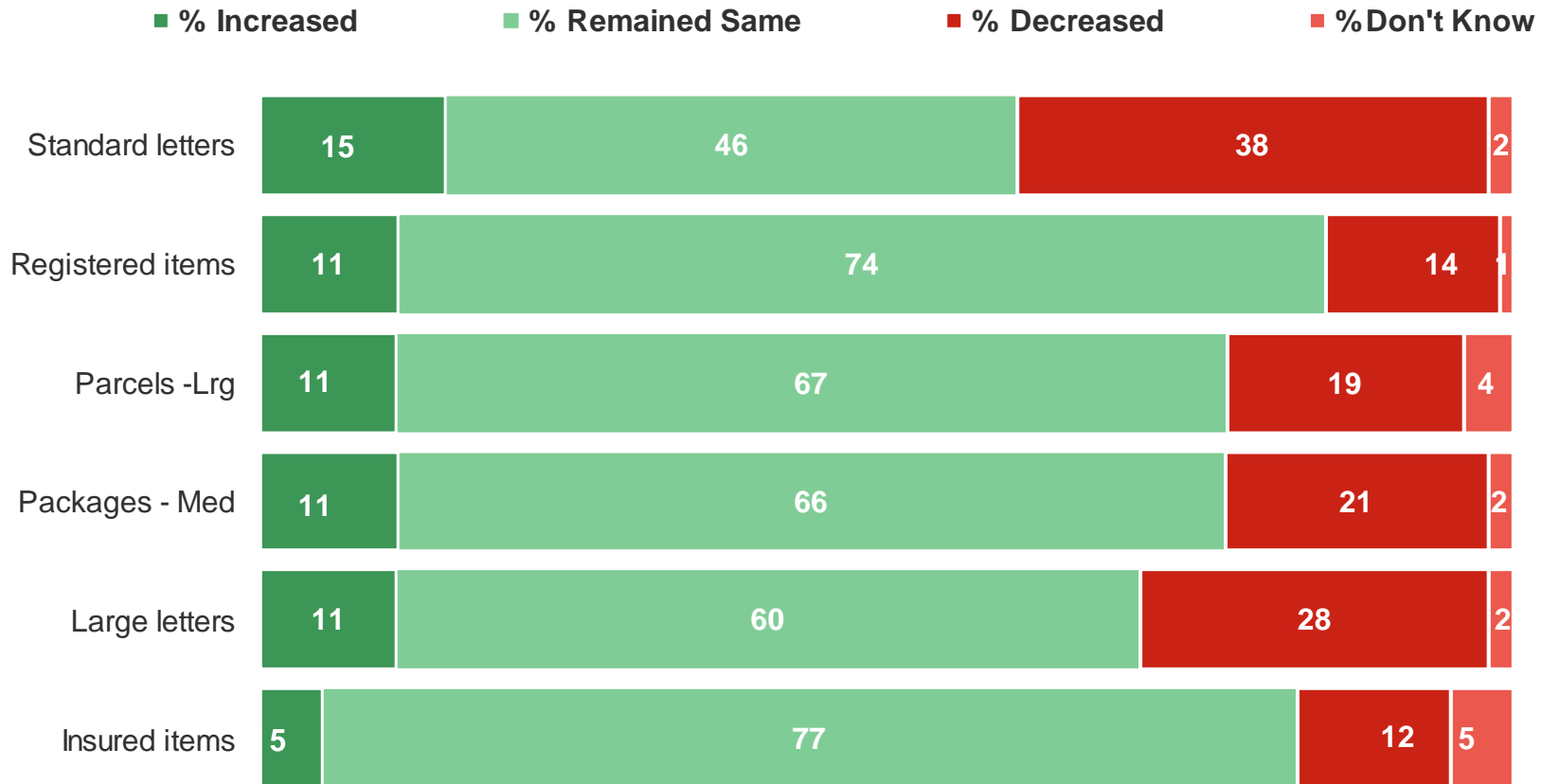


Over two-thirds of businesses send standard letters on a daily basis, with 95% doing so on at least a weekly basis. Other items are sent less frequently, with a quarter sending registered items at least weekly. Notable differences exist by size of company, with less than 6 in 10 businesses with fewer than 10 employees sending standard letters on a daily basis

Changes in Volumes Sent Over Past Two Years



Q. 7a Do you think the number of _____ your organisation sends in the past 2 years has increased, decreased or remained the same?



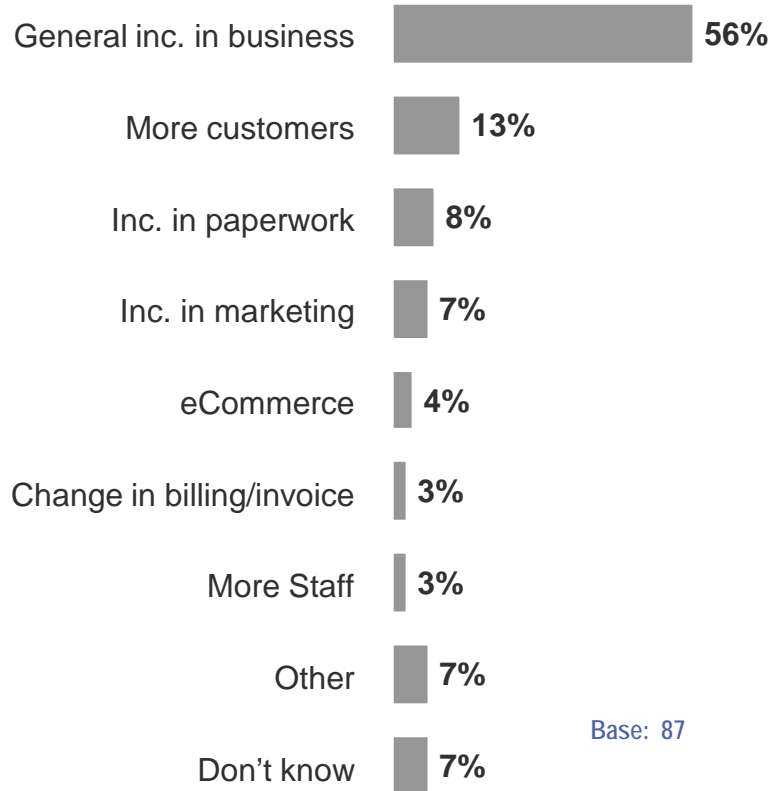
Overall 38% of companies have seen a decline over the past two years in the number of standard letters that they sent. Those spending less are most likely to experiencing a decline, with almost half (47%) of those spending less than €1,000 per year claiming the number of standard letters they have sent has decreased.

Reasons for Changes in Volume Sent Over Past Two Years



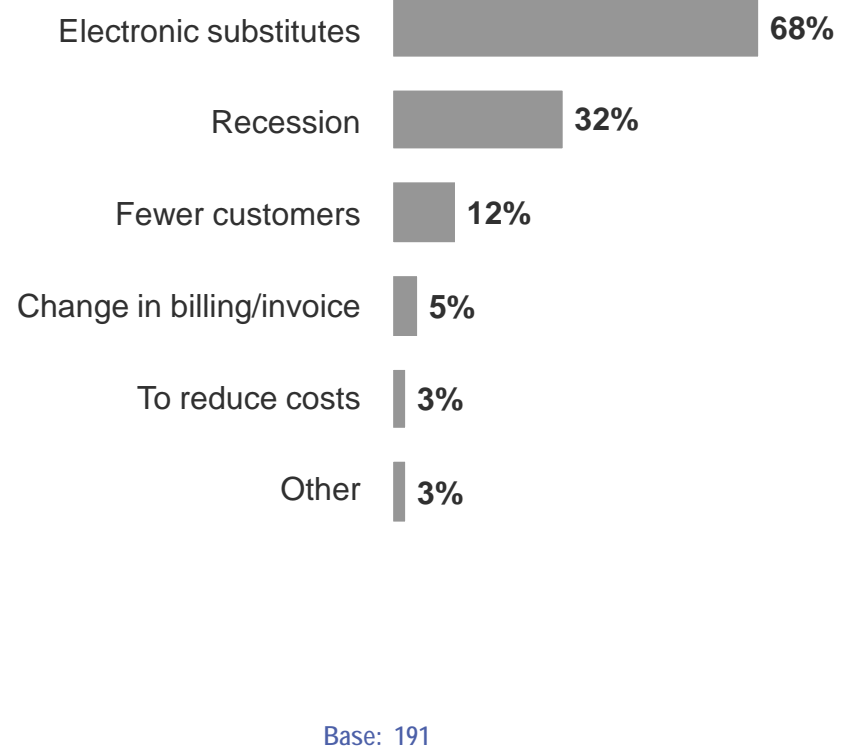
Q. 8a What are the main reasons for the increase over the past 2 years in the number of post items that your organisation sends?

Reasons for Increase



Q. 8b What are the main reasons for the decrease over the past 2 years in the number of post items that your organisation sends?

Reasons for Decrease



Increasing postal volumes is typically associated with a wider increase in business activities. However, e-substitution is the key factor driving a decrease, with two-thirds citing this as a factor.

Payment Method Used



Q. 5 And when sending post, what payment method does your organisation use...?

	Annual spend on postal services					Number of employees				
	Total	Less than €1,000	€1,000-€3,000	€3,001-€10,000	€10,001 or more	1 to 4 Employees	5 to 9 Employees	10 to 49 Employees	50 to 249 Employees	250+ Employees
Stamps %	65	90	69	38	15	91	87	61	41	18
Meter %	35	10	31	62	83	9	16	38	57	87
Labels %	7	3	9	12	6	3	2	9	9	14
Ceadunas %	3	1	1	7	10	-	1	4	4	10

N.B. Multi-coded question, so totals may sum to more than 100%

Stamps are the most popular form of payment method. Selection and suitability of payment method is dependent upon business size and spend on postal services, with approximately 9 in 10 businesses with less than 10 employees using stamps to pay for their postage.

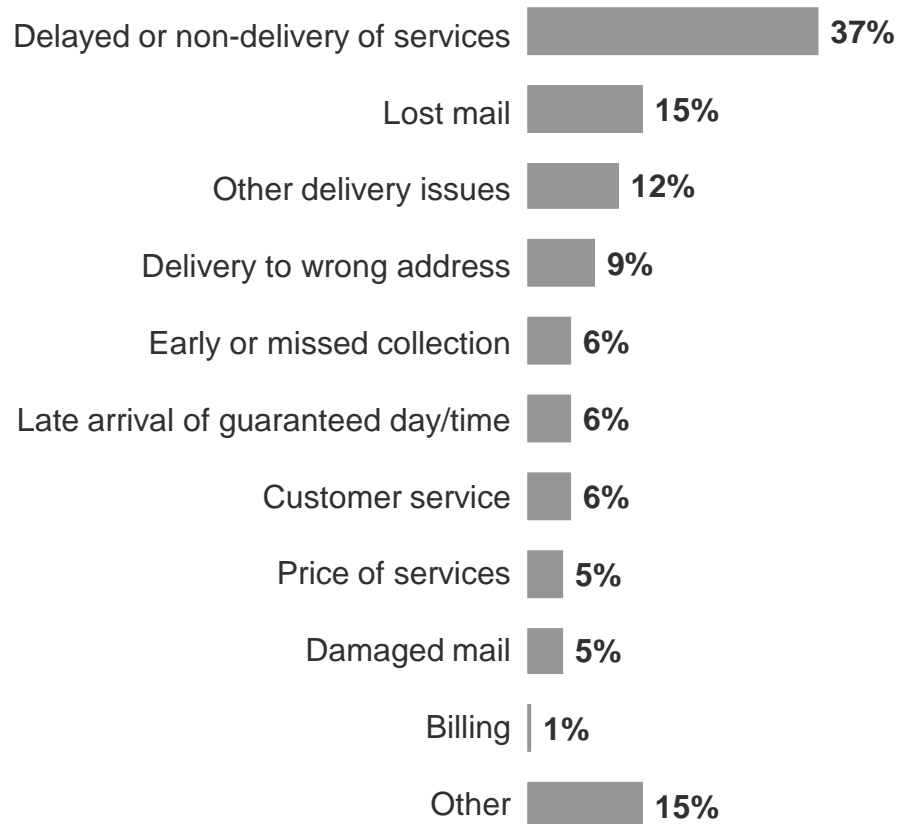
Problems With Postal Services



Q. 10a Have you experienced any problems with [any of] your postal service provider[s] within the last 12 months?

Q 10b And what was the nature of these problems?

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



Base: 501; Those who experienced problems: 60

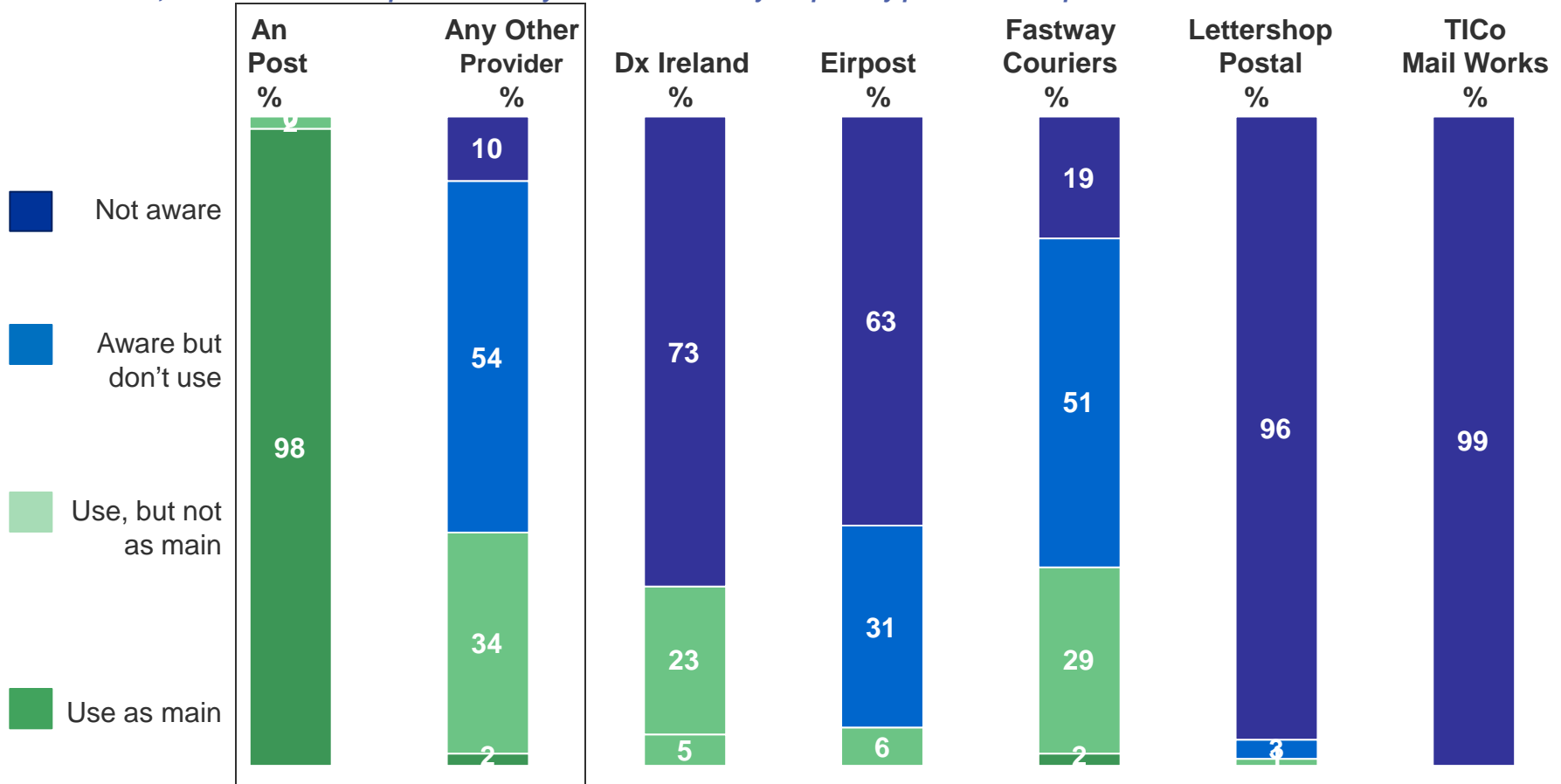
1 in 8 have experienced problems with their postal services in the past 12 months, most commonly due to delayed delivery.

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?

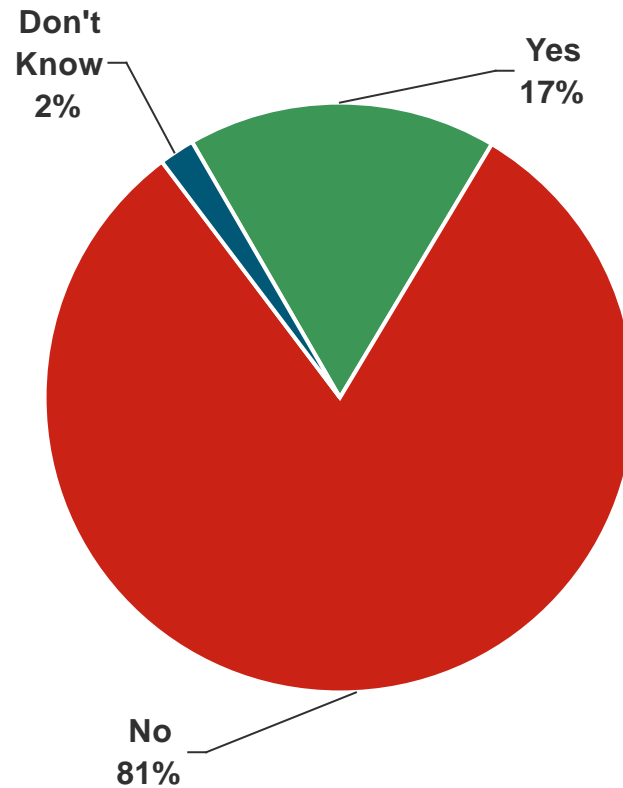


98% use An Post as their main provider. Whilst 90% are aware of at least one other provider, just over a third of these actively use an alternative provider. Dx Ireland and Fastway Couriers are the most commonly used alternative providers, with most not aware of Eirpost, Lettershop Postal or TICo Mail Works.

Whether Approached by Other Providers



Q. 11a 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?

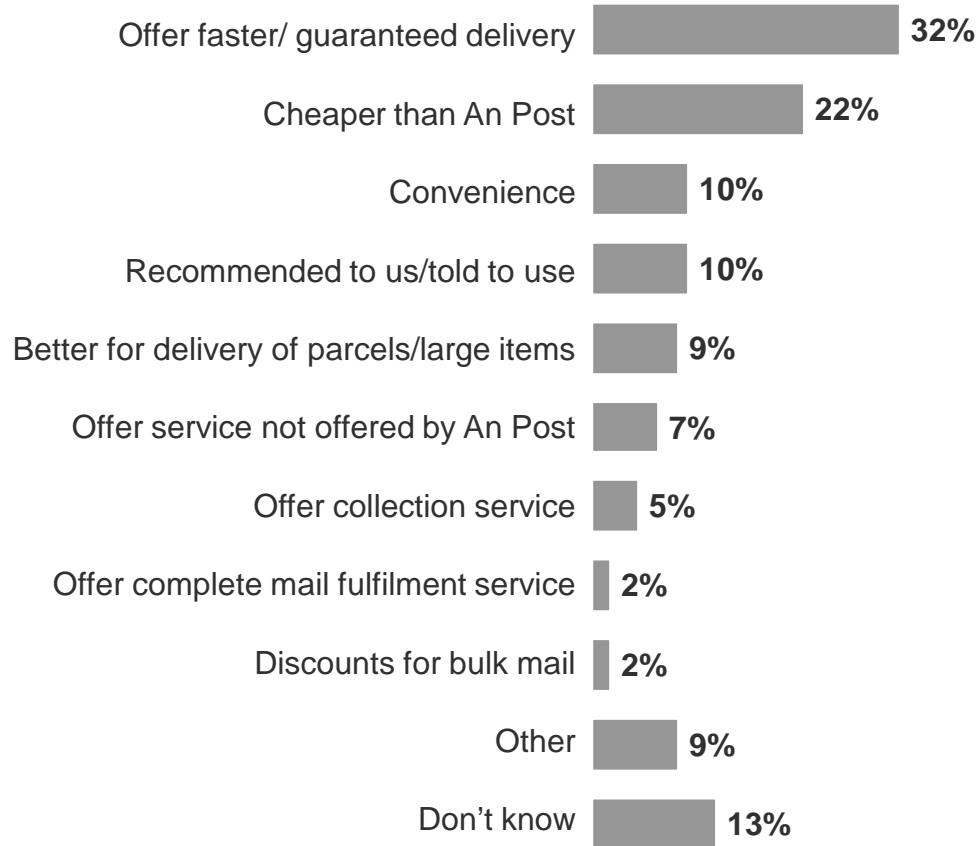


Just under 1 in 5 companies have been approached by an alternative provider, with companies in Dublin being most likely to be approach (23% versus 13% outside Dublin).

Reasons For Using Other Providers



Q.15 For what reasons did you start using _____?



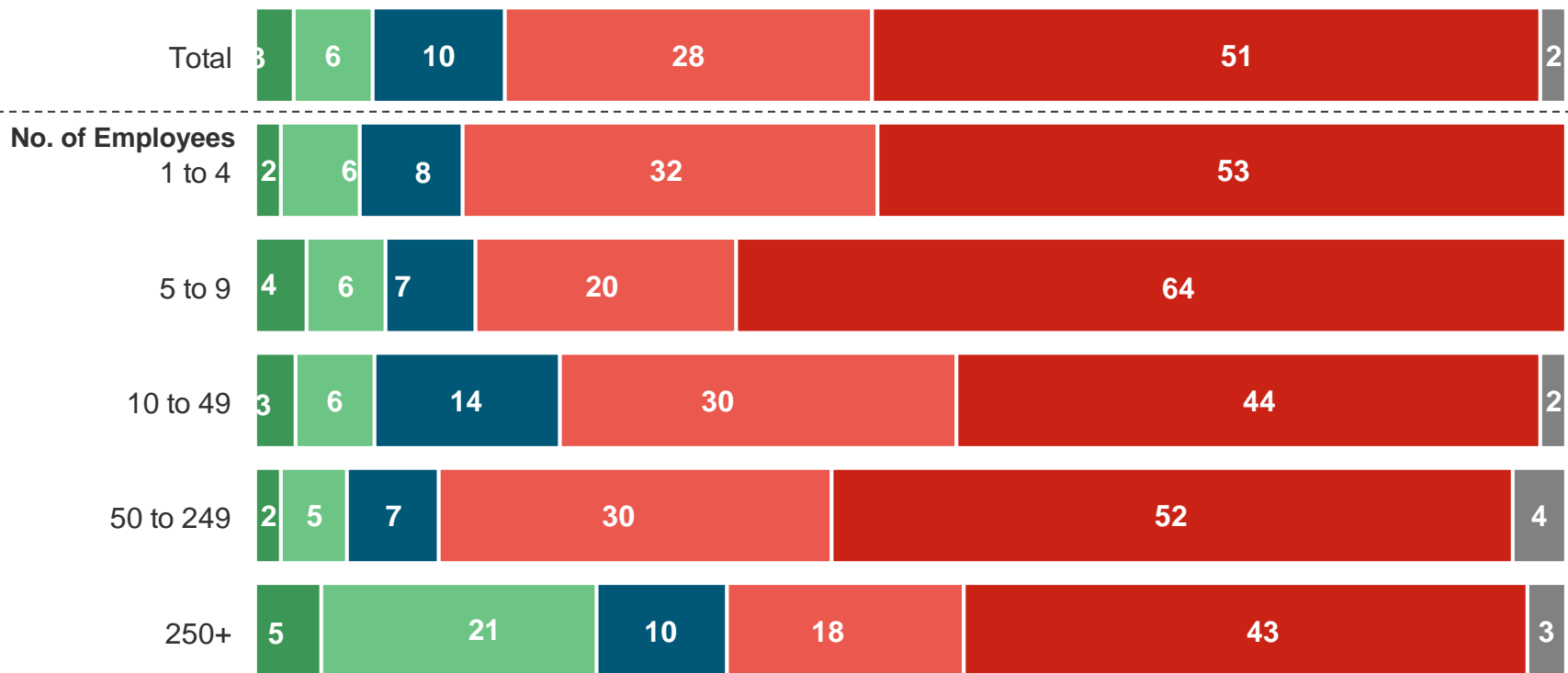
Speed of delivery (32%) is the key motivator to using alternative providers, with this ranking as a more motivating factor than price (22%).

Likelihood to Use Other Providers



Q. 13 How likely is your organisation to use a provider other than An Post for the sending or delivery of postal items within the next 12 months? Would that be...?

■ % Very likely ■ % Quite likely ■ % Neither ■ % Quite unlikely ■ % Very unlikely ■ % Don't Know

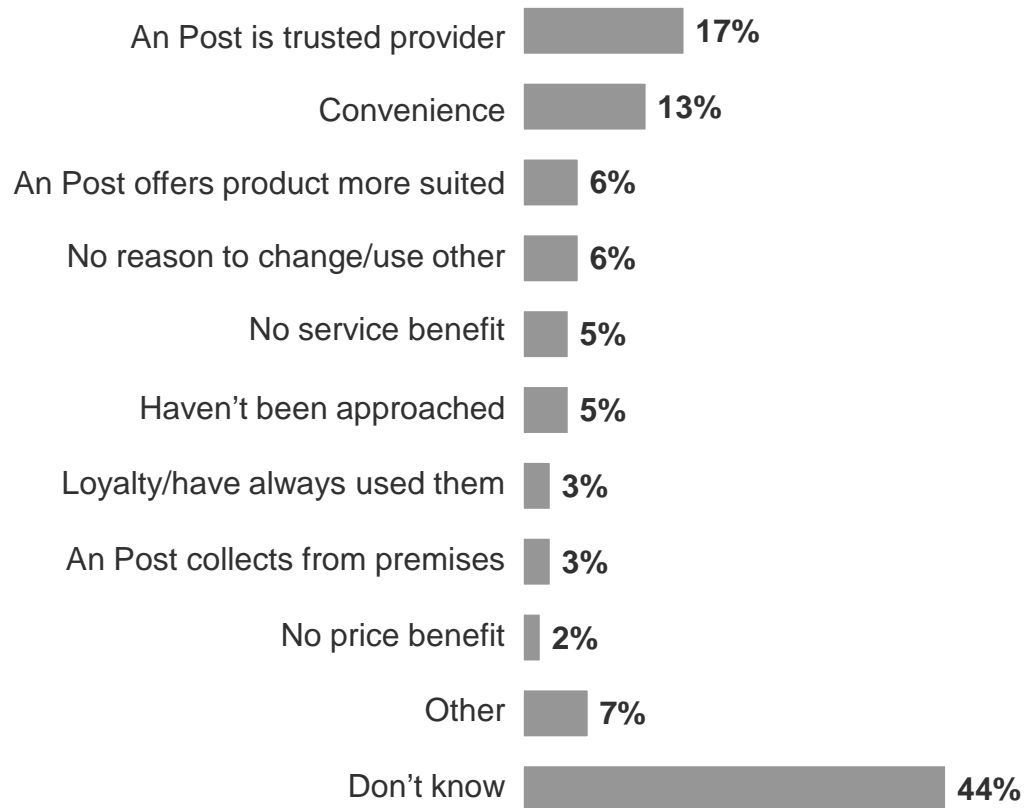


Most businesses that use An Post remain reluctant to use other providers with almost 8 in 10 saying that they are unlikely to use a provider other than An Post within the next 12 months

Reasons for Only Using An Post



Q. 12 For what reasons do you not use any other providers for your organisation's postal needs?



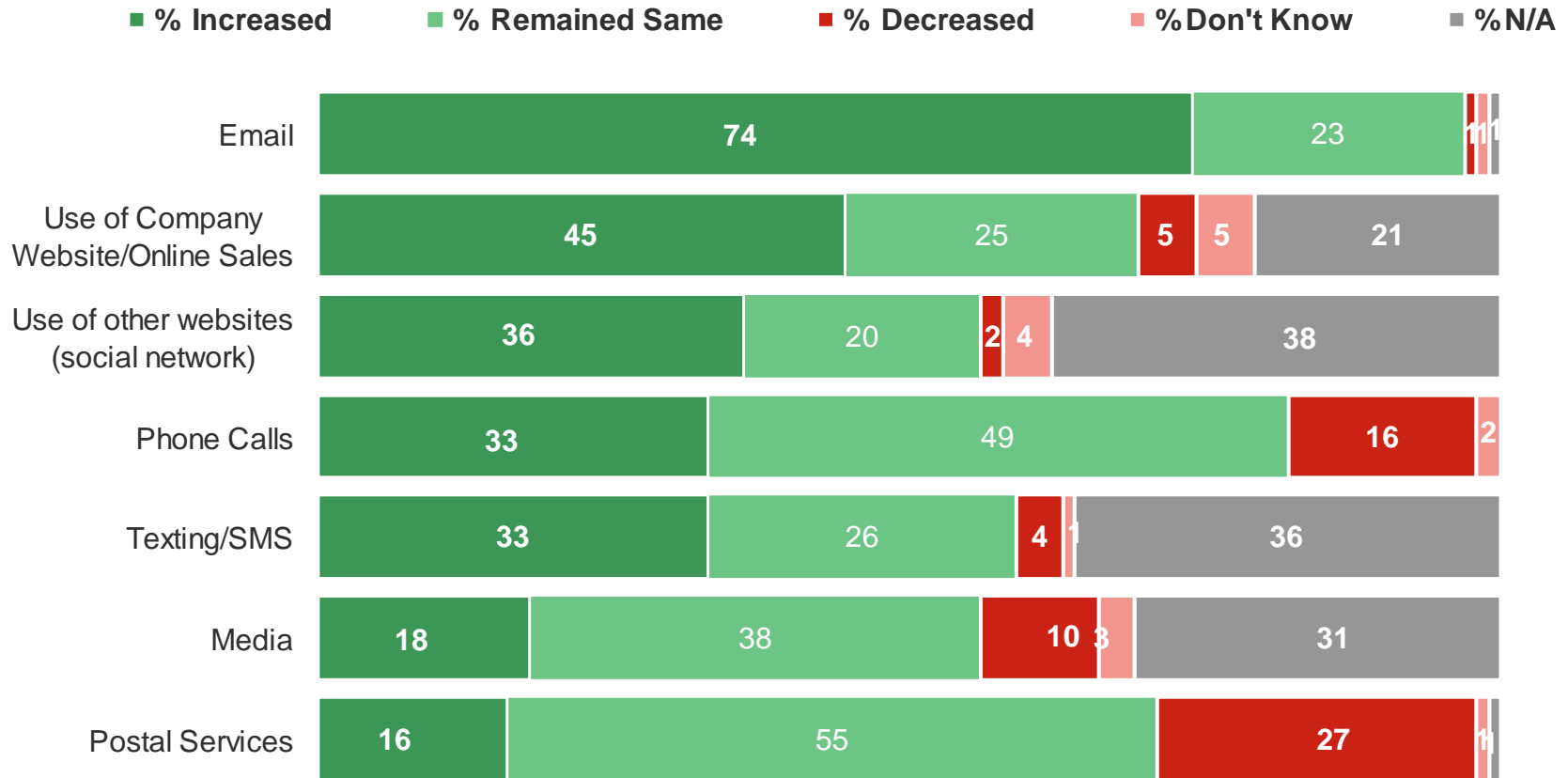
Trust and convenience are the key factors for remaining loyal to An Post, however almost half (44%) don't know why they don't use another provider.

E-Communications & Postal Services

Changes in Usage of Different Forms of Communication



Q. 16 For each of the following forms of communicating, do you think that your organisation's usage has increased, decreased or remained the same in the past 12 months?



Postal services is the only form of communication where more businesses are reporting a decrease in activity than report an increase. However, larger spenders are more likely to be reporting an increase with 30% of those spending €10,000 or more annually saying their postal usage has increased, compared to 10% of those spending €1,000 or less.

Means of Conducting Communication



Q. 17 Which of the following types of communication does your organisation engage in?

Q. 18 And for each of these types of communication, how does your organisation conduct this communication - by electronic means such as email, by post or by both electronic means and post?

Type of Communication	% Undertake this form of comms.	By Electronic Means (%)	By Post (%)	Both (%)	Don't know (%)
Fulfilling orders placed online or by phone by a customer (n=292)	58	30	10	56	4
Fulfilling orders placed in-person by a customer (n=273)	56	21	18	56	5
Transactional communications such as bills, invoices, payment (n=443)	89	14	23	63	-
Marketing / Advertising communications of the organisation's products/services (n=296)	57	29	10	58	3
General business correspondence to customers (n=389)	79	17	19	64	1

Post is the most popular for transactional communications and is used exclusively by approximately a fifth of companies. Almost a third of those fulfilling orders placed on line are also interacting with the customer exclusively in this way.

Base: 501

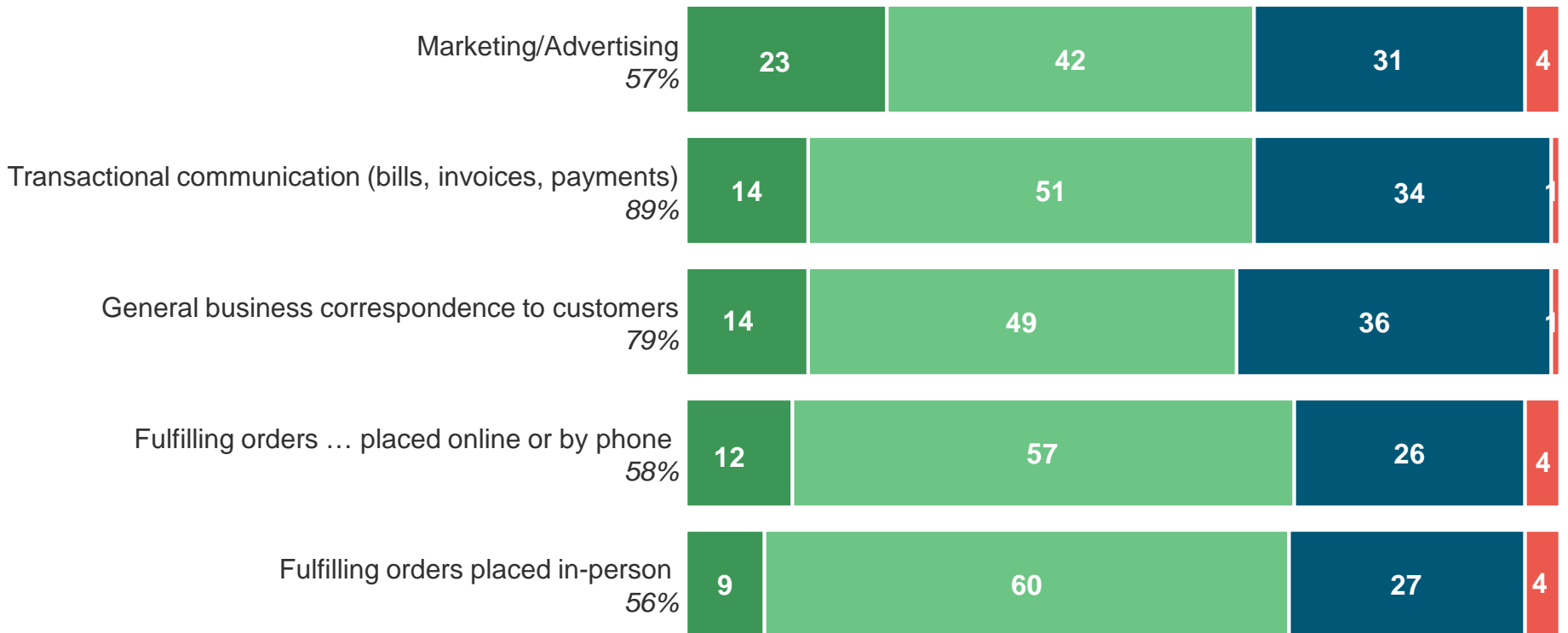
Base: those who mentioned type of communication

Changes in Usage of Post



Q. 18b And for each of the following of the following types of communication, would you say over the past two years that your organisation's usage of post has increased, stayed the same [or decreased]?

■ % Increased ■ % Stayed the Same ■ % Decreased ■ % Don't Know



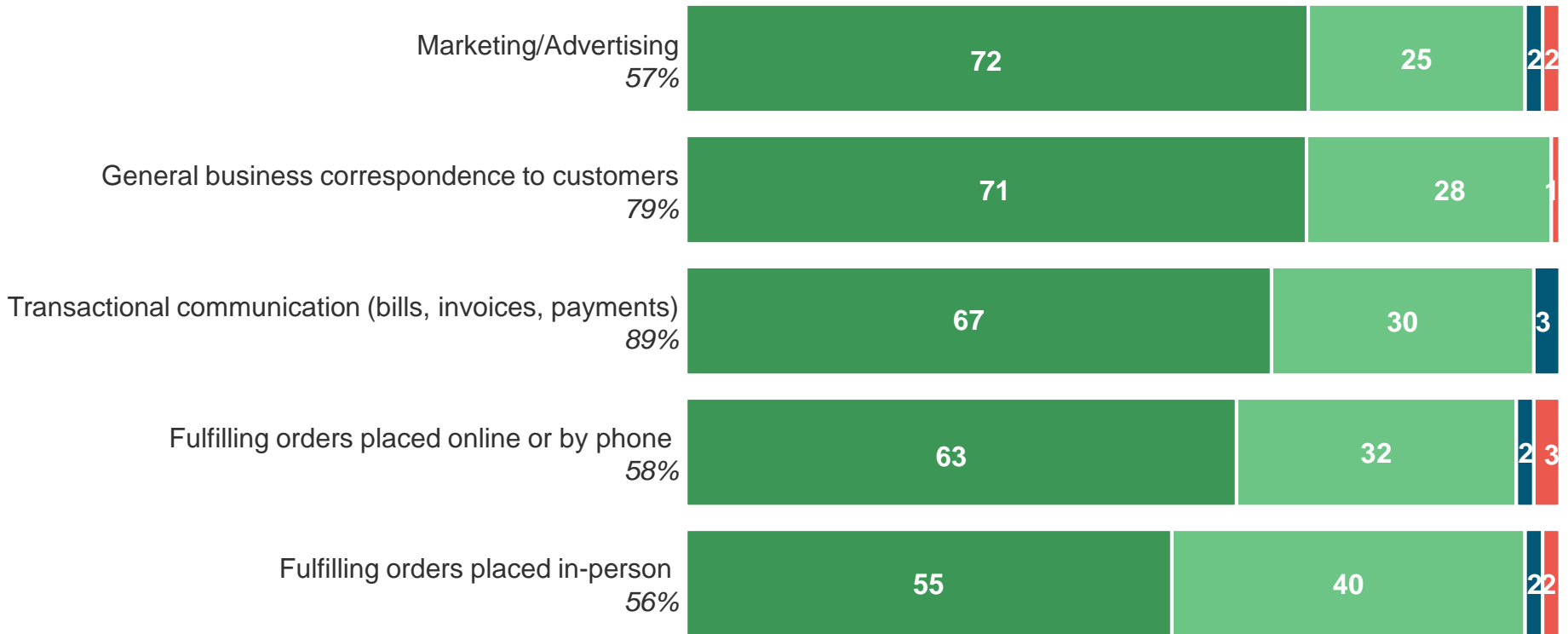
Between a quarter and over a a third of those conducting each form of communication claim that their usage of post has decreased for that communication over the past two years. This is most notable for the most common forms of communication – transactional and general correspondence.

Likely Future Usage of Electronic Communication



Q. 18c And for each of the following of the following types of communication, would you say over the next two years that your organisation's usage of electronic communication will increase, stay the same [or decrease]?

■ % Increase ■ % Stay the Same ■ % Decrease ■ % Don't Know

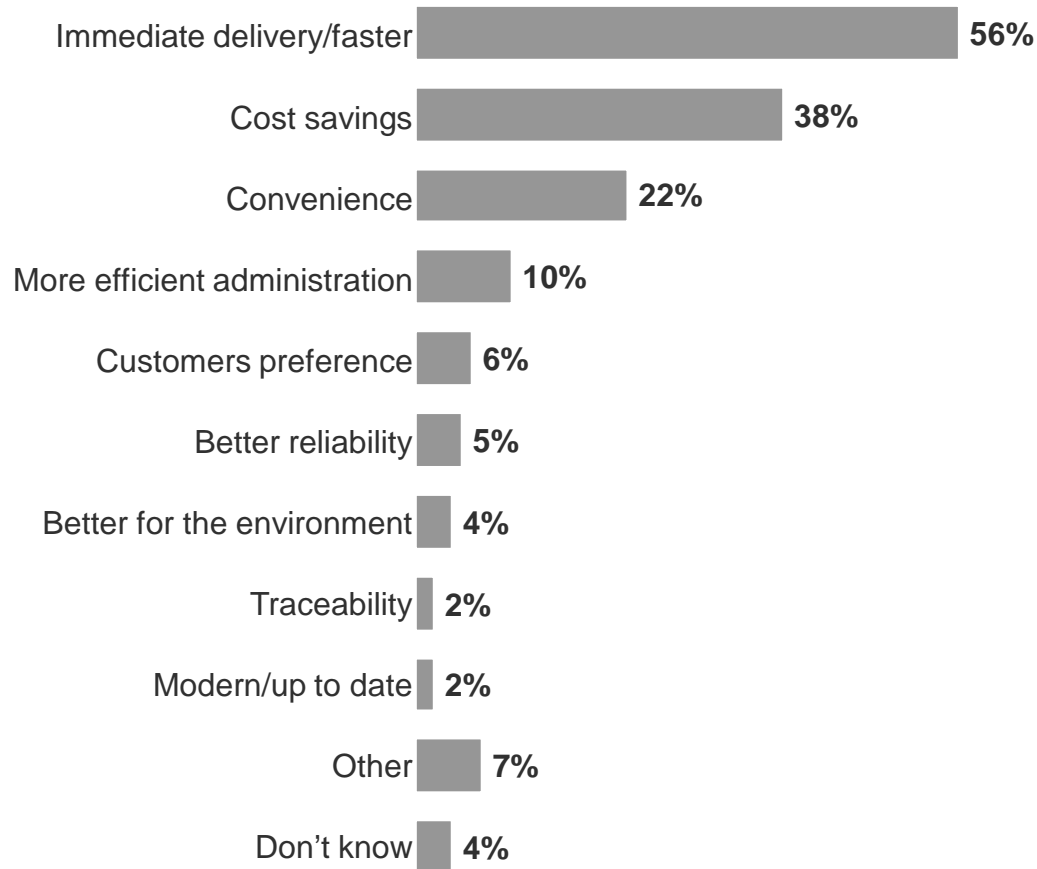


Furthermore, companies are predicting that their usage of electronic forms of communication will continue to increase in the coming two years. This is common across all forms of communication. Seventy nine percent of businesses with 50-249 employees say they will increase their usage of transactional communication.

Reasons for Choosing Electronic Communication



Q. 19 What are your main reasons for choosing electronic communications instead of postal services?



As with the reasons for using alternative postal providers, speed of delivery (rather than cost savings) is the key motivator for choosing electronic communications over postal services.

Likelihood of Using Digital Post-boxes



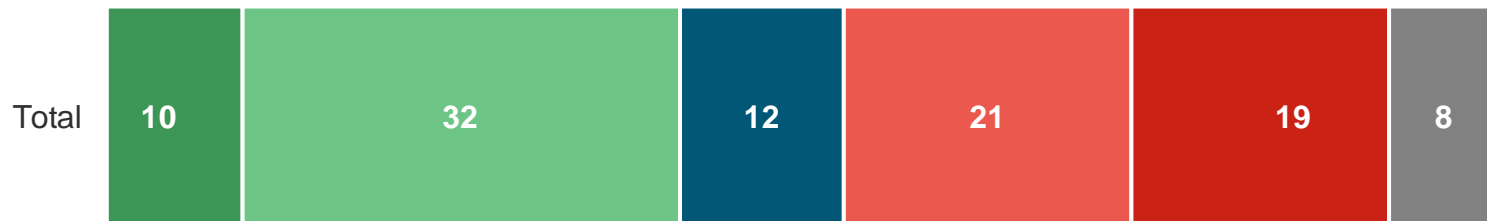
I would now like to ask you about digital postboxes. This is a service whereby mail is sent to customers in digital format to a secure online facility where they can login and retrieve this mail.

Q. 20a If this service was made available in Ireland, how likely would your organisation be to use it to send mail?

Q. 20b If this service was made available in Ireland, how likely would your organisation be to use it to receive mail?

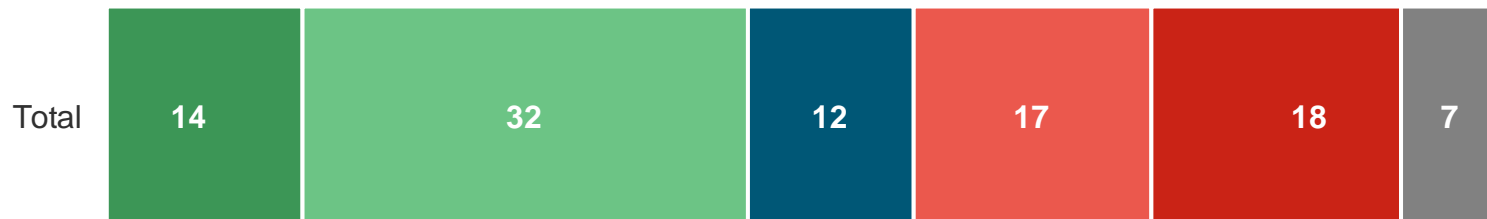
Likelihood to **Send** Mail

■ % Very likely ■ % Quite likely ■ % Neither ■ % Quite unlikely ■ % Very unlikely ■ % Don't Know



Likelihood to **Receive** Mail

■ % Very likely ■ % Quite likely ■ % Neither ■ % Quite unlikely ■ % Very unlikely ■ % Don't Know



Digital postboxes have very mixed appeal, with similar proportion saying they would be likely to use these services as would be unlikely. Appeal is strongest amongst larger companies with 55% of companies with 250+ employees saying they would be likely to use them to receive mail and 49% to send mail.

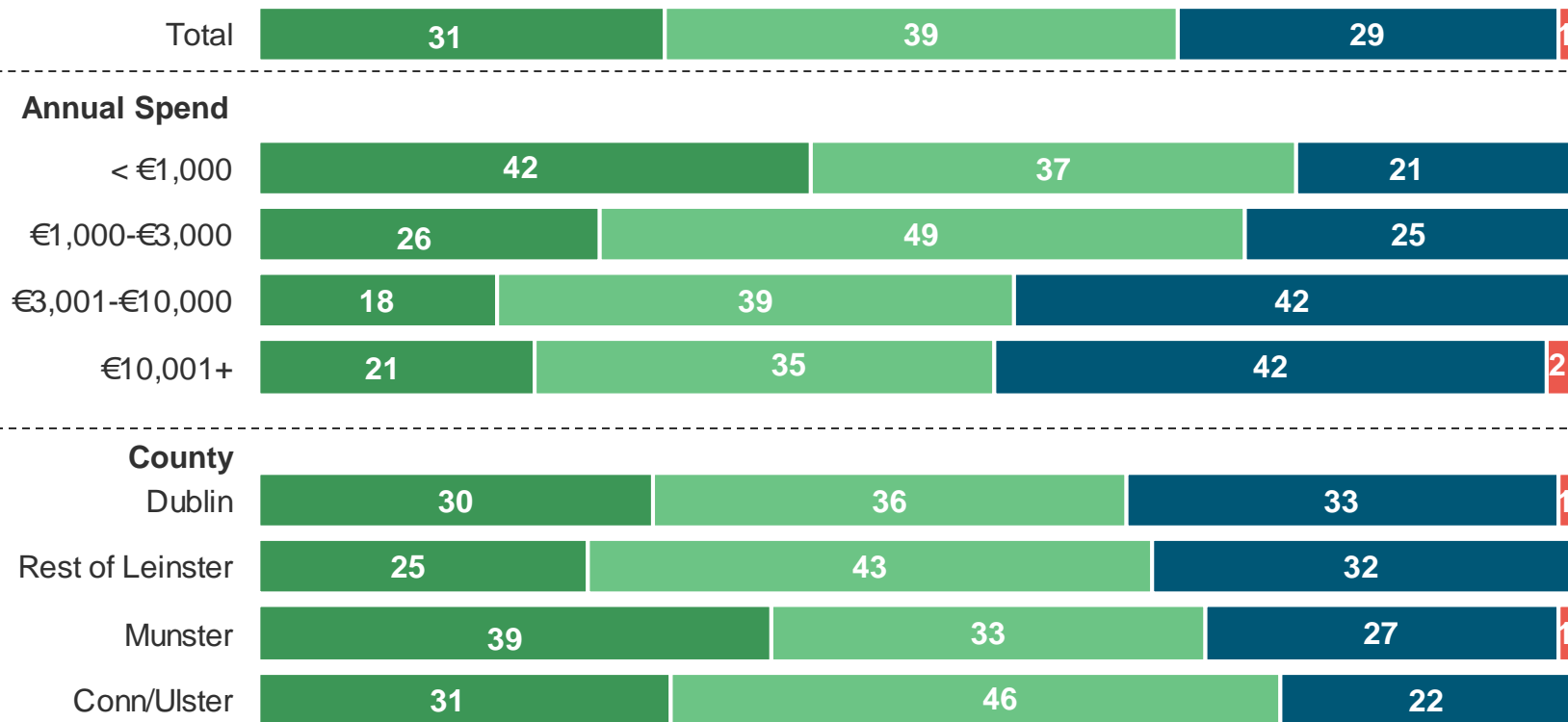
Receiving Mail

Volume of Post Received



Q. 21 Thinking about the volume of post that your organisation receives, would you say that this is ...?

■ % Greater than Sent ■ % About the Same ■ % Less than Sent ■ % Don't Know

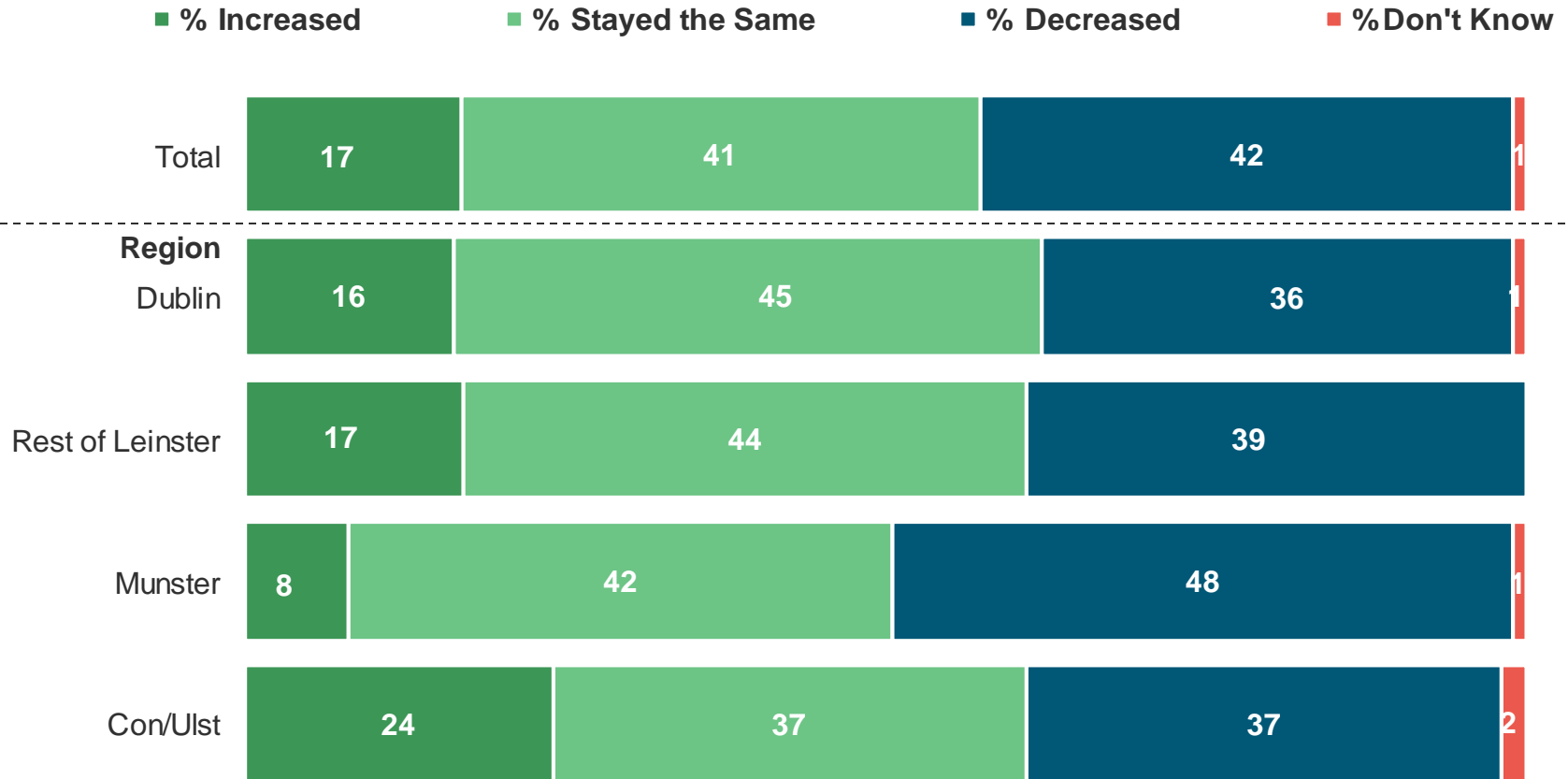


A similar proportion identifies that the volume of post they receive is greater than the amount sent as identifies it is less than the amount sent. Unsurprisingly the less that is spent on postal services, the more likely a company is to report that volumes being received are higher than those sent.

Volumes Received Over the Past Two Years



Q. 22 Over the past 2 years, has the amount of post that your organisation receives....



As with volumes being sent, the volumes being received are more likely to have declined over the past two years.

Receipt of Payment by Post

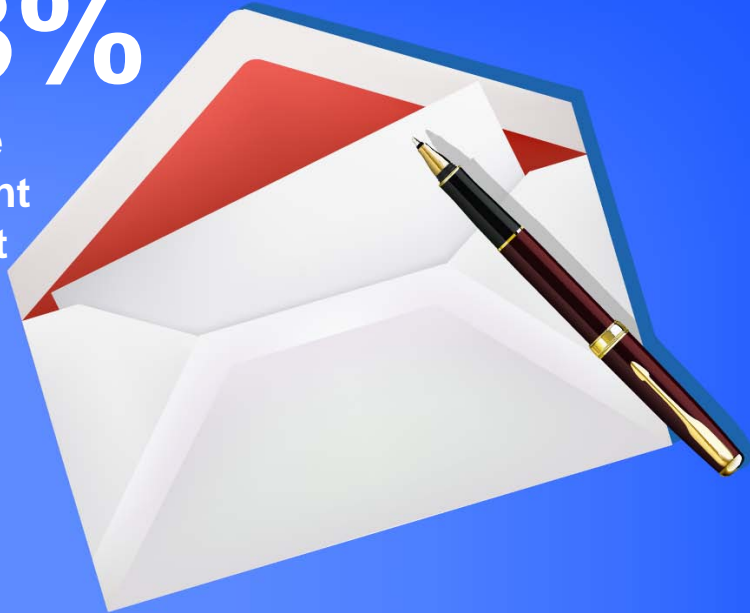


Q. 23a Does your organisation receive payment for goods or services by post?

Q. 23b Thinking of the payment your organisation currently receives by post, would it prefer to receive more of this through electronic means such as through electronic funds transfer?

73%

receive
payment
by post



80%

would prefer to
receive this
electronically*



Payment to Receive Post



Q. 24 Does your organisation currently pay a fee to receive post – for example, for large volumes of post, PO box services etc.?

Q. 25 And what services does it currently pay a fee for?



47%

pay for PO Box Service*

48%

pay for processing & collection*

14%

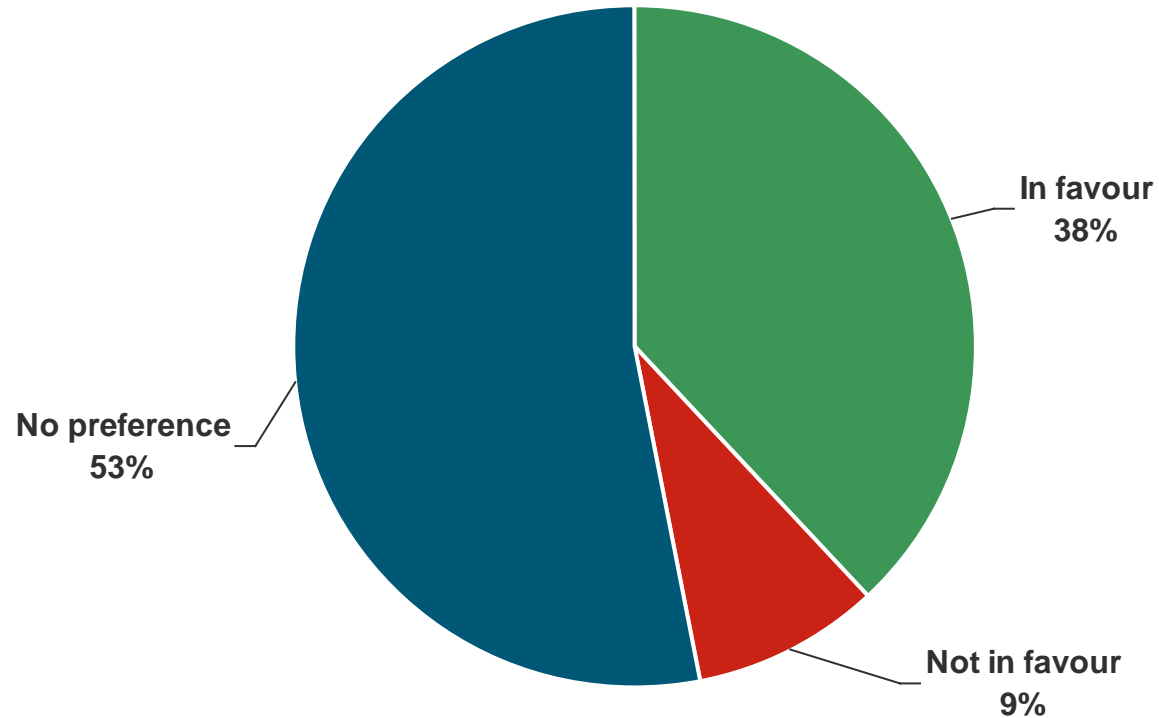
pay for Large Postal Volumes*

Just under 1 in 10 companies pay a fee to receive post, with larger companies being most likely to do so – 38% of those with 250+ employees pay for a service of this nature.

Postcodes



Q. 26a Are you in favour or against the full introduction of postcodes into Ireland, or do you have no preference either way?

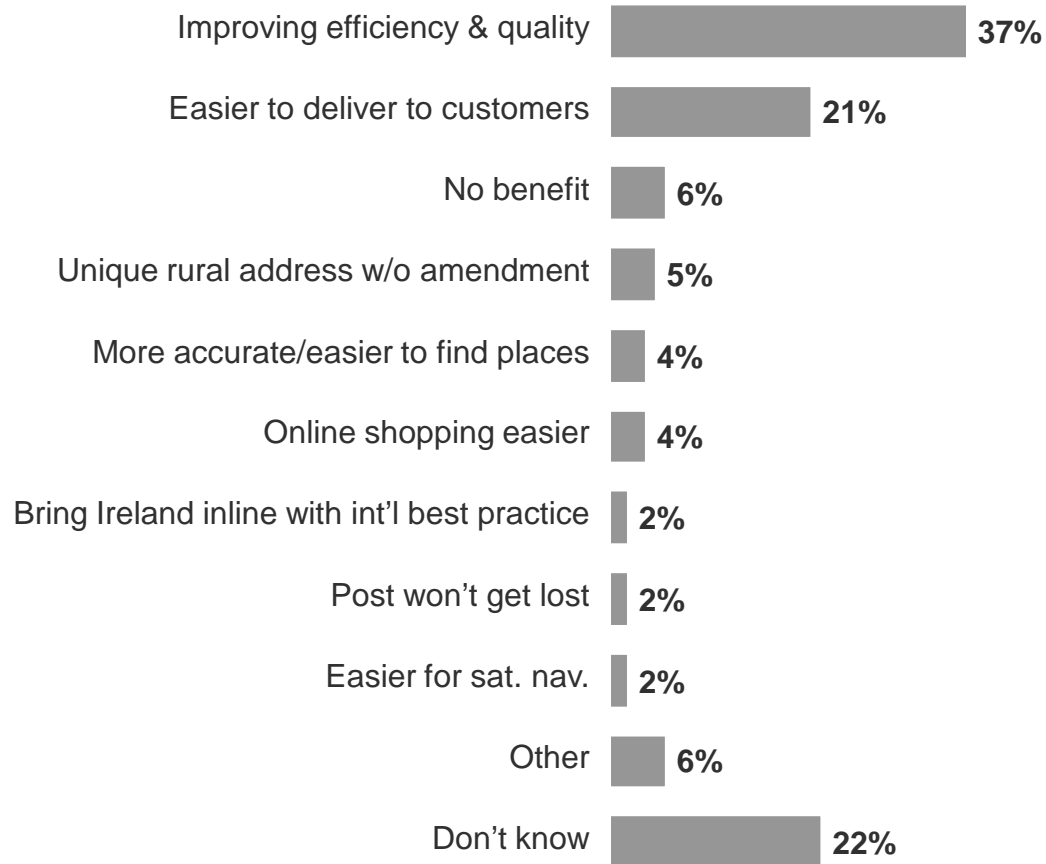


A general apathy towards postcodes exists, with 54% having no preference as to whether or not they are introduced. Almost 4 in 10 are in favour and no differences exist in terms of company size or sector in this respect. Organisations located in Connacht/Ulster are more likely (51%) to be in favour of the introduction of postcodes.

Benefits of Introducing Postcodes



Q. 26b What, if any, do you think would be the benefits from introducing postcodes? Any others?

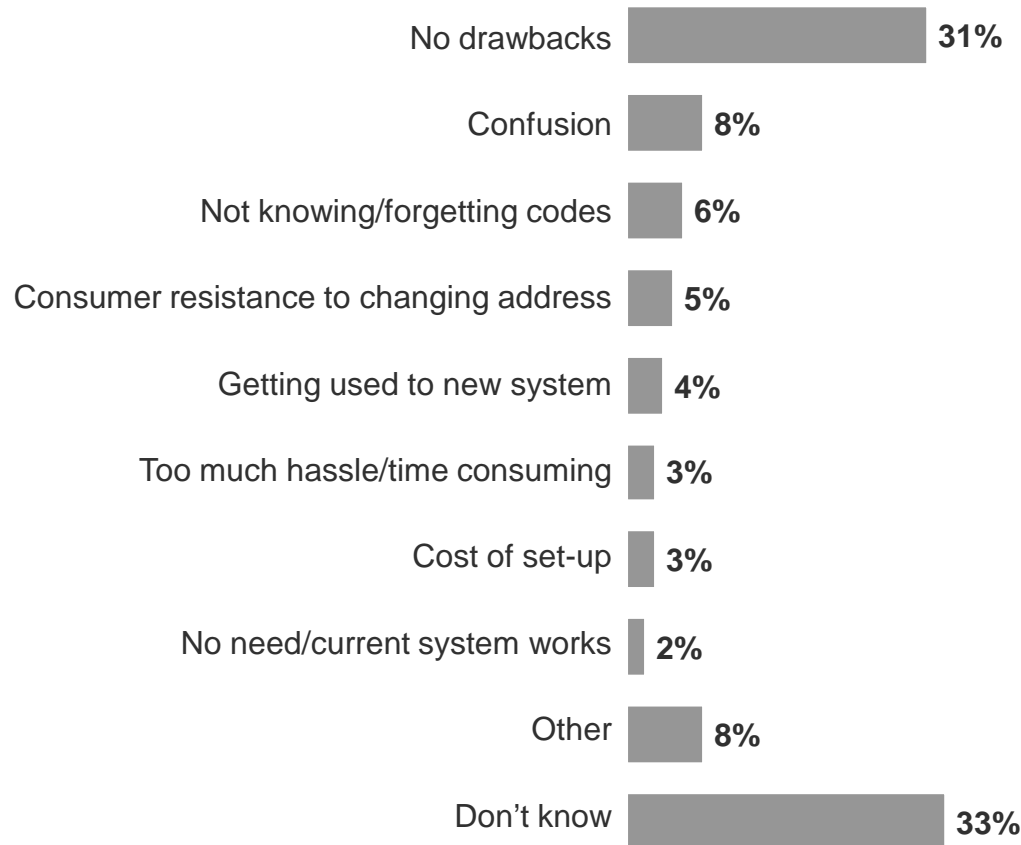


The key benefits to introducing postcodes are improved efficiency, quality and ease of delivery.

Drawbacks of Introducing Postcodes



Q. 26c And what, if any, do you think would be the drawbacks? Any others?



Nearly one in three say there would be no drawback to postcodes. An additional 33% did not identify any drawback(s).

Most businesses either can't identify any drawbacks to introducing postcodes or don't know of any drawbacks. Most of the perceived drawbacks (confusion about postcodes or familiarity with the system) could be overcome through consumer education initiatives.

Conclusions



Post – Types & Volume

- Whilst almost all businesses send standard letters and large letters on a weekly basis, only 6 in 10 businesses with up to 10 employees do so on a weekly basis
- However, at an overall level almost 40% of businesses say the volume of post they send has declined over the past two years – this is particularly prevalent amongst lighter users of postal services with electronic substitution being the key driver of this change
- Stamps remain the most dominant form of payment, in particular amongst small businesses with 9 out of 10 businesses with less than 10 employees using this form of payment
- As with volumes that are sent, business are also reporting declines in volumes received, with over 4 in 10 businesses claiming that the volume of post they receive has declined over the past two years
- 1 in 8 have experienced problems with their postal services in the past 12 months, most commonly due to delayed delivery



Awareness & usage of postal providers

- Awareness levels of alternatives to An Post is high with about 90% being able to identify at least one other provider (although this is typically limited to two particular providers – Fastway Couriers and Eirpost)
- Approximately a third of those that are aware of an alternative are actively using this alternative, with An Post being the main provider for 98% of businesses. Speed of delivery/guaranteed delivery (rather than price is the key motivator to using an alternative)
- However, other providers are quite active in approaching businesses, with just under 1 in 5 saying they were approached within the past 12 months.
- A general reluctance to using alternative providers exist, with over half of those who use An Post exclusively say it is very unlikely that they will start using another provider in the next 12 months

E-communications

- Postal services is the only form of communications where more businesses are reporting a decrease in activity over the past 12 months than are reporting an increase. Three quarters are reporting an increase in email and almost half are reporting an increase in website usage
- It is likely that this trend will continue over the next few years with approximately a third saying that their usage of post will decline over the next few years for transactional mail, general communications, marketing/advertising and fulfilling orders
- Furthermore, digital postboxes appeal to a notable proportion of businesses (typically larger organisations) with just under half of businesses saying they would be likely to use this type of service if it was available in Ireland



Postcodes

- Whilst many businesses are not particularly motivated by postcodes, they can see a distinct advantage to introducing them (improving efficiency and ease of delivery)
- Many of the disadvantages that are identified relate to challenges that could be overcome through effective communications (i.e. minimising confusion, increasing familiarity with the system etc.)

Thank you

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