



# **Ofcom Business Postal Tracker: Annual technical report: Q3 2020 to Q2 2021**

## **General survey description**

The Business Postal Tracker Q3 2020 to Q2 2021 aimed to achieve 2,200 individual interviews, representative of the profile of small and medium sized businesses (SMEs) with 0-249 employees across the UK, across a fieldwork period of 12 months. This sample size generated a robust dataset with margins of error of +/- 2-4%.

In Q3 and Q4 2020, the Business Postal Tracker was carried out primarily using a Computer Aided Telephone Interviewing (CATI) methodology, with the addition of online (CAWI) interviewing to increase the representation of 0 employee businesses (sole traders), which posed some challenges to reach in sufficient numbers by telephone. From Q1 2021 onwards, interviews were split 50%:50% between CATI and CAWI with matching samples collected via each method.

The interview lasts 15-20 minutes and covers the following topic areas: volume and use of postal service, reported experience with Royal Mail and other providers, overall satisfaction, change in mail as a communication method.

Fieldwork in 2020-21 was conducted over four quarters, with the sample size for each quarter as follows:

<i>Table 1: Interviews by quarter</i>				
Quarter	Number of interviews			
	%	Total	CATI	Online (Q3 & Q4 2020: 0 employees only)
<b>Q3/2020</b>	26%	578	433	145
<b>Q4/2020</b>	24%	528	430	98
<b>Q1/2021</b>	22%	475	265	210
<b>Q2/2021</b>	28%	619	270	349
<b>TOTAL</b>	100%	2,200 <sup>1</sup>	1,398	802

## Survey objectives

The research aims to measure the use of postal services amongst businesses in the UK.

Specific objectives are:

- To provide time-trend data that enables Ofcom to monitor these measures over time
- To provide robust data suitable for publication
- To provide data to inform Ofcom analysis, reports and decisions
- To provide analysis by population sub-groups

## Sampling approach and quotas

Considering the profile of businesses in the UK as defined by number of employees (business size), it is heavily skewed towards smaller businesses. If the final interview numbers were allowed to reflect this population it would not be possible to undertake robust analysis with organisations of 10 employees or more. For this reason, quotas were set in order to achieve a sufficient number of responses across all business sizes and weighting factors calculated to account for this sample design.

From Q1 2020 a more detailed profile of company size has been used to set quotas than had been used previously. The SME market of businesses with 0-249 employees is dominated by those with just the owner as the only employee, with around three quarters of businesses with 0-249 employees being zero

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<sup>1</sup> As evident in table 1, not all the quarters met the target of 550 precisely, which has been accounted for in the weighting.

employee businesses. The more granular quota profile ensures the sample reflects the make-up of the UK SME market without requiring massive upweighting of the zero employee businesses.

Table 2 details the business profile used, as well as the corresponding quotas set to achieve sufficient numbers in each business size band for analysis, and the resultant implied weight factor for this profile.

<i>Table 2: Yearly quota targets: number of employees</i>					
<b>Business Size</b>	<b>N</b>	<b>%</b>	<b>Natural interview distribution from a sample of 2200</b>	<b>Quotas Set</b>	<b>Implied weight</b>
0	4,278,225	75.59	1663	880	1.89
1-4	880,305	15.55	342	440	0.78
5-9	256,985	4.54	100	220	0.45
10-19	137,420	2.43	53	220	0.24
20-99	95,225	1.68	37	220	0.17
100-249	11,840	0.21	5	220	0.02
<b>Total</b>	<b>5,660,000</b>	<b>100</b>	<b>2200</b>	<b>2200</b>	

Additional sample structure objectives have been set from Q1 2020 to ensure robust sample sizes for each English region, a robust sample size every six months for the three nations other than England, and a robust sample size annually for rural (and urban) businesses in each of the four nations.

As table 3 indicates, sufficient numbers would not be generated from the natural distribution to meet all of these objectives, therefore quotas were set in order to achieve them, allowing for some decrease in effective sample size due to weighting. The ultimate quotas and implied weights are detailed in the same table below.

<i>Table 3: Yearly quota targets: region and nation</i>					
<b>Region/ Nation</b>	<b>N</b>	<b>%</b>	<b>Natural interview distribution from a sample of 2200</b>	<b>Quotas Set</b>	<b>Implied weight</b>
England	5,004,775	88.31	1413	1150	1.23
North East	162,755	2.87	46	110	0.42
North West	544,765	9.61	154	120	1.28
Yorkshire and the Humber	400,650	7.07	114	120	0.95
East Midlands	367,725	6.49	104	120	0.87
West Midlands	448,155	7.91	126	120	1.05
East of England	564,775	9.97	160	120	1.33
London	1,096,095	19.34	309	160	1.93
South East	873,595	15.41	246	160	1.54
South West	546,255	9.64	154	120	1.28
Wales	198,635	3.50	56	350	<b>0.16</b>
Scotland	331,365	5.85	94	350	<b>0.27</b>
Northern Ireland	132,730	2.34	37	350	<b>0.11</b>

Using the quotas indicated above, quarterly targets were calculated for Q3 2020 to Q2 2021. From Q1 2021 targets were divided equally between the CATI and CAWI data collection methods.

Further controls were placed on the sample to ensure that a mixture of businesses from urban and rural locations are included in the final sample. Business postcode addresses selected for potential inclusion in the survey were classified into urban and rural strata based on the classifications shown in table 4 below. The categories have been devised by the survey sample and statistics provider *UK Geographics*. Population data from UK Census 2001 were overlaid onto the *UK Geographics* categories to provide population distribution estimates by postcode. For the purposes of the Business Postal Tracker, urban regions were considered to be those in categories A-E, while rural locations were defined by categories F-G.

<i>Table 4: ONS urbanity definitions</i>			
<b>Category</b>	<b>Description</b>	<b>Population</b>	<b>Incidence (% 16+)</b>
A	Large City	500,000+	14.71
B	Smaller city or large town	100,000 – 500,000	19.81
C	Medium town	15,000 – 100,000	32.12
D	Small town (within 10 miles of A,B or C)	2,000 – 15,000	17.38
E	Small town (more than 10 miles of A,B or C)	2,000 – 15,000	1.85
F	Rural area (within 10 miles of A,B or C)	500 – 2,000	11.70
G	Rural area (more than 10 miles from A, B or C)	500 – 2,000	2.42

Urbanity was taken into account in the selection of the final sample and used to set quotas on location to ensure a spread of urban and rural locations was interviewed<sup>2</sup>.

In order to achieve the required number of final interviews sample was provided by an approved supplier in a minimum 10-to-1 ratio.

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<sup>2</sup> Soft targets were set on urbanity to allow a robust comparison, 75% urban and 25% rural.

## **Selection of respondents and fieldwork procedure**

As the content of the questionnaire asks respondents to estimate the volumes of post mailed and the value of contracts with postal service providers, a screening process was undertaken at the start of interviews to ensure that respondents could provide valid responses.

For CATI interviews, after dialling the telephone number for the business indicated on the sample, interviewers were directed to ask those answering if they were able to answer questions about their organisation's mailing processes, volumes for the postal items sent from the UK from sites for which the business is responsible and spend on mail services. If the initial contact indicated that they were not able to do this, they were asked to pass the call over to someone who was able to answer the questions.

At the start of both CATI and CAWI interviews all respondents must answer several screening questions to demonstrate their eligibility for interview.

During fieldwork, interviews were carried out in strict accordance with the guidelines given to interviewers and according to the Market Research Society (MRS) codes and guidelines, and fieldwork quality control was equally performed in accordance with MRS guidelines. Monitoring the quality of CATI interviews included the witnessing by a supervisor of at least 15% of each of the interviewers' work.

## Profile of achieved sample

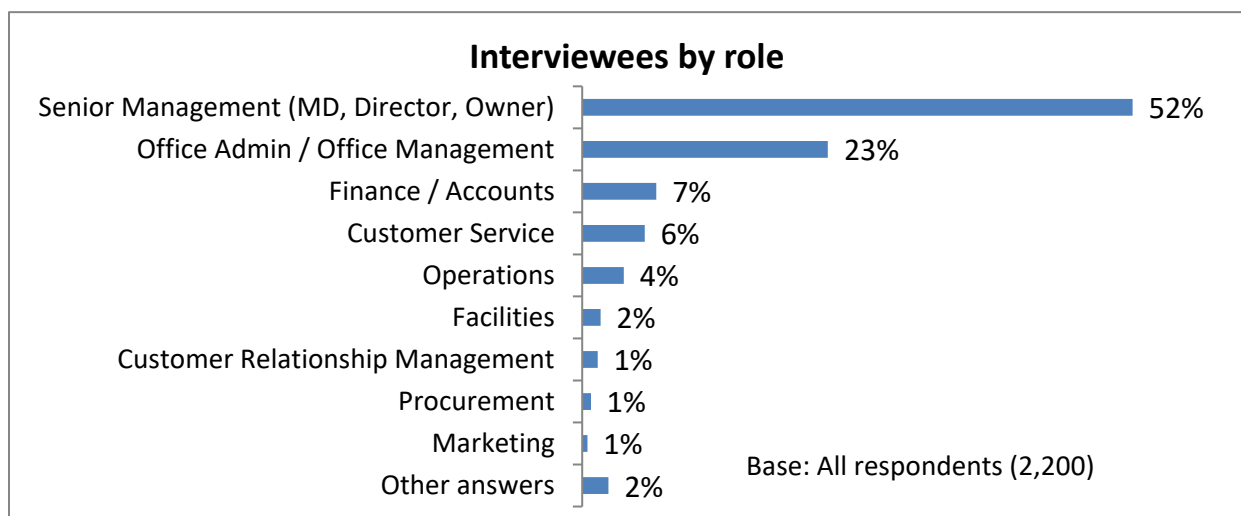
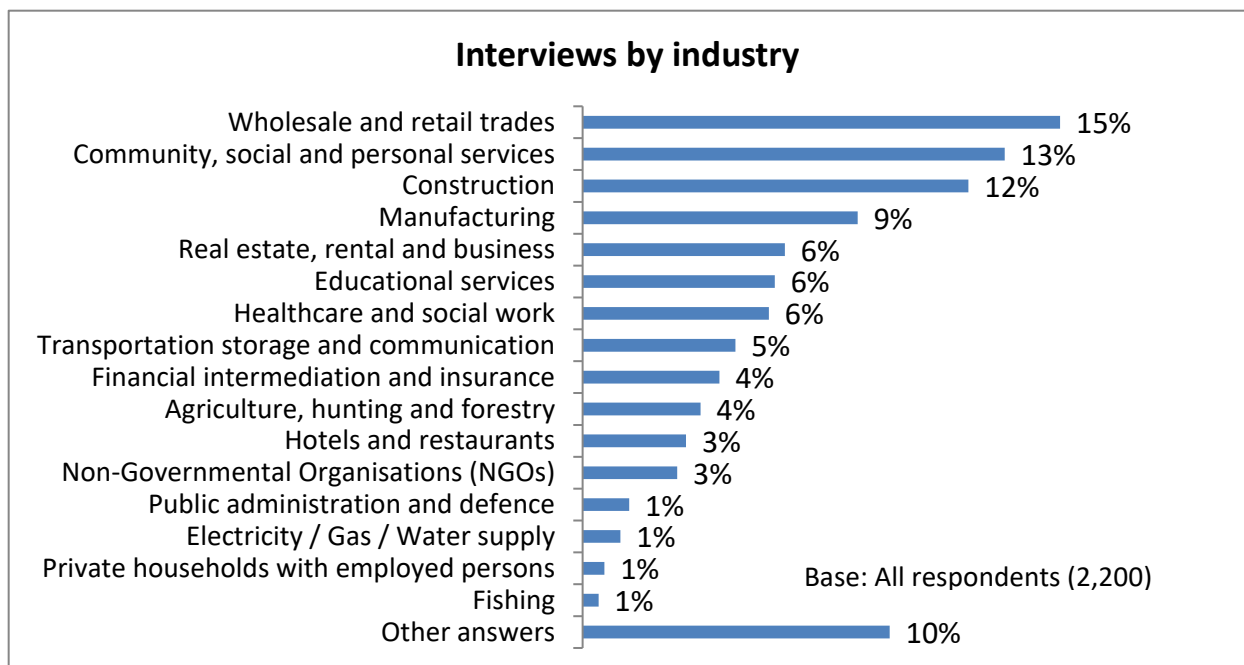
At the completion of fieldwork, 2,200 individual interviews were achieved. These are broken down by region and business size in table 5.

As is evident in table 5, the unweighted sample achieved under-represents smaller businesses and over-represents larger businesses. In addition, while quotas were set in line with table 4, some quotas were relaxed to ensure that the overall target number of interviews could be achieved. Weighting factors described below were calculated at the data-processing stage in order to make adjustments to the dataset.

Table 5: Achieved unweighted sample by region and business size								
Region	N	Region - aggregated	Business size				Total	
			0-9		10+			
			N	%	N	%	N	%
East of England	111	Midlands	222	10.1	108	4.9	330	15.0
East Midlands	105							
West Midlands	114							
Greater London	133	South	256	11.6	133	6.0	389	17.7
South East	146							
South West	110							
Yorkshire and the Humber	120	North	228	10.4	109	5.0	337	15.3
North East	108							
North West	109							
Scotland	427	Scotland, Wales and Northern Ireland	799	36.3	345	15.7	1144	52.0
Wales	357							
Northern Ireland	360							
Total	2200		1505	68.4	695	31.6	2200	100

The questionnaire used during interviews with businesses also contained some profiling information in order to check that the achieved sample contained a spread of different types of businesses and to ensure that no other factors were influencing results unduly. No firm quotas were set on these factors however.

Interviews were achieved across a range of industry (as indicated in the chart below) and in terms of the personnel with whom interviews were undertaken, the majority were divided between those working in senior management/owners and office administration/management. The majority of interviews (89%) were undertaken at head offices and 98% of those interviewed have an internet connection in the office in which they are based.





## Sample efficiency and weighting

Weights were applied to each quarter's data independently in order that final aggregated data is representative of the population of UK businesses, whilst allowing for quarterly analysis.

It was considered whether any mode adjustments would be appropriate to address differences between methods. Analysis was done at the data processing stage to assess this and it was determined not to be required, therefore data for the two collection modes has been combined as it fell out naturally.

As detailed in the sampling approach, larger companies were deliberately over-sampled to allow robust reporting by size, thus the weighting scheme has been designed to correct for this so that overall results reflect the correct profile of UK businesses.

The profile of businesses in the UK against that of the achieved sample and the associated weighting factors are presented in table 6 below.

Table 6: Profile of businesses for weighting					
	Population Profile		Achieved Sample		Weighting factor
	N	%	N	%	
Business Size					
0-1	4,409,140	77.9	1,040	47.3	1.65
2-9	996,160	17.6	465	21.1	0.83
10-49	215,080	3.8	350	15.9	0.24
50-99	25,470	0.45	86	3.9	0.12
100-249	14,150	0.25	259	11.8	0.02
Region & Nation					
North	1,108,170	20	337	15.3	1.31
Midlands	1,380,655	24	330	15.0	1.60
South	2,515,945	44	389	17.7	2.49
Wales	198,635	4	357	16.2	0.25
Scotland	331,365	6	427	19.4	0.31
Northern Ireland	132,730	2	360	16.4	0.12
Macro Industry					
Agriculture, Manufacturing & Construction		25	570	25.9	0.97
Retail/ Distribution/ Communication		21	403	18.3	1.15
Hospitality/ Financial/ and Non-financial		54	1,227	55.8	0.97
Urbanity					
England – Urban		84	828	78.4	1.07
England – Rural		16	225	21.3	0.75
Wales – Urban		75	220	61.6	1.22
Wales – Rural		25	137	38.4	0.65
Scotland – Urban		82	233	54.6	1.50

Scotland – Rural		18	194	45.4	0.40
Northern Ireland – Urban		77	231	64.2	1.20
Northern Ireland – Rural		23	128	35.8	0.64

Each quarter is weighted to a base of 500 to ensure each contributes equally to combined results. This means the mean average weight is not generally 1 for any quarter. The modal weight by quarter (Q3/Q4 2020 and Q1/Q2 2021) is 2.947/0.460/0.563/1.294 respectively, and the weights range from 0.001 for larger businesses to 8.75 for those that are smaller. The design effect for these weights is 2.42/4.58/2.65/2.77 respectively, giving an effective base of 239/115/179/223 which provides quarterly results accurate to +/- 9%.

*Table 7: Weighting details*

<b>Quarter</b>	<b>Modal Weight</b>	<b>Lowest Weight</b>	<b>Highest Weight</b>	<b>Design Effect</b>	<b>Effective Base</b>	<b>Results Accuracy</b>
Q3/2020	2.947	0.003	5.46	2.42	239	+/- 6%
Q4/2020	0.460	0.001	8.75	4.58	115	+/- 9%
Q1/2021	0.563	0.002	6.39	2.65	179	+/- 7%
Q2/2021	1.294	0.001	4.16	2.77	223	+/- 7%