

Ofcom Business Postal Tracker: Annual technical report: Q3 2019 to Q2 2020

General survey description

The Business Postal Tracker Q3 2019-Q2 2020 aimed to achieve 2000 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 +/- 2-3%.

The Business Postal Tracker was carried out primarily using a Computer Aided Telephone Interviewing (CATI) methodology. From Q1 2020 online (CAWI) interviewing was introduced to increase the representation of 0 employee businesses (sole traders), which pose some challenges to reach in sufficient numbers by telephone. 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 2019-20 was conducted over four quarters, with the sample size for each quarter as follows:

Quarter	Number of interviews	
	N	%
Q3/2019	462	22%
Q4/2019	497	24%
Q1/2020	452	22%

Q2/2020	679 ¹	32%
TOTAL	2,090 ²	100%

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 clear that this profile 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.

Table 2 shows the business profile used in Q3 and Q4 2019, the corresponding quotas set to achieve sufficient numbers in each business size band for analysis, and the resultant implied weight factor.

<i>Table 2: Profile of business in the UK</i>					
Business Size	N	%	Natural interview distribution	Quotas Set	Implied weight
0-9	4,633,585	96.0	1,920	1,505	1.28
10-49	167,670	3.5	70	330	0.21

¹ A larger boost of 0 employees collected online was included in Q2 2020 accounting for the larger sample size compared to other quarters.

² 2,090 interviews achieved out of a target of 2,000. As evident in table 1, not all the quarters met the target of 500 precisely, which has been accounted for in the weighting.

50-249	26,905	0.6	12	165	0.07
Total	4,828,160	100	2,000	2,000	

Using the quotas indicated above, quarterly targets were calculated for Q3 and Q4 2019, which were broken down in order to achieve a final dataset which was also representative of UK businesses in terms of location, detailed in table 3.

Table 3: Yearly quota targets – Q3 and Q4 2019

Region	Business size (number of employees)			Total
	0 to 9	10 - 49	50 - 249	
East of England	100	20	10	130
East Midlands	70	10	5	85
Greater London	190	40	20	250
North East	35	10	5	50
North West	105	20	10	135
South East	180	40	20	240
South West	110	20	10	140
West Midlands	80	20	10	110
Yorkshire & The Humber	80	20	10	110
Scotland	185	45	20	250
Wales	190	40	20	250
Northern Ireland	180	45	25	250
TOTAL:	1,505	330	165	2,000

From Q1 2020 a more detailed profile of company size was 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 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 4 details the business profile used in Q1 and Q2 2020, 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 4: Yearly quota targets: number of employees – Q3 and Q4 2019</i>					
Business Size	N	%	Natural interview distribution	Quotas Set	Implied weight
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
Total	5,660,000	100	2200	2200	

Additional sample structure objectives were 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 5 indicates, sufficient numbers would not be generated from the natural distribution to meet all of the 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 5: Yearly quota targets: region and nation – Q1 and Q2 2020</i>					
Region/Nation	N	%	Natural interview distribution	Quotas Set	Implied weight
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	0.16
Scotland	331,365	5.85	94	350	0.27
Northern Ireland	132,730	2.34	37	350	0.11

Using the quotas indicated above, revised quarterly targets were calculated for Q1 and Q2 2020.

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 UK cities and towns were classified into urban and rural strata based on the classifications shown in table 6 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.

Category	Description	Population	Incidence (% 16+)
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 were interviewed³. Final yearly targets, defined therefore by business size and location, are described in table 4 below.

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

³ 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.

CAWI interview respondents, entirely comprising 0 employee businesses, were by definition the relevant person to answer for their organisation.

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. During fieldwork quality control was 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, 2,090 individual interviews were achieved. These are broken down by region and business size in table 7.

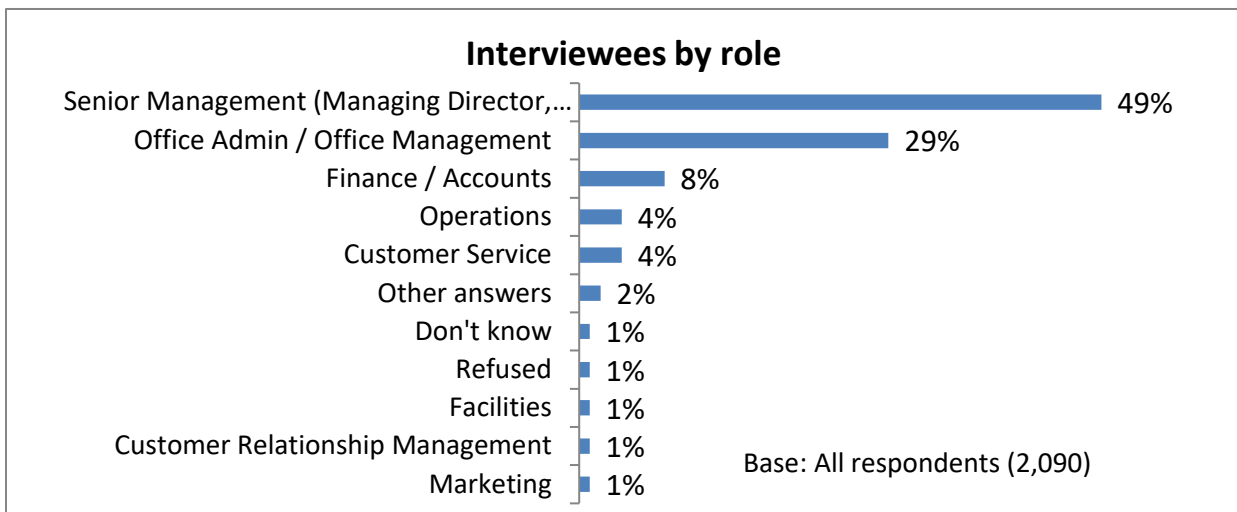
As is evident in table 7, the unweighted sample achieved under-represents smaller businesses and over-represents larger businesses. In addition, while quotas were set in line with table 4, some quotas were relaxed to ensure that the overall target number of interviews could be achieved. Weighting factors described below were calculated at the data-processing stage in order to make adjustments to the dataset.

Table 7: Achieved unweighted sample by region and business size

Region	N	Region - aggregated	Business size				Total	
			0-9		10+		N	%
			N	%	N	%		
East of England	129	Midlands	307	14.7	110	5.3	417	20.0
East Midlands	136							
West Midlands	152							
Greater London	185	South	476	22.8	119	5.7	595	28.5
South East	236							
South West	174							
Yorkshire and the Humber	95	North	247	11.8	74	3.5	321	15.4
North East	75							
North West	151							
Scotland	279	Scotland, Wales and Northern Ireland	559	26.7	198	9.5	757	36.2
Wales	241							
Northern Ireland	237							
Total	2090		1589	76.0	501	24.0	2090	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 95% of those interviewed have an internet connection in the office in which they are based.



Sample efficiency and weighting

At the stage of data processing 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.

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 for Q3 and Q4 2019 are presented in table 8 below.

<i>Table 8: Profile of businesses for weighting – Q3 and Q4 2019</i>					
Sample regions	Population Profile		Achieved Sample		Weighting factor
	N	%	N	%	
0-9 employees					
North	923,535	19	121	13	1.51
Midlands	1,121,665	23	148	15	1.49
South	1,970,735	41	254	26	1.55
Wales, Scotland, N Ireland	617,650	13	261	27	0.48
TOTAL:	4,633,585	96	784	82	
10+ employees					
North	44,005	1	24	3	0.40
Midlands	50,700	1	32	3	0.30
South	75,220	2	50	5	0.38
Wales, Scotland, N Ireland	30,535	1	69	7	0.14
TOTAL:	200,460	4	175	18	

For Q1 and Q2 2020 a revised weighting scheme was devised presented in table 9 below with more detailed company size, grouped English region and other individual nations, macro industry sector, and urbanity within each of the four nations.

<i>Table 9: Profile of businesses for weighting – Q1 and Q2 2020</i>					
	Population Profile		Achieved Sample		Weighting factor
	N	%	N	%	
Business Size					
0-1	4,409,140	77.9	550	48.6	1.60
2-9	996,160	17.6	255	22.5	0.78
10-49	215,080	3.8	193	17.1	0.22
50-99	25,470	0.45	30	2.7	0.17
100-249	14,150	0.25	103	9.1	0.03
Region & Nation					

North	1,108,170	20	176	15.6	1.29
Midlands	1,380,655	24	237	21.0	1.15
South	2,515,945	44	291	25.7	1.71
Wales	198,635	4	138	12.2	0.33
Scotland	331,365	6	170	15.0	0.40
Northern Ireland	132,730	2	119	10.5	0.19
Macro Industry					
Agriculture, Manufacturing & Construction		25	278	24.6	1.02
Retail/ Distribution/ Communication		21	241	21.3	0.99
Hospitality/ Financial/ and Non-financial		54	612	54.1	1.00
Urbanity					
England – Urban		84	350	74.9	1.12
England – Rural		16	117	25.1	0.64
Wales – Urban		75	65	55.1	1.36
Wales – Rural		25	53	44.9	0.56
Scotland – Urban		82	81	60.0	1.37
Scotland – Rural		18	54	40.0	0.45
Northern Ireland – Urban		77	45	44.1	1.75
Northern Ireland – Rural		23	57	55.9	0.41

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 2019 and Q1/Q2 2020) is 0.637/1.227/1.613/1.294 respectively, and the weights range from 0.002 for larger businesses to 6.60 for those that are smaller. The design effect for these weights is 1.98/1.17/2.86/1.57 respectively, giving an effective base of 253/429/158/431 which provides quarterly results accurate to +/- 6%.

Table 10: Weighting details

Quarter	Modal Weight	Lowest Weight	Highest Weight	Design Effect	Effective Base	Results Accuracy
Q3/2019	0.637	0.072	2.56	1.98	253	+/- 6%
Q4/2019 ⁴	1.227	0.426	1.36	1.17	429	+/- 5%
Q1/2020	1.613	0.002	6.60	2.86	158	+/- 8%
Q2/2020	1.294	0.002	2.23	1.57	431	+/- 5%

⁴ To account for shortages in 0-9 employees in previous quarters, Q4 2019 focused solely on 0-9 businesses, which resulted in special weighting.