UK Postal Users Research: Quantitative Research Report

September 2020

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1. Executive Summary

Background

Jigsaw Research was commissioned to conduct quantitative research amongst residential and small and medium-sized enterprise (SMEs) users of postal services across the UK.

The research consisted of over 5,000 30-minute interviews conducted face-to-face, online and by telephone.

Further detail on the methodologies can be found in the appendix.

During the interview, participants were asked to describe their current usage of and attitudes towards postal services. They were asked to consider potential changes to the services provided within the Universal Service Obligation (USO) and identify the services and standards which would adequately meet their needs.

1.1. Summary of findings

1.1.1. The role of the postal service in society

40% of residential research participants agreed that they would feel cut off from society if unable to send or receive letters almost every day of the week, with 36% agreeing that this was true for parcels. However, opinion was polarised, with similar proportions disagreeing in each case.

Older users were more likely to say they would "feel cut off from society if unable to send or receive letters almost every day of the week" while younger users with children in the household were more likely to say they would "feel cut off from society if unable to send parcels almost every day of the week".

Two thirds of residential participants agreed that Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel was sent within the UK. A similar proportion of SMEs (69%) agreed, with more than half (55%) strongly agreeing.

1.1.2. Sending Post – letters and parcels

Residential

While post is important to many for participation in society, in terms of volume of use, the majority of users were relatively infrequent senders of letters and parcels. One in ten (11%) participants said they didn't send any letters in an average month and a quarter (25%) said they didn't send any parcels.

Of those that send post, the most commonly sent items were personal communications, such as letters/cards sent by 61% of participants, returning ordered items (47%) and general correspondence with businesses/organisations (45%).

Over half (56%) said that they used First Class postage "all or most of the time"[1] for letters and 40% said the same for parcels. Next day delivery was the main stated reason for using First Class postage.

Almost three quarters (73%) used Royal Mail/Parcelforce to send parcels, mainly due to having always used them or the convenience of posting locations. Almost half *only* used Royal Mail/Parcelforce. This was higher amongst those in the Highlands & Islands. Almost a third used other operators, mainly due to a perceived lower cost. This was especially true of heavy (5+ per month) parcel senders (62%).

SMEs

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[1] This is a 'net' of those who said they used First Class postage 'all the time' and those who said they used it 'most of the time'

The majority of SMEs said that they spent £25 or less on letters or parcels in an average month (71% for letters and 76% for parcels). Spend was correlated with size of business, with larger SMEs spending more on average.

The majority of this spend was with Royal Mail or Parcelforce. However, those spending the most were more likely to use other operators.

Most SMEs generally used stamps that had been previously purchased and were already on the premises to send letters, whereas they were more likely to purchase stamps in the Post Office for parcels. Larger businesses and those with higher spend were more likely to use meters or PPI[2].

According to survey responses, just over half of letters and parcels sent by SMEs were sent using First Class postage (55% of letters; 54% of parcels). Three-quarters said they used First Class rather than second because the service was faster, although a slightly lower proportion, two-thirds, felt that 'all, almost all or most' of the items they sent using First Class needed to be at their destination the next day.

Nine in ten of those sending parcels used Royal Mail or Parcelforce, overwhelmingly due to the perceived convenience of posting locations. Almost half *only* used Royal Mail/Parcelforce.

Just over half (51%) of those sending parcels used other operators, with one in ten (8%) only using other operators. Usage of other operators was mainly due to a perceived lower cost.

Almost one in ten *only* used other operators; this was the case for a greater proportion of those in larger SMEs (18%, 10-49 employees: 17%, 50-249 employees).

1.1.3. Receiving Post – letters and parcels

Residential

On average, participants claimed to receive 11 letters and 2 parcels in their households per week. Direct mail was the most common type of post, followed by bills/statements.

Seven in ten claimed their parcels were important enough to open on the day of arrival 'all/almost all' of the time; only one in three said this for the letters they reported receiving.

Just under two in five of those who had moved house had used the Royal Mail redirection service in the last 3 years. Perceived lack of need (49%) was the key reason for non-usage, followed by cost (22% considered it too expensive). After seeing the price, two in five of the total sample felt the Royal Mail redirection service offered value for money.

SMEs

Direct mail was also the most common type of post reportedly received by SMEs, followed by financial transactions and general correspondence.

SMEs were more likely than residential users to open 'all/almost all' of their letters (57%) and parcels (76%) upon arrival.

Financial correspondence was likely to be perceived as the most urgent type of letter, whereas goods ordered were perceived to be the most important parcels.

Just over two in five SMEs who had moved address in the last three years said they used the Royal Mail redirection service. As with Residential 'movers', a lack of perceived need (56%) was the key reason for non-usage. One in seven considered the service to be too expensive. After hearing the price, fewer than one in three of the total SME sample felt the service offered value for money.

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[2] Printed Postage Impressions (PPIs) offer a convenient alternative to stamps or franking machines. You can save time and money by printing postage directly onto labels or envelopes.

1.1.4. Expected changes in postal needs

Residential

- Around six in ten (62%) said they expect to send the same amount of letters and a quarter expect to send fewer letters over the next three years.
- A similar proportion (59%) expect to receive the same amount and a quarter (24%) expect to receive fewer letters over the next three years.
- Almost two thirds (65%) expect to send the same amount of parcels, however the receipt of parcels is expected to stay the same (62%) or increase (22%).
- More than eight in ten felt that there would always be some items they would need to send by post.
  - However, fewer than a third of the items that people will "always need to send by post" need to reach their destination by the following day.
- Two in three said they would be willing to accept a delay to the delivery of items during busy times - e.g. a delay of an additional day or two around Black Friday and the run up to Christmas.
- One in four expected to use Royal Mail's competitors for post more in the future.

SMEs

- Five in six businesses felt there would always be some items they would need to send by post.
- A quarter expected to use Royal Mail's competitors more for post in the future.

1.1.5. Reactions to future scenarios

Conjoint analysis was used to examine potential changes to the postal service. Conjoint analysis is a statistical technique that helps us better understand what people value in products and services and what drives their decisions. In the conjoint exercise, participants were asked to choose between different scenarios – descriptions of the postal service with different combinations of product features – and then asked whether their selected scenario met their needs for a postal service.

A full description of the methodology and concepts shown to research participants can be found in section 7.

Residential

The simulation of the current postal service is predicted to meet the needs of 98.1% of UK users.

Delivery days per week

Our analysis suggests that reducing the number of delivery days per week from 6 to 5 would have a relatively small impact on the proportion of users who say that their needs would be met by the service. Scenarios where the number of delivery days are reduced to 3 days per week have a bigger negative impact on the proportion of users who believe their needs would be met.

Reducing the number of days that letters are delivered to 5 days a week (Mon-Fri) reduced acceptability to 96.8% while reducing the number of days that letters are delivered to 3 days a week (Mon-Fri) reduced acceptability to 85.4%.

Reducing the number of days that parcels are delivered to 5 days a week (Mon-Fri) reduced acceptability to 97.6% while reducing the number of days that parcels are delivered to 3 days a week (Mon-Fri) reduced acceptability to 93.2%.

Level of service

Our conjoint analysis found that scenarios where the current first and second class services are replaced by a single class service that is targeted to arrive at the destination two days after posting have a relatively small negative impact on the proportion of users who report that their needs are met. Scenarios where the proportion of items that will arrive within the target timeframe and those where the time taken to deliver is increased to three or more days after posting have a greater negative impact on the proportion of needs that are met.

A change to a Single Class service with post arriving within 2 days 95% of the time is predicted to meet the needs of 96.1%. A single class service with post arriving within 2 days 80% of the time is predicted to meet the needs of 93.6%.

A Single Class service with post arriving within 3 days 95% of the time is predicted to meet the needs of 94.5% of users. The level of acceptability falls to 90.2% for a within 4 days service (95% of the time) and to 88.0% for a 5 days service (within 95% of the time).

Price

The conjoint exercise suggested that users are fairly insensitive to price up until the £1 threshold for a First-Class letter is reached. The conjoint analysis suggests that users would rather a reduction in service than a price point above £1 for a First-Class letter.

SME

The simulation of the current postal service is predicted to meet the needs of 97% of UK SMEs.

Delivery days per week

Consistent with the views of residential users, our analysis suggests that reducing the number of delivery days per week from 6 to 5 would have a relatively small impact on the proportion of SME users who say that their needs would be met by the service. Scenarios where the number of delivery days are reduced to 3 days per week have a bigger negative impact on the proportion of users who believe their needs would be met. Our analysis suggests that delivery on Saturdays is unimportant to the large majority of SMEs.

Reducing the number of days that letters are delivered to 5 days a week (Mon-Fri) has little impact, marginally increasing acceptability to 97.1% while reducing the number of days that letters are delivered to 3 days a week (Mon-Fri) reduces acceptability to 77.5%.

Reducing the number of days that parcels are delivered to 5 days a week (Mon-Fri) reduced acceptability to 96.1% while reducing the number of days that parcels are delivered to 3 days a week (Mon-Fri) reduced acceptability to 90.6%.

Level of service

Our conjoint analysis found that scenarios where the current first and second class services are replaced by a single class service (targeted to arrive at the destination two days after posting) have a small negative impact on the proportion of users who report that their needs are met. The impact of replacing the current first and second class service with a single class service, delivered within two days of posting, appears to have slightly greater impact on SMEs than on residential users.

Scenarios where the proportion of items that will arrive within the target timeframe and those where the time taken to deliver is increased to three or more days after posting have a greater negative impact on the proportion of SME's stated needs that are met.

A change to a Single Class service with post arriving within 2 days 95% of the time is predicted to meet the needs of 91.8%. A single class service with post arriving within 2 days 80% of the time is predicted to meet the needs of 84.6%.

A Single Class service with post arriving within 3 days 95% of the time is predicted to meet the needs of 87.3% of SME users. The level of acceptability falls to 81.4% for a within 4 days service (95% of the time) and to 76.1% for a 5 days service (within 95% of the time).

Price

The conjoint exercise suggested that SMEs are fairly insensitive to price up until the £1 threshold for a First-Class letter is reached. SMEs would rather a reduction in service than a price point above £1 for a First-Class letter.

1.1.6. Future delivery points and improvements

Residential

There was significant opposition to the concept of a centrally located secure locker being provided *instead of* doorstep delivery. Seventy six percent were against this idea in relation to letters and sixty four percent in relation to parcels.

Spontaneous thoughts on improving the postal service tended to relate to the cost and speed of the service. Other suggested improvements varied across themes of improved reliability, consistency (of service and pricing), accuracy (e.g. delivery on time/ within specified time/ to correct address), and flexibility.

SME

There was also significant opposition to the concept of a central secure locker instead of delivery to the door amongst SMEs. Eighty two percent were against this idea in relation to letters and seventy seven percent in relation to parcels.

Spontaneous thoughts on improving the postal service tended to relate to the same themes as the residential users.

2. Background and Objectives

2.1. Background

2.1.2. Reviewing Postal User Needs

In Ofcom's Annual Plan 2019-20, Ofcom committed to conduct market research to review the extent to which the postal market is meeting the 'reasonable' needs of users in light of changes in the market. Ofcom last conducted a review of this nature in 2012/13. Relevant changes to the market since then include the growth in online shopping and the associated sending and receiving of parcels, and the continued decline in letters, linked to digitalisation.

Ofcom commissioned Jigsaw Research to conduct qualitative and quantitative research amongst residential users and SME users of postal services. The qualitative phase of research was used to conduct a 'zero-based' assessment of postal users' needs (to understand what users really need and value as if starting from a blank slate, rather than being conditioned by their views of the existing service). The findings of this phase of the research can be found here: Qualitative research report

2.1. Research Objectives

The overall quantitative research objectives, within the overarching project objective above, were to:

- Provide an overall assessment of 'reasonable' postal needs
- Assess current experiences of using postal services
- Assess the impact of potential future changes to the USO
- Understand the relative importance of different aspects of the postal service
- More detailed research objectives can be found in the appendix.

2.2. Research Methodology

The quantitative phase of research comprised two separate surveys: a survey of 4,596 residential postal users and a survey of 971 SME postal users. Further detail on the research methodologies, sampling and weighting can be found in the appendix.

2.3. Report Structure

The remainder of this report begins with a short section on the role of the postal service in society (Section 3), looking at the extent to which people feel "cut-off" from society if unable to send post, attitudes to the universal service currently offered by Royal Mail and their participation in selling activities on specific websites or apps.

Sections 4 and 5 examine current behaviour and attitudes around sending and receiving post (letters and parcels). Section 6 looks at expected future behavioural change with regards to sending and receiving post, and attitudes towards potential changes to the postal service.

Section 7 is concerned with the acceptability of changing the universal service, as assessed via conjoint analysis; a statistical technique used to understand what people really value in products and services and how they make their decision choices.

Section 8 considers attitudes towards future delivery points (the concept of a secure locker for delivery of letters or parcels), whilst section 9 details participant-suggested improvements to the postal service.

Sections 10 and 11 provide detailed demographic and firmographic profiles of the research participants.

A number of appendices then follow, covering the research methodology, weighting of the data and the questionnaires used in the research.

3. The role of the postal service in society

3.1. Feeling cut off from society

Participants were asked about the extent to which they would feel cut off from society if unable to send letters or parcels almost every day of the week (**Figure 1**). Agreement with this was 40% for letters and 36% for parcels. However, opinion was polarised, with similar proportions disagreeing in each case.

Figure 1: Agreement with statements about feeling cut off from society
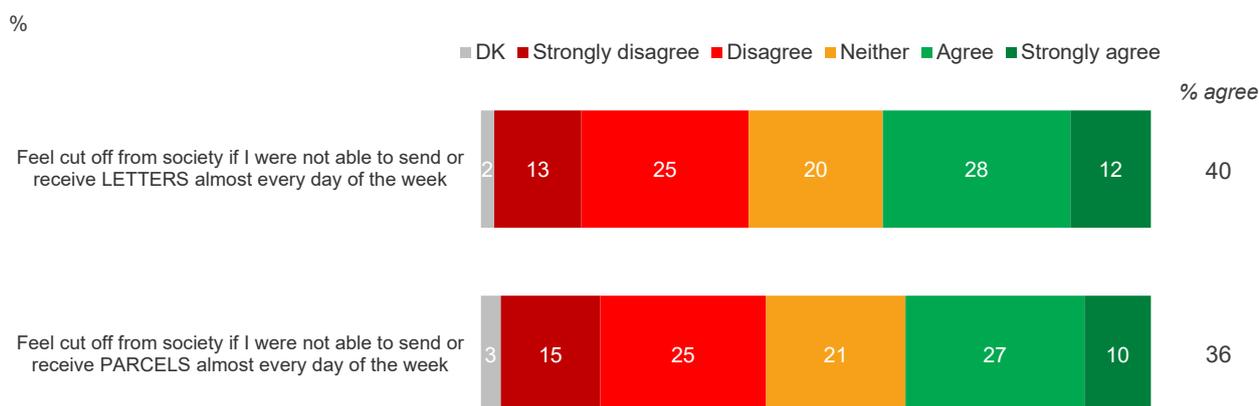
%

Source: Review of Postal User Needs Survey 2019

QRES D2. How far do you agree or disagree with the following statements? Base: all unweighted residential n=4596

Those who would "feel cut off from society if unable to send **letters** almost every day of the week" were more likely to be older, retired and female. Agreement with the statement was higher for AB social grade (44%), retired people (45%), those aged 65+ (45%) and those aged 75+ (50%). Females (42%) were more likely to agree than males (38%). 56% of high-volume letter senders agreed (those sending 5+ letters per month).

Those who would "feel cut off from society if unable to send **parcels** almost every day of the week" were more likely to be younger/middle aged, have kids in the household and female. Agreement with the statement was higher for 25-54 (39%) and those with children in the household (41%). Females (39%) were more likely to agree than males (34%). 60% of high-volume parcel senders agreed (those sending 5+ parcels per month). Agreement was also higher amongst those living in Highlands & Islands (49%) and Northern Ireland (46%).

3.2. Universal service

Participants were told or read the following as part of the survey:

Royal Mail is currently required to provide certain services and meet certain minimum standards for some of the services it provides. They currently provide these services at the same price to all people and businesses – so, the cost of a stamp is the same regardless of where you send your letter or parcel within the UK.

An alternative to this is that their prices could vary according to where you send your letter or parcel – so, the cost of a stamp would be cheaper if you were to send a letter or parcel locally and more expensive if you were to send it further away.

Participants were asked how strongly they agreed or disagreed that Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel is sent within the UK.

Figures 2 and 3 examine responses to this from both residential and SME participants.

Amongst residential participants (**Figure 2**), two-thirds (67%) agreed with the statement. Agreement was higher amongst those who agreed they would feel cut off if unable to send letters / parcels almost every day (73%) and those paying a parcel surcharge[3] (participant defined, 72%).

Agreement was also higher amongst those using Special Delivery for letters / parcels (72%), those selling on online marketplaces (72%), those sending 3-4 letters per week (72%), those sending 5+ letters per week (70%) and those using first class for sending parcels (70%).

Figure 2: Whether Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel is sent within the UK (Residential)
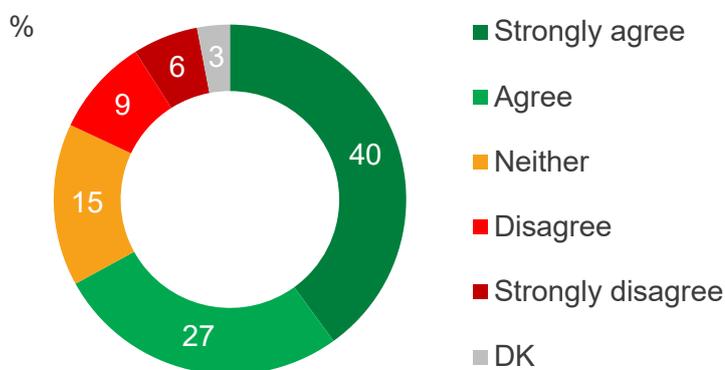
Source: Review of Postal User Needs Survey 2019

QRES F3 How strongly do you agree or disagree that Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel is sent within the UK? Base: Unweighted residential n=4596

Amongst SME participants (**Figure 3**), more than two-thirds (69%) agreed with the statement (more than half – 55% - strongly agreed). There were no significant differences by company size or other firmographics.

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[3] We asked respondents. Q: Do parcel companies charge an additional rate for the delivery of parcels to your area? 9% of all participants overall claimed to be charged an additional rate for parcel delivery

Figure 3: **Whether Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel is sent within the UK (SME)**

%
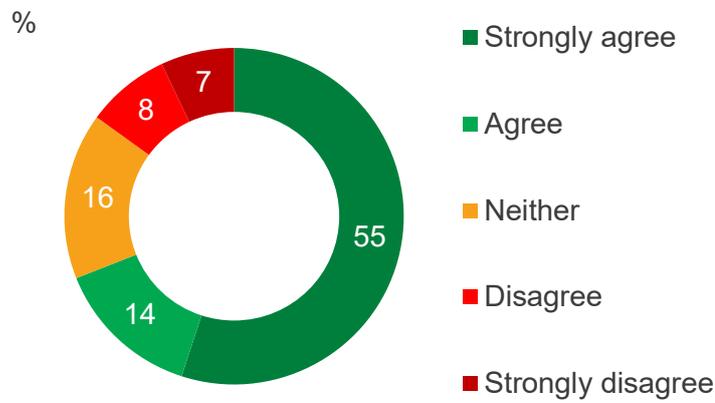
Source: Review of Postal User Needs Survey 2019

QSME F3 Royal Mail is currently required to provide certain services and meet certain minimum standards for some of the services it provides. How strongly do you agree or disagree that Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel is sent within the UK? Base: Unweighted SME n=971

4. Sending post – letters and parcels

4.1. Residential

The majority reported being relatively infrequent (low) senders of letters and parcels. **Figure 4** shows that one in ten (11%) sent no letters and one in four (25%) sent no parcels whatsoever in an average month. Three in ten of those that did (31%) said that they sent less than 1 letter and four in ten (43%) sent less than 1 parcel per month.

Fifty seven percent were low senders of letters (1-2 or less than one per month), thirteen percent were medium (3-4) and nineteen percent high (5+).

Sixty three percent were low senders of parcels (1-2 or less than one per month), five percent were medium (3-4) and seven percent high (5+).

Younger people (aged 16-24) were even less likely to send letters or parcels. Twenty four percent of this age group said they sent no letters (vs. 11% overall) and thirty five percent said they sent no parcels (vs. 25% overall).

Figure 4: Number of letters/parcels personally send in average month (self-reported)
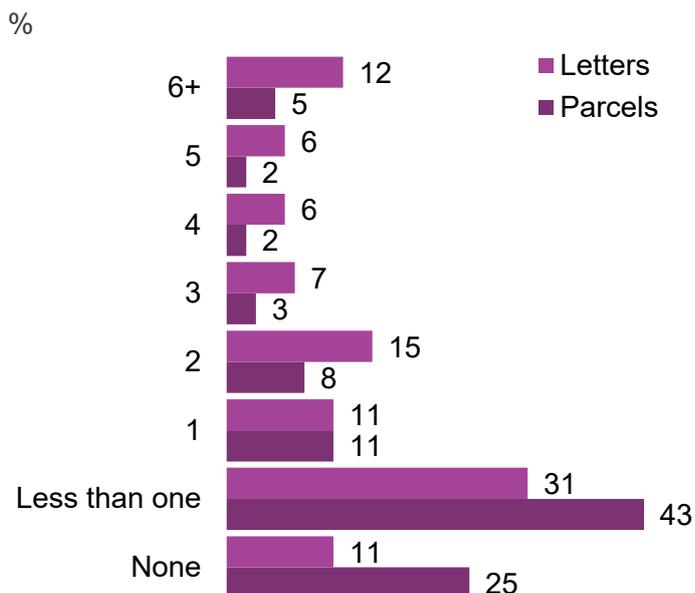
Source: Review of Postal User Needs Survey 2019

QRES. B1a letters/QB1b parcels. Approximately how many letters (including large letters and/or greeting cards/parcels do you personally send in an average month? Base: unweighted residential n=4596

Figure 5 shows the types of mail that UK adults send at least occasionally by post.

Sixty one percent of adults reported sending personal communications by post. This was significantly higher amongst those aged 55+ (74% sent personal communications).

Returns (47%) and general correspondence (45%) were also widespread, and more than a third (35%) said they occasionally sent parcels or packages to family or friends. Returning ordered items was significantly more likely amongst those aged 35-44, with sixty percent sending such returns.

Figure 5: Types of mail personally sent at least occasionally by post

%

Type	%
Personal communications	61
Returning ordered items	47
General correspondence	45
Parcels/packets to family/friends	35
Payment for bills	20
Other	3
None	7
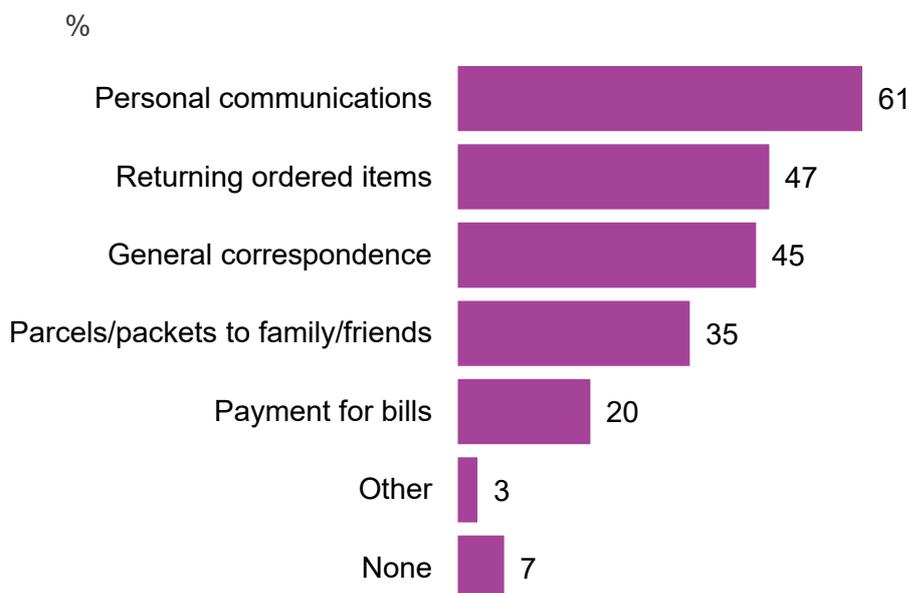
Source: Review of Postal User Needs Survey 2019

QRES. B3. Which of these types of mail would you say you personally send at least occasionally by post? Base: unweighted residential n=4596

More participants claimed to use First Class postage for letters and parcels, three quarters (75%) use First Class for letters and around four in ten (39%) use First Class for parcels (**Figure 6**).

Around two-fifths used recorded/signed for in the past 12 months and around one-fifth used Special Delivery.

A quarter did not use any Royal Mail services to send parcels in the past year.

Figure 6: Royal Mail services used to send letters/parcels in past 12 months

%
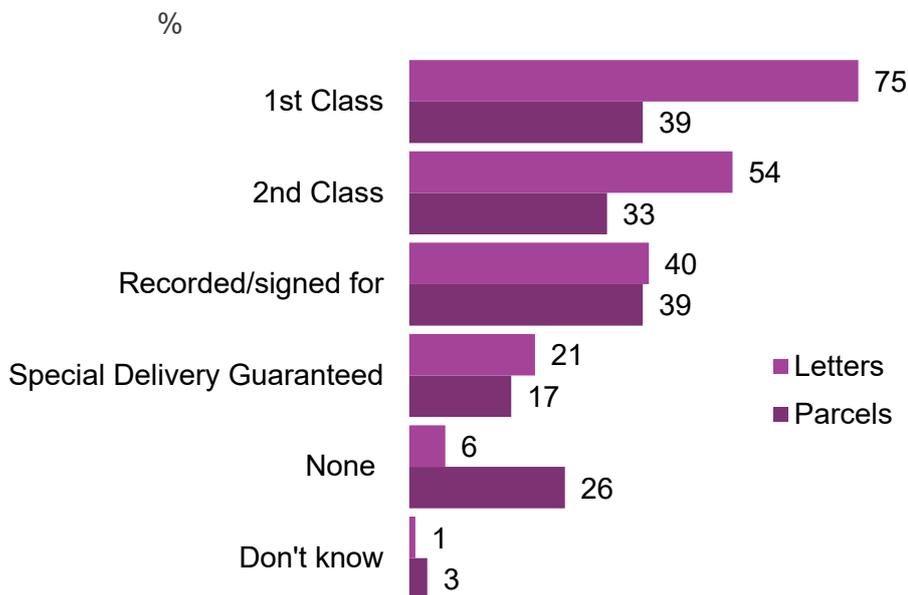
Source: Review of Postal User Needs Survey 2019

QRES. QB2ai/aii. Which, if any, of the following Royal Mail services have you used to send letters and/or cards/parcels in the last 12 months? Base: unweighted residential n=4596

Just over half (56%) of Residential postal users said they used First Class all/most of the time for letters and forty percent said this about parcels (**Figure 7**).

Full-time workers were more likely to choose First Class all/most of the time (62% vs. 56% for letters, 48% vs. 40% for parcels).

Those with children in the household were more likely to choose First Class all/most of the time (62% vs. 56% for letters, 48% vs. 40% for parcels).

Figure 7: Class used when sending letters/parcels

	Letters	Parcels
First Class all of the time	31	23
First Class most of the time	25	17
Equal amount	17	18
Second Class most of the time	19	28
Second Class all of the time	5	7
Don't know	4	8
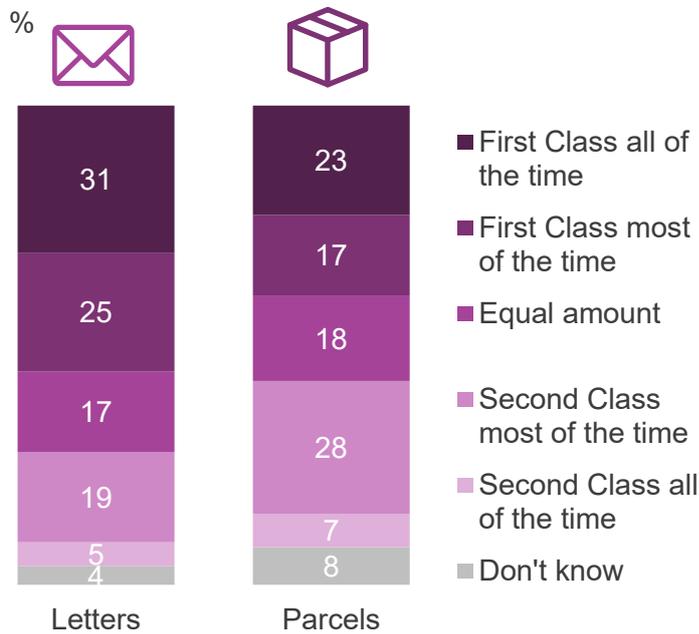
Source: Review of Postal User Needs Survey 2019

QRES. B4a/b. When sending letters/parcels do you use…? Base: unweighted residential all/all who have sent at least one parcel in last 12 months n=/4596/3631

When asked why they chose First Class when sending letters or parcels (**Figure 8**), next day delivery was the most frequently cited reason, mentioned by 62% for letters and 52% for parcels.

The value of the item was more likely to be mentioned for parcels than letters (28% vs. 11%) as were issues around security/privacy (21% vs. 10% for letters). In relation to parcels, one in ten said that the retailer had chosen the class (presumably for returning ordered goods).

Figure 4: Reasons for using First Class when sending letters/parcels?
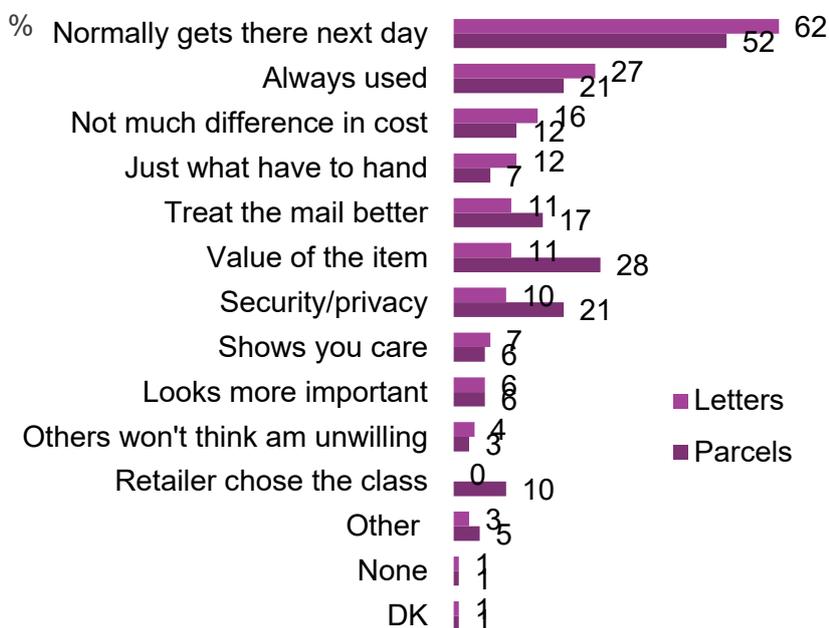
Source: Review of Postal User Needs Survey 2019

QRES. Q6a/b. Why do you choose to use First Class when sending letters/parcels? Base unweighted residential all who use First Class all of the time/most of the time/ equally with second class for letters/parcels n=3405/2145

Residential participants were asked which, if any, companies they used to send parcels (**Figure 9**). Three-quarters of parcel senders (72%) said they used Royal Mail and nine percent cited Parcelforce, with almost half (48%) claiming to only use these providers. Sixty four percent of those living in the Highlands & Islands said they only used Royal Mail or Parcelforce.

Use of Royal Mail or Parcelforce was higher amongst those with high income (£50k+) at 83%, those living in Greater London (82%) and of AB social grade (80%).

A quarter (25%) said they used Royal Mail or Parcelforce and another provider. Hermes (18%) and DPD (7%) were the most commonly mentioned alternative providers used. Five percent said that they did not use Royal Mail or Parcelforce.

Use of alternative providers (30% overall) was higher amongst [4]heavy parcel senders (62%), those living in locations where parcel surcharging exists (45%), those with children in the household (40%), full-time workers (37%) and those aged 16-34 (36%).

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[4] Heavy senders are those who personally send 5+ parcels in an average month (excluding retailer returns - i.e. goods you send back to retailers)

Figure 9: Service providers used by residential users to send parcels
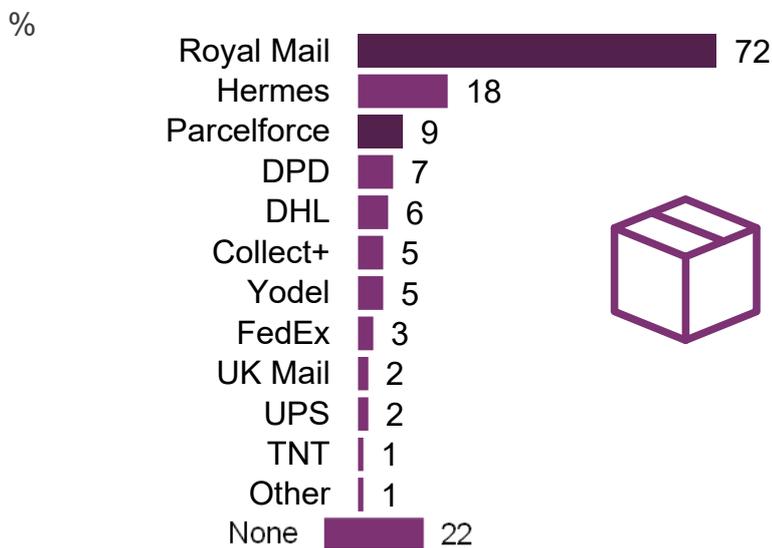
%

Provider	Value
Royal Mail	72
Hermes	18
Parcelforce	9
DPD	7
DHL	6
Collect+	5
Yodel	5
FedEx	3
UK Mail	2
UPS	2
TNT	1
Other	1
None	22

Source: Review of Postal User Needs Survey 2019

QRES. B2b. Which, if any, of the following companies have you used to send a parcel (excluding retailer returns) in the last 12 months? Base: all unweighted residential n=4596

Figure 10: Summary of service providers used by residential users to send parcels

48% *only* use RM or Parcelforce

25% *use RM or Parcelforce AND another provider*

5% *don't use RM or Parcelforce*
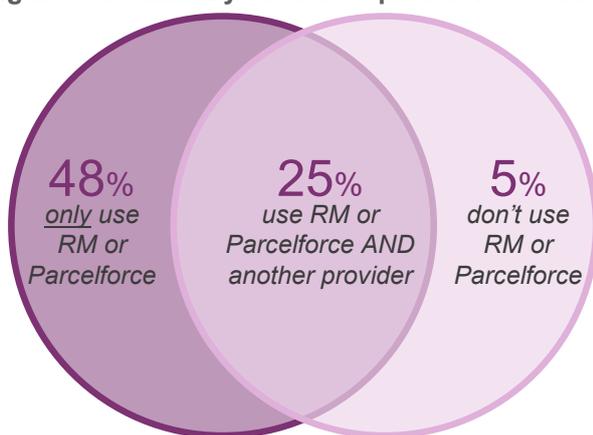
Note: 22% had not sent a parcel on the last 12 months.

Source: Review of Postal User Needs Survey 2019

QRES. B2b. Which, if any, of the following companies have you used to send a parcel (excluding retailer returns) in the last 12 months? Base: all unweighted residential n=4596

Those only using Royal Mail or Parcelforce to send parcels were asked why that was the case (**Figure 11**).

Four in ten said they'd always used those companies. Convenient posting locations was cited by a similar proportion (39%). An element of trust or reliability was cited by more than one in ten.

Convenient posting locations were significantly more likely to be mentioned in Wales (51%) and SW England (51%). "Always used" was much higher as a reason cited by older people (53% of 75+ said this).

Figure 11: Reasons for only using Royal Mail or Parcelforce to send parcels

%

Reason	%
Always used	40
Convenient posting locations	39
Trust it more	13
It's more reliable	12
Its cheaper	7
Easy to use/easier	7
Only provider aware of	5
More secure	4
Don't know how to use others	4
Able to track delivery	3
Convenient collection	2
Closer/local	2
Better/good/efficient service	2
Don't send many items/just small item	2

Source: Review of Postal User Needs Survey 2019

QRES. B2c. Why did you only use Royal Mail/Parcelforce to send your parcels in the last 12 months? Base: all who only use Royal Mail or Parcelforce n=2233. (NB: mentions of 1% or less have not been shown)

When asked why they sometimes used other providers (**Figure 12**), more than two-fifths (44%) said that it was for cost reasons. Cost as a reason was higher amongst those aged 35-54 (49%) and [5]heavy parcel senders (55%).

Around a fifth cited convenient posting locations or convenient collection.

Figure 12: Reasons for using other providers
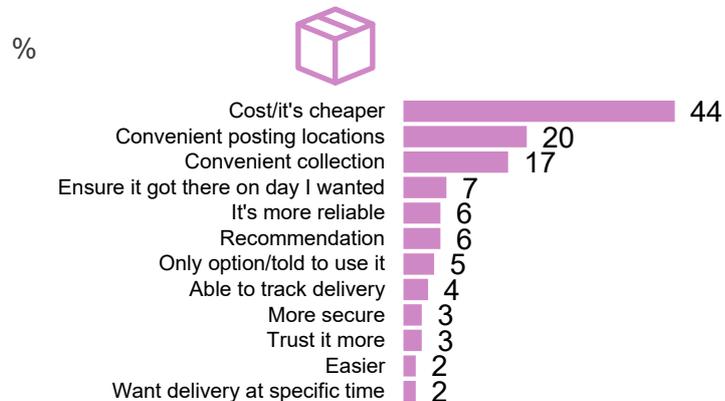
%

Reason	%
Cost/it's cheaper	44
Convenient posting locations	20
Convenient collection	17
Ensure it got there on day I wanted	7
It's more reliable	6
Recommendation	6
Only option/told to use it	5
Able to track delivery	4
More secure	3
Trust it more	3
Easier	2
Want delivery at specific time	2

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[5] Heavy senders are those who personally send 5+ parcels in an average month (excluding retailer returns - i.e. goods you send back to retailers)

4.2. SME

Most SMEs reported spending £25 or less on letters and/or parcels in an average month, most spending with Royal Mail/Parcelforce (**Figures 13 and 14**).

Figure 13 shows that around one in ten reported spending nothing at all on postage for letters in the average month. Sixty percent reported spending £25 or less and twenty nine percent reported spending more than £25. For parcels, over four in ten (45%) reported spending nothing at all, another three in ten (31%) reported spending £25 or less. Just under a quarter (23%) reported spending more than £25 on parcel postage in the average month.

The largest SMEs (with 50-249 employees) reported spending more on postage for letters, with 71% spending more than £25 (compared with 29% overall). Sixteen percent of these large SMEs reported spending more than £500 on postage for letters (vs. only 2% overall).

A similar but less pronounced difference was found for parcels, with 39% of large SMEs spending more than £25 (compared with 23% overall).

Figure 13: Spend on postage in average month
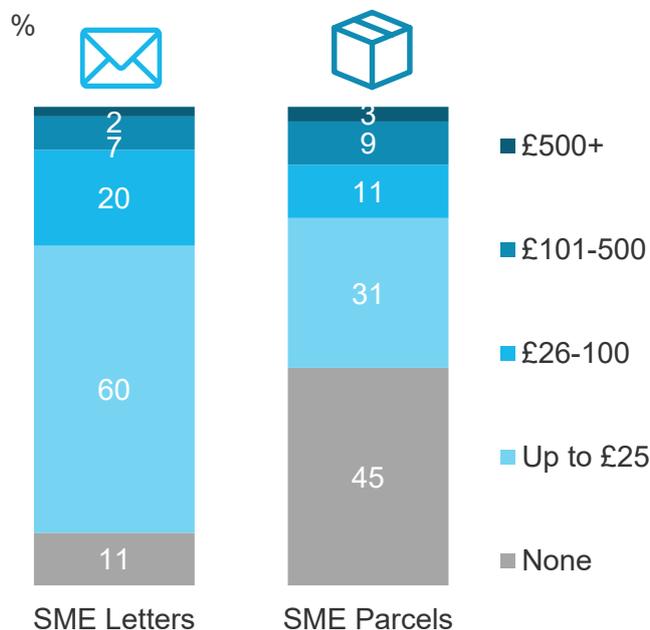
Source: Review of Postal User Needs Survey 2019

QSME A3a/b. Approximately how much does your business spend on postage for letters/parcels in an average month?
Base: unweighted SME Total Sample n=971

Figure 14 shows that 72% of SMEs say all/almost all their spend is with Royal Mail and Parcelforce, with a further 10% say most of it is.

Six percent reported spending a small proportion with Royal Mail and Parcelforce (13% amongst SMEs with 10+ employees) and four percent reported spending none.

Figure 14: Proportion of spend with Royal Mail/Parcelforce

%
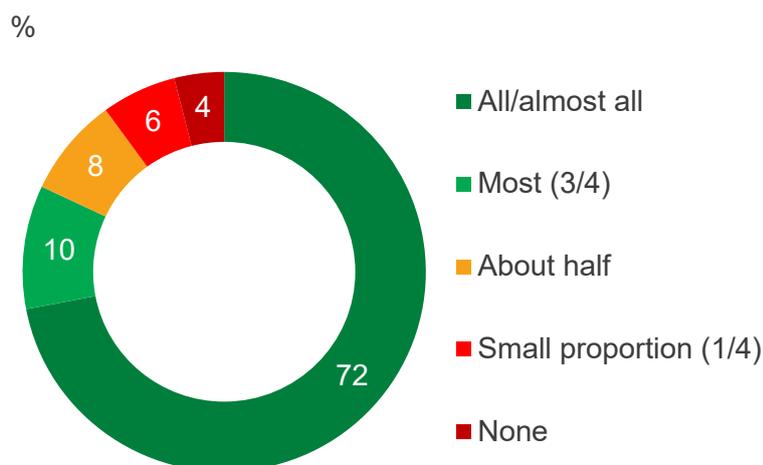
Source: Review of Postal User Needs Survey 2019

QSME A4. Of this, what proportion of your total letter and parcel spend is with Royal Mail and Parcelforce compared to other operators? Base: unweighted SME Total Sample n=971

General correspondence and financial transactions were the most frequent types of mail sent by SMEs at least once per month (**Figure 15**).

Fifty nine percent sent general correspondence (rising to 70% amongst those with 10+ employees) and fifty two percent sent financial transactions (rising to 65% of those with 10+ employees). Goods or orders of physical products were sent by a third of all SMEs (33%).

A quarter (26%) sent forms at least once per month (rising to 42% amongst those with 10+employees and 51% amongst SMEs in the financial and business sector).

Direct mail/marketing was also more likely to be sent by SMEs with 10+ employees (25% vs. 15% overall).

Looking at the type of mail businesses sent most often, 32% said this was general correspondence, 26% financial transactions and 21% goods or physical product orders.

Figure 15: Types of mail business sends at least once per month, and typical destination type

Type	Send	Send most
General correspondence	59	32
Financial transactions	52	26
Goods/physical product orders	33	21
Forms	26	6
Other parcels	15	2
Direct mail/marketing	15	4
Catalogues & brochures	9	2
Other	3	2
None	3	3
DK	1	2
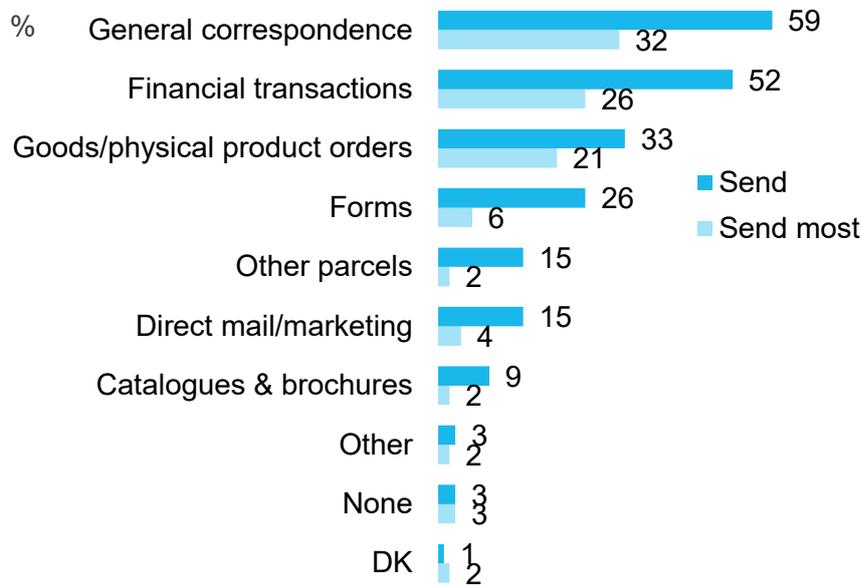
Source: Review of Postal User Needs Survey 2019

QSME C1a. Which of these types of mail would you say your business sends at least once a month by post? Base: All SME who send any mail at least once per month by post n=937

SMEs sent mail to a mix of business and residential (**Figure 16**). Forty six percent sent mail only or mostly to businesses and a third (33%) sent it only or mostly to residential addresses. For the remaining fifth it was a mixture of both. There were no significant differences in this behaviour by business size or industry type.

Figure 16: Where mail gets sent in a typical month

%

- Only to businesses — 33
- Mostly to businesses — 13
- Mixture — 20
- Mostly to residential — 23
- Only to residential — 10
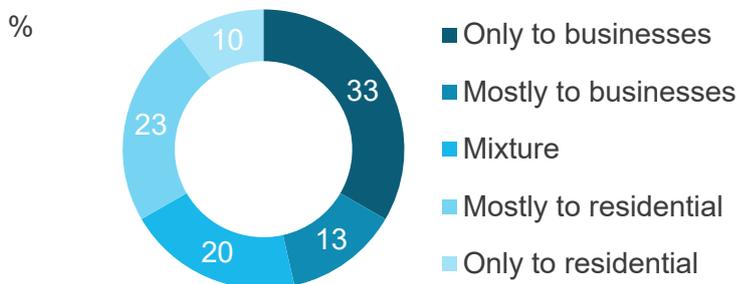
Source: Review of Postal User Needs Survey 2019

QSME C2. Would you say that the mail your business sends in a typical month mostly goes to businesses or residential addresses? Base: All SME who send any mail at least once per month by post n=937

Figure 17 shows which Royal Mail services SMEs used in the last 12 months. First Class was the most popular type of RM service, with around 8 in 10 using this for letters or parcels in the last 12 months.

Sixty seven percent of SMEs had used Second Class for letters in the last 12 months (rising to 84% of those with 50-249 employees), and fifty one percent for parcels (no difference here by size of business).

Two-thirds (67%) used "Recorded Signed For" services for letters or parcels in the last 12 months and more than half had used Special Delivery.

Figure 17: Royal Mail services used in last 12 months

Source: Review of Postal User Needs Survey 2019

QSME QC9a/b. Which of these Royal Mail services has your business used in the last 12 months for sending letters/parcels? Base: all unweighted SME sending any letters/parcels with Royal Mail n=906/464

Figures 18 and 19 looks at the methods used when sending letters or parcels with Royal Mail. Letters were generally sent with previously purchased stamps that were already on the premises. SMEs were more likely to purchase stamps from the Post Office when sending parcels.

When sending letters with Royal Mail (**Figure 18**), 63% of SMEs used stamps they already had on the premises. This was the method used most often for letters for more than half of SMEs (52%).

More than half (51%) ever purchased stamps from the Post Office to send letters, and this was the most often used method for letters for 28% of SMEs.

Metered or franked mail was used for letters by 14% of SMEs, rising to 60% of those with 50-249 employees. 59% of these largest SMEs use metered or franked mail most often for letters (compared with 14% of SMEs overall).

Printed Postage Impressions (PPI) were not widely used by SMEs (3%) but usage was higher amongst those spending more than £500 per month on postage for letters (47% used PPI).

Figure 18: Methods used when sending letters with Royal Mail
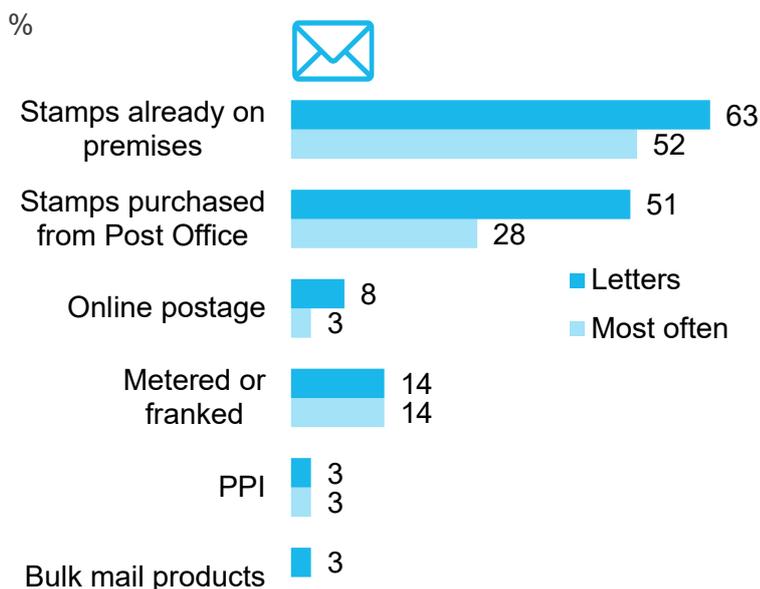
%

Stamps already on premises — Letters: 63, Most often: 52
Stamps purchased from Post Office — Letters: 51, Most often: 28
Online postage — Letters: 8, Most often: 3
Metered or franked — Letters: 14, Most often: 14
PPI — Letters: 3, Most often: 3
Bulk mail products — Letters: 3

■ Letters
■ Most often

Source: Review of Postal User Needs Survey 2019

QSME C3a. When sending letters with Royal Mail, which of the following methods does your business use? Base: all unweighted SME sending any letters with Royal Mail n=906. C10a. You mentioned earlier that when sending letters with Royal Mail your business uses (X) which method do you use most? Base: all sending letters and using at least one of stamps, online postage, metered/franked or PPI n=904.

When sending parcels with Royal Mail, almost three-quarters (73%) used stamps purchased from the Post Office (**Figure 19**). This was the method used most often for parcels for two-thirds (67%).

Fewer than one in five (17%) of SMEs used stamps they already had on the premises to send parcels (compared with 63% for letters) and one in ten (11%) said this was the most used method for parcels.

Metered or franked mail was used for parcels by 9% of SMEs, this was significantly higher amongst larger SMEs with 50-249 employees (53%).

Printed Postage Impressions (PPI) were not widely used by SMEs (5%) but usage was higher amongst those spending more than £500 per month on postage for parcels (30% used PPI).

Figure 19: Methods used when sending parcels with Royal Mail

%

Stamps already on premises
- Parcels: 17
- Most often: 11

Stamps purchased from Post Office
- Parcels: 73
- Most often: 67

Online postage
- Parcels: 13
- Most often: 9

Metered or franked
- Parcels: 9
- Most often: 7

PPI
- Parcels: 5
- Most often: 5

■ Parcels
■ Most often

67
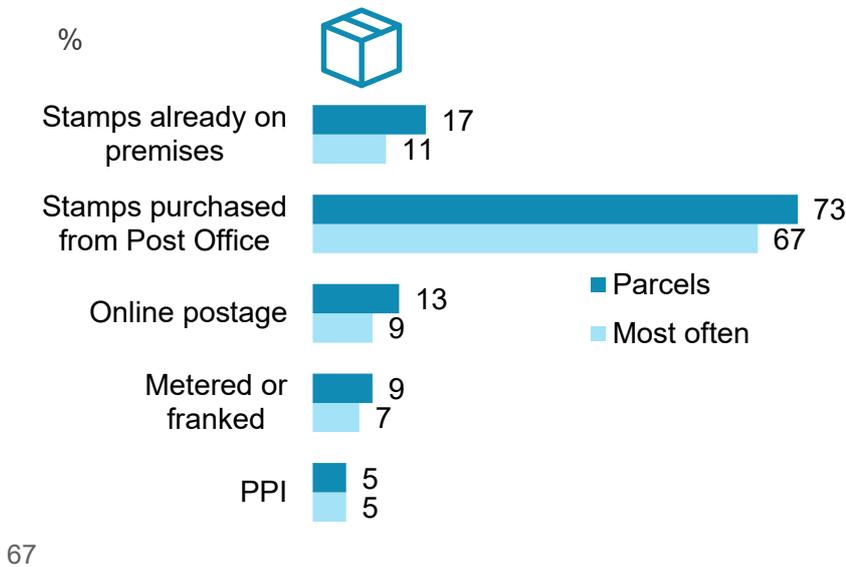
Source: Review of Postal User Needs Survey 2019

QSME C3b. When sending parcels with Royal Mail, which of the following methods does your business use? Base: all unweighted SME sending any parcels with Royal Mail n=464. C10b. You mentioned earlier that when sending parcels with Royal Mail your business uses <stamps/online postage such as smart stamps/ metered post /PPI>, which method do you use most? Base: all sending parcels and using at least one of stamps, online postage, metered/franked or PPI n=463.

The majority (85%) of those using metered or franked mail for either letters or parcels agreed that it was important to their business to be able to use this method and 61% said it was very important (**Figure 20**).

Figure 20: Importance of being able to use metered/franked mail

%

- Very important: 61
- Important: 24
- Neither: 10
- Not important: 5
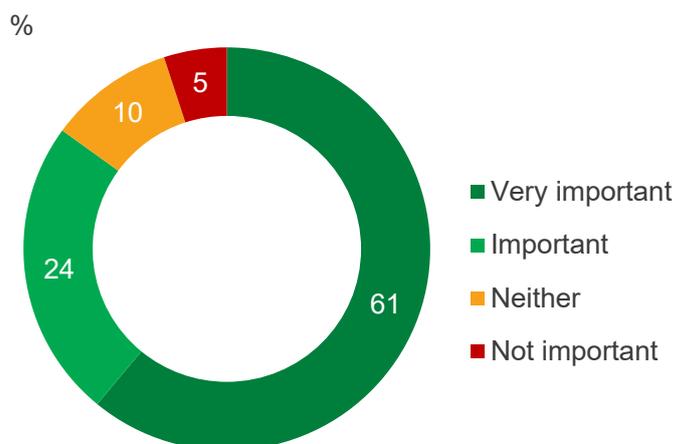
Source: Review of Postal User Needs Survey 2019

QSME C3ai. How important is it to your business to be able to use metered or franked mail to send post? Base: all using metered/franked mail n=252

A small proportion of SMEs said that they used bulk mail services from either Royal Mail (3%) or other providers (2%) for letters and 3% used them for parcels (all other providers).

Figure 21: Usage of bulk mail services[6]
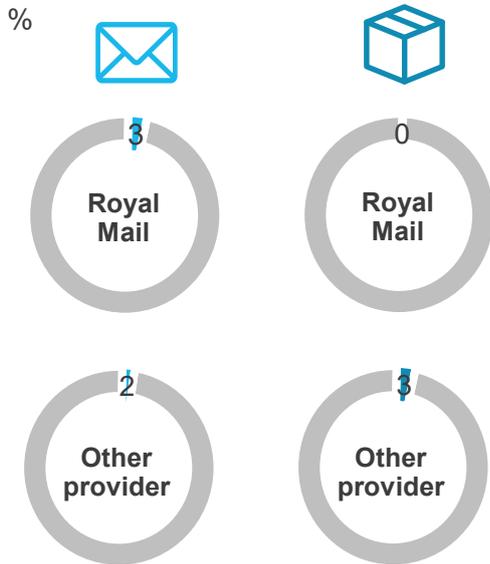
Source: Review of Postal User Needs Survey 2019

QSME C3a When sending letters with Royal Mail, which of the following methods does your business use? C4a. And can I just check, does your business use bulk mail services from a provider other than Royal Mail? Base: all unweighted SME sending any letters/parcels with Royal Mail n=906/464

More than half of SME letters (55%) or parcels (54%) are sent via First Class.

There were no significant differences by business size on this measure.

Figure 22: Proportion of letters/parcels send First/Second Class (Mean)[7]
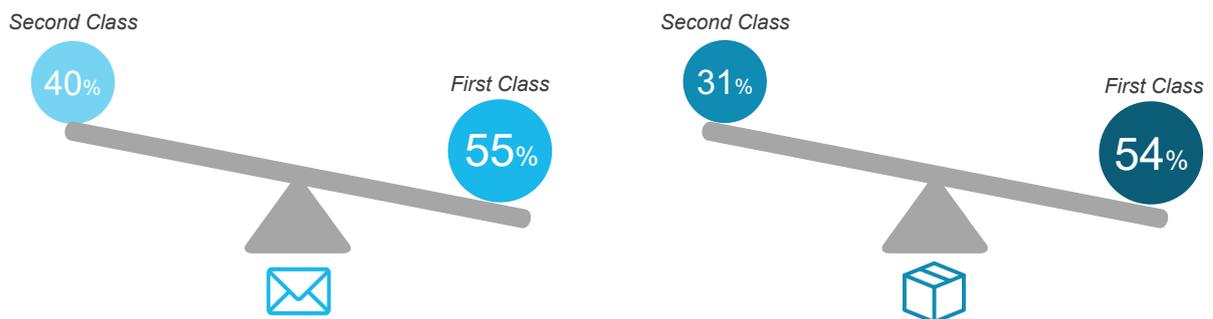
Source: Review of Postal User Needs Survey 2019

Q SME. C6ai/aii/C6bi/bii. When sending letters/parcels, what proportion does your business send using First Class/Second Class? Base: Unweighted SME sending letters/parcels n=906/464

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[6] Sample sizes are small for users of bulk mail services.

[7] Participants were not asked to specify the proportion of letters/parcels sent using Recorded/Signed For or Special Delivery

Those sending half or more of their post by First Class were asked what proportion of these letters or parcels had to be at their destination the next working day after posting.

Around two thirds of those who used First Class felt that all/almost all or most letters or parcels had to arrive the next working day. Almost four in ten (38%) felt all/almost all of these had to arrive the next working day and a further twenty eight percent said this was the case for most of them.

A similar picture emerged for parcels, with 35% saying all/almost all parcels sent First Class needed to arrive the next working day and a further 26% saying this was the case for most of them.

Having all/almost all parcels arriving next day was significantly more important for large businesses. Amongst SMEs with 50-249 employees, 51% said all/almost all letters (vs. 38% overall) and 65% said all/almost all parcels (vs. 35%) had to be at their destination the next working day.

Figure 23: Proportion required to be at destination next working day
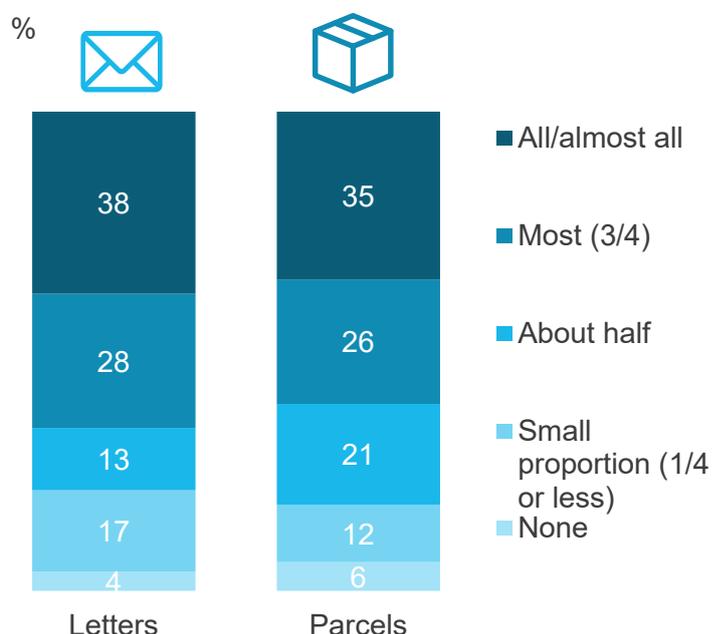
Source: Review of Postal User Needs Survey 2019

Q SME C7a/b. Thinking about the letters/parcels your business sends First Class, what proportion has to be at their destination the next working day after you post them? Base: all unweighted SME sending a proportion of 50% or more by First Class. Letters n=496, Parcels n=283.

Those sending a proportion of half or more letters or parcels by First Class postage were asked why they chose to use First Class (**Figure 24**).

Speed of delivery was the main reason for using First Class, with 70% citing this in respect of letters and 76% when talking about parcels.

Other reasons included First Class offering a better service for clients or that there was not much difference in cost. 9% said First Class was quicker/more efficient in respect of letters. 13% said it was about security/privacy in respect of parcels.

Figure 24: Reasons First Class was chosen when sending letters/parcels

%

Reason	Letters	Parcels
Speed of delivery	76	70
Better service for clients	16	14
Not much difference in cost	18	10
Quicker/efficient/reliable	9	1
Recipients might think unwilling to use 1st	6	7
Looks more important	5	4
Security/privacy	5	13
Always use/habit	5	4
Value of the item	2	4
Can be tracked/signed for	0	2
Convenient/easy	2	2
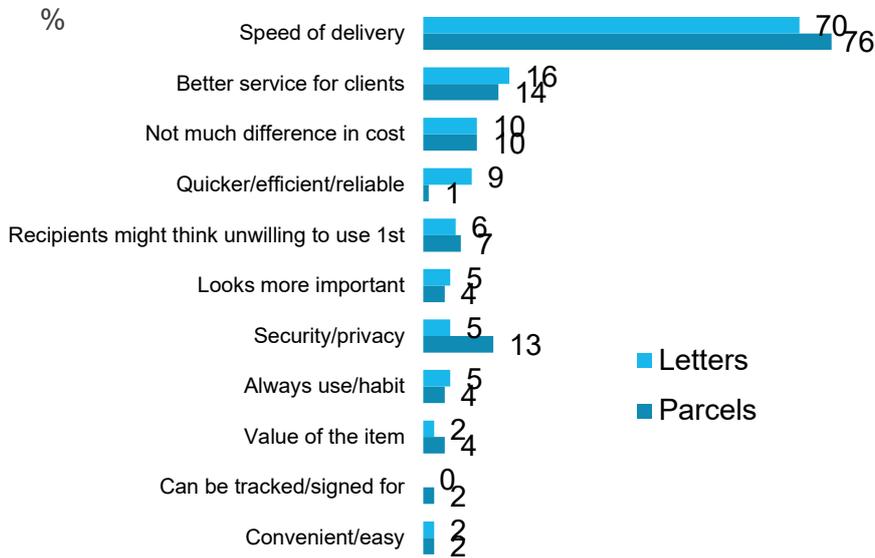
■ Letters
■ Parcels

Source: Review of Postal User Needs Survey 2019

Q SME QC8a/b. Why do you choose to use First Class when sending letters/parcels? Base: all unweighted SME sending a proportion of 50% or more by First Class. Letters n=496, Parcels n=283.

4.3. Postal operators used for parcels

SMEs were asked which, if any, companies they used to send parcels (**Figure 25 and 26**).

Eighty seven percent of parcel senders said they used Royal Mail and thirty nine percent cited Parcelforce.

DHL (25%) and DPD (21%) were the key competitors used by SMEs.

Figure 25: Providers used by businesses to send parcels
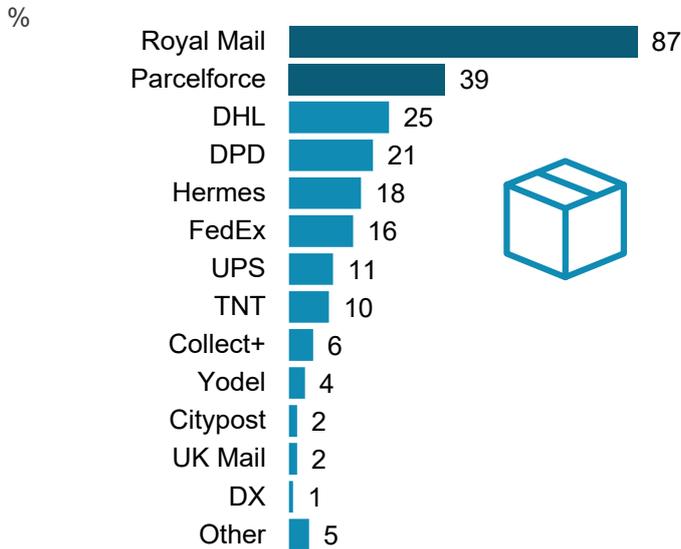
%

Provider	Value
Royal Mail	87
Parcelforce	39
DHL	25
DPD	21
Hermes	18
FedEx	16
UPS	11
TNT	10
Collect+	6
Yodel	4
Citypost	2
UK Mail	2
DX	1
Other	5

Source: Review of Postal User Needs Survey 2019

QSME. C11. Which, if any, of the following companies does your business use to send parcels? Base: all unweighted SME sending parcels n=571

Almost half (49%) said they use <u>only</u> Royal Mail or Parcelforce, forty three percent use Royal Mail or Parcelforce and another provider, whilst eight percent do <u>not</u> use Royal Mail or Parcelforce. The latter was higher for larger businesses (rising to nearly one in five of those with 10-49 employees and seventeen percent of those with 50-249 employees).

Figure 26: Providers used by business to send parcels
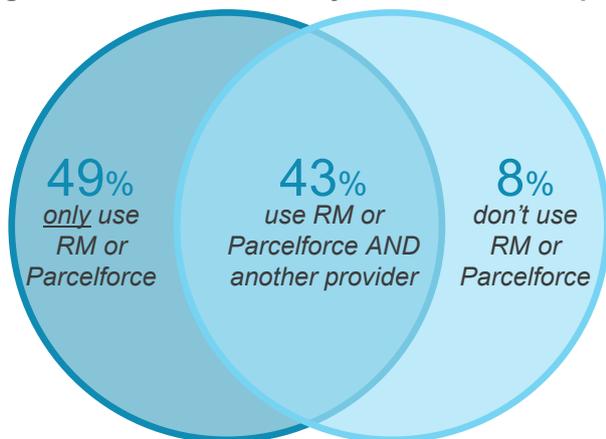
49% *only use RM or Parcelforce*

43% *use RM or Parcelforce AND another provider*

8% *don't use RM or Parcelforce*

Source: Review of Postal User Needs Survey 2019

QSME. C11. Which, if any, of the following companies does your business use to send parcels? Base: all unweighted SME sending parcels n=571

Those only using Royal Mail or Parcelforce to send parcels were asked why that was the case (**Figure 27**).

The key reason given for only using Royal Mail/Parcelforce was convenient posting locations, with 68% citing this. Eighteen percent said they'd always used those providers.

Figure 27: Reasons for only using Royal Mail or Parcelforce to send parcels

%

Reason	%
Convenient posting locations	68
Always used	18
Cost/Its cheaper	9
It's more reliable	7
Trust it more	6
Only service available/main provider in area	5
Convenient collection	5
Simple/easy	4
Value for money/reasonable	4
More secure	2
RM collect/have an account	2
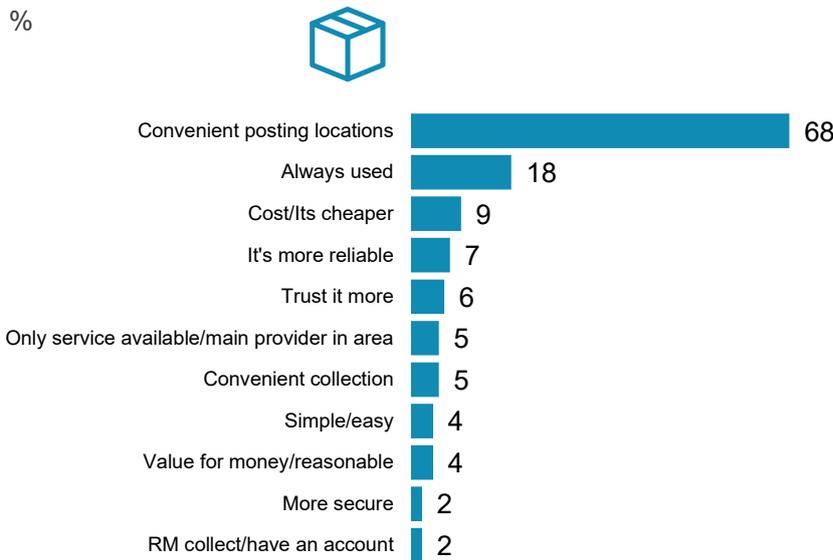
Source: Review of Postal User Needs Survey 2019

QSME. C12. Why do you only use Royal Mail/Parcelforce to send your parcels? Base: all unweighted SMEs who only use Royal Mail or Parcelforce n=238 (NB: mentions of 1% or less have not been shown)

Usage of other providers is primarily driven by lower cost (**Figure 28**) with just over half (56%) of those using other providers citing this as a reason. Other reasons included convenient posting locations (12%) and fewer size or weight restrictions (11%).

Figure 28: Reasons for choosing other providers

%

Reason	%
Cost/It's cheaper	56
Convenient posting locations	12
Less size/weight restrictions	11
Convenient collection	7
Have account/collection from premises	7
Customer/client requirement	6
Want express service	6
Able to track delivery	4
Require international delivery	4
Want delivery at specific time	4
More convenient/easier	4
Use company retailer gave prepaid label for	3
Ensure it got there on day I wanted	2
More secure	2

Source: Review of Postal User Needs Survey 2019

QSME C13. Why do you sometimes use a provider other than Royal Mail or Parcelforce to send your parcels? Base: all who have used another provider n=333 (NB: mentions of 1% or less have not been shown)

Twenty three percent of SMEs who send parcels said that they use price comparison websites for sending parcels (**Figure 29**). This was highest amongst businesses with 2-4 employees (29%).

Figure 29: Usage of Price Comparison Websites for sending parcels

%
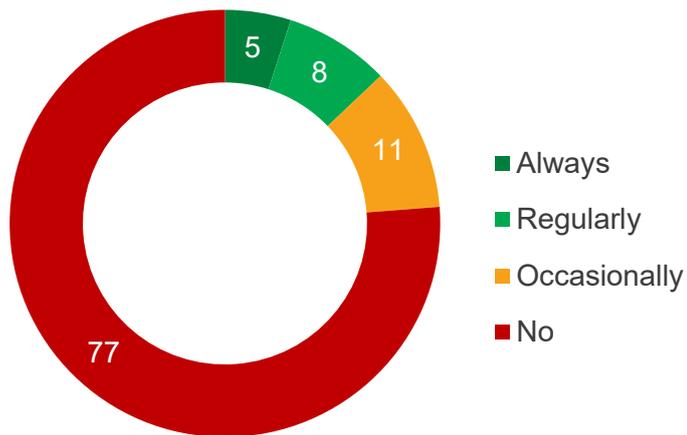
Source: Review of Postal User Needs Survey 2019

QSME QC14. Does your business use price comparison websites at all for sending parcels? Base: all unweighted SME sending parcels n=571

5. Receiving post – letters and parcels

5.1. Residential

On average (mean), users reported receiving 11 letters and 2 parcels in an average week (**Figure 30**).

Claimed receipt of letters (average 10.7) was higher for AB social grade (12.8), those living in deep rural areas (12.0) and those aged 55+ (11.2).

Claimed receipt of parcels (average 2.0) was higher for those with children in household (2.7), AB social grade (2.3), those living in Greater London (2.7) and those aged 16-34 (2.5).

Figure 30: Approximate number of items received in average week
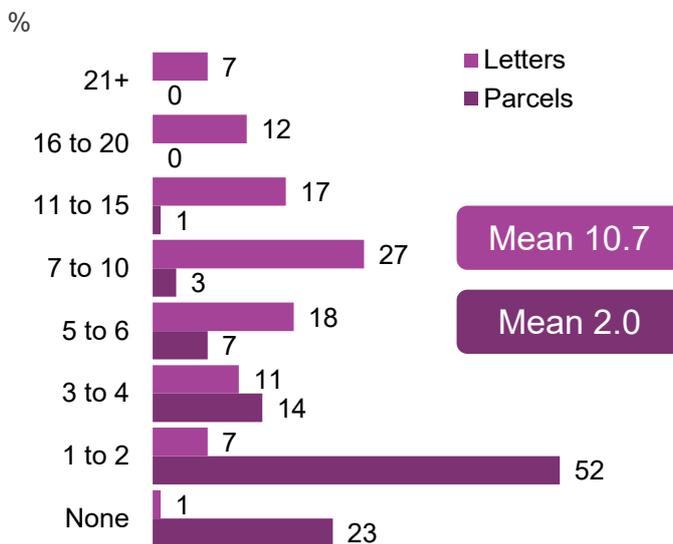
Source: Review of Postal User Needs Survey 2019

QRES. A1a. Approximately how many *letters, bills, greetings cards, newspapers, magazines, and brochures does your household receive in an average week? A1b. How many packets and parcels does your household receive in an average week? This includes packets and parcels you may have picked up from another location/sent to a work address. Base: unweighted data residential n=4596

In **Figure 31**, participants were categorised in terms of being "low", "medium" or "high" receivers of letters or parcels. Almost a quarter (23%) said that they did not receive <u>any</u> parcels in an average week.

Figure 31: Approximate number of items of post household receives in average week

Letters	
Low (1-4)	18%
Medium (5-10)	46%
High (11+)	36%

Parcels	
Low (1-2)	52%
Medium (3-4)	14%
High (5+)	11%

QRES. A1a. Approximately how many *letters, bills, greetings cards, newspapers, magazines, and brochures does your household receive in an average week? A1b. How many packets and parcels does your household receive in an average week? This includes packets and parcels you may have picked up from another location/sent to a work address. Base: unweighted data residential n=4596

As shown in **Figure 32** below, more than four in five (85%) reported receiving some direct mail at least once a month by post, this was followed by bills or statements, reportedly received by 80%.

Around two thirds, (65%) reported receiving correspondence from businesses or parcels/packets from retailers, and more than half (53%) had reported receiving catalogues and brochures.

Those in the 55+ age group reported receiving the most direct (91% vs. 85%), correspondence from businesses (70% vs. 65%) or catalogues (56% vs. 53%)

35-54s reported receiving more bills (83% vs. 80%) and parcels from retailers (70% vs. 65%).

16-34s reported receiving more parcels from retailers (71% vs. 65%) and parcels from family/friends (23% vs. 19%).

Figure 32: Type of post your household receives at least once a month by post

%

Type	%
Direct mail or junk mail	85
Bills/statements	80
Correspondence from businesses etc	65
Parcels/packets from retailers	65
Catalogues & Brochures	53
Post from friends/family	35
Newspaper/ magazines/ subscriptions	30
Parcels/packets from friends/family	19
Other	1
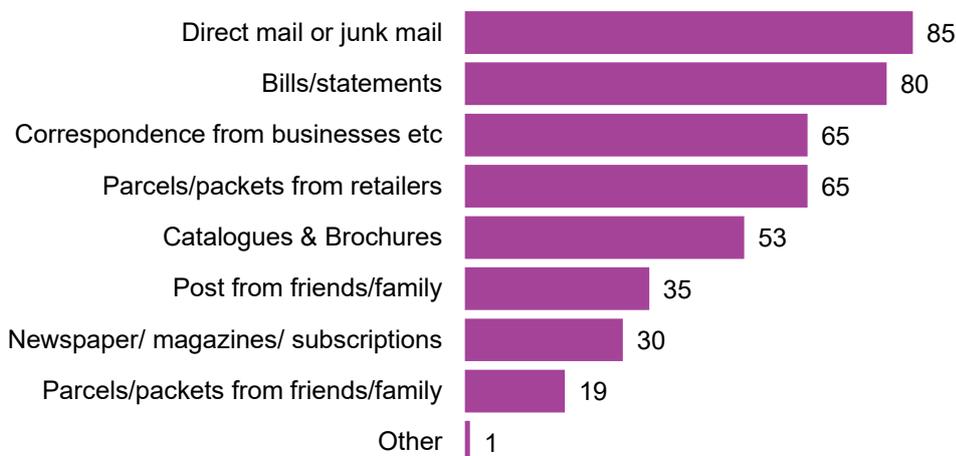
QRES A2. Which of these types of mail would you say that your household receives at least once a month by post? Base: unweighted data residential n=4596

Participants were asked what proportion of the letters or parcels they reported receiving were important enough to open on the day of their arrival (**Figure 33**).

Parcels were more likely than letters to be deemed important enough to open on arrival. Fifty eight percent said that all/almost all or most letters were important enough, compared with eighty two percent for parcels.

With regard to letters, the proportion saying 'all/almost all' was significantly higher amongst older people 55+ (43% vs. 36% overall) and those living in Highlands & Islands (57% vs. 36%). There were no significant differences for parcels.

Figure 33: Proportion of letters or parcels reportedly received that are important enough to open on day of arrival
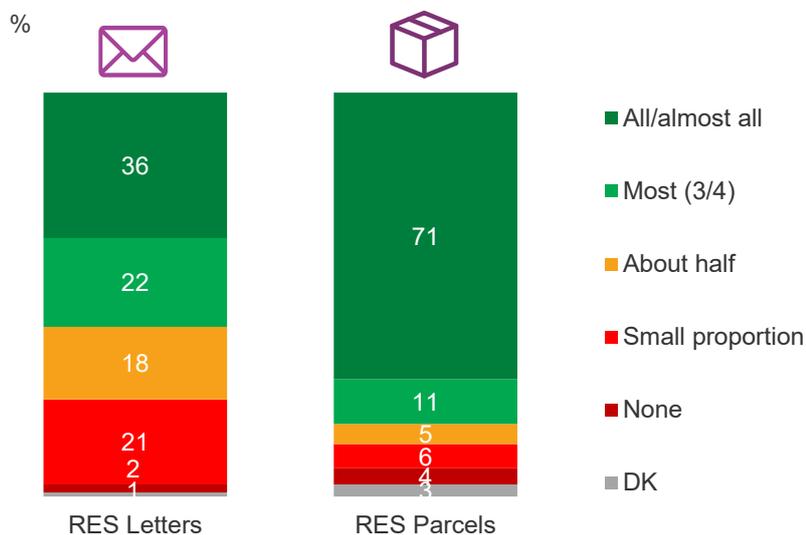
Source: Review of Postal User Needs Survey 2019

QRES A3a/A3b. What proportion of the letters/parcels you receive are important enough to open on the day of arrival?
Base: unweighted RES Total Sample n=4596

Participants were asked what sorts of items they felt would always need to be received by post (**Figure 34**).

Seven in ten said 'ordered items' would always need to come via post. Fewer than half felt this was true for invoices/bills (40%). Sixty one percent said they would always need to receive personal communications by post (rising to 72% amongst those aged 55+).

Figure 34: Items that users believe they will always need to receive by post

%

Category	Value
Receiving ordered items	71
Personal communications from friends/family	61
Parcels/packets from family/friends	55
General correspondence	54
Invoices/Payment for bills	40
Other	1
Don't know	3
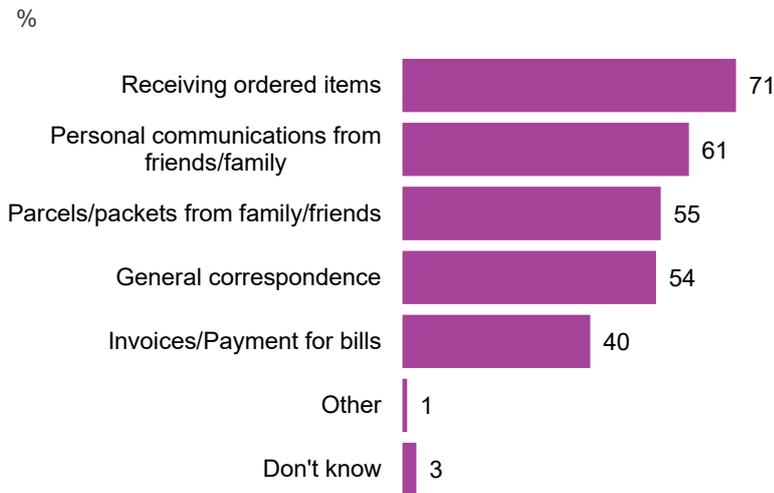
Source: Review of Postal User Needs Survey 2019

QRES. F1b. What sort of items will you always need to receive by post? Base: Unweighted residential n=4596

Residential participants were asked if they had moved in the last three years. Around a quarter (23%) said they had moved home in the last 3 years (**Figure 35**). Those that had moved were asked if they had used the redirection service, just under two in five (38%) of these residential movers said they used the Royal Mail redirection service.

Those aged 55+ were less likely to have actually moved (9% vs. 23%), but more likely to have used the service if they did (66% of 55+ "movers" vs. 38% overall).

Figure 35: Usage of Royal Mail redirection service

Moved in last 3 years

%

23

Used redirection

- Used
- Considered
- Neither

14

38

48
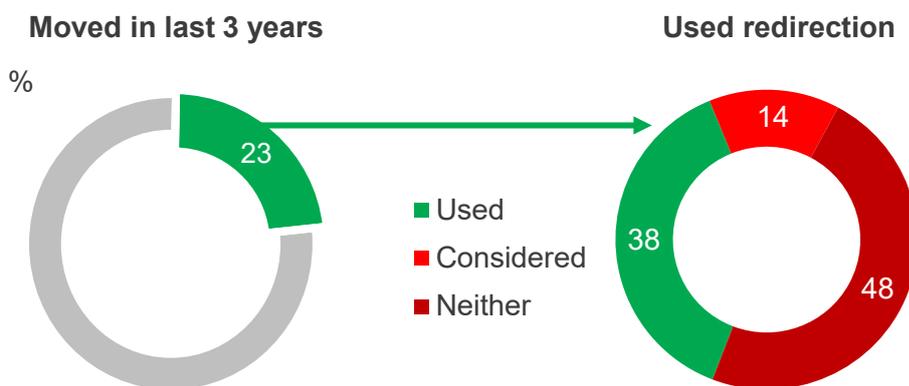
Source: Review of Postal User Needs Survey 2019

QRES A4/5. When was the last time you moved premises/home? Base: unweighted residential n=4596
Did you use or consider using Royal Mail redirection service? Base: all that moved in last 3 years residential =1011

When asked about reasons for not using the Royal Mail redirection service (**Figure 36**), 49% simply said that they had no need for it. Around a quarter (24%) were unaware of the service and more than a fifth (22%) said it was too expensive.

Figure 36: Reason for not using Royal Mail redirection service

%

Didn't need it	49
Unaware of service	24
Too expensive	22
Didn't trust it/think it would work	3
Neighbour/friend/new resident redirected	3
Didn't get around to it	1
Moved from abroad	1
Other	3
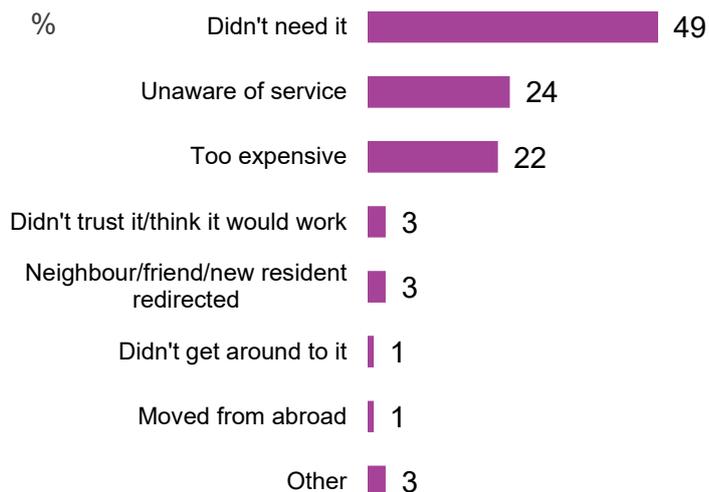
Source: Review of Postal User Needs Survey 2019

QRES A6 Why didn't you use Royal Mail redirection service? Base: all who didn't use residential n=577

All participants (regardless of whether or not they had moved home recently) were then asked to look at the pricing of the current Royal Mail redirection service (**Figure 37**) and to consider to what extent this represented value for money.

Two in five (39%) agreed that the Royal Mail redirection service offered value for money (rising to 65% amongst those that had used the service).

There was higher agreement in deep rural areas (45% vs. 39%) and users with lower incomes were less likely to agree that the service offered value for money. Only twenty nine percent of those with household incomes under £11,500 per year agreed that the service offered good value for money, compared with forty seven percent of those with household incomes in excess of £50,000 per year.

Figure 37: Does Royal Mail redirection offer value for money?

%	UK destinations	
	Lead applicant fee	Extra person fee
3 months	£33.99	£8
6 months	£46.99	£9
12 months	£66.99	£10

- ■ Strongly agree
- ■ Agree
- ■ Neither
- ■ Disagree
- ■ Strongly disagree
- ■ DK
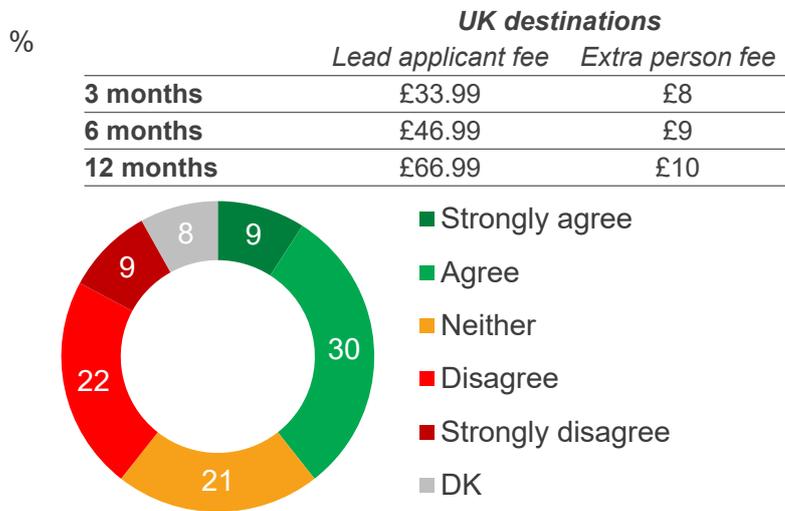
Source: Review of Postal User Needs Survey 2019

QRES A7. Royal Mail redirection service is priced as follows. To what extent do you agree that this service offers value for money? Base: unweighted residential n=4596

5.2. SME

Direct mail is the most common type of post reportedly received by businesses, followed by financial transactions and general correspondence (**Figure 38**).

Eighty two percent of SMEs reported receiving direct mail at least once a month by post. Seventy eight percent reported receiving financial transactions or general correspondence. Around two-thirds reported receiving catalogues or brochures (69%) or goods they had ordered (66%).

Forms or other parcels were reportedly received by around two in five.

Figure 38: Type of post your business receives at least once a month by post

Type	%
Direct mail or junk mail	82
Financial transactions	78
General correspondence	78
Catalogues & Brochures	69
Goods ordered/e-commerce	66
Forms	41
Other parcels	37
Other	2
None	1
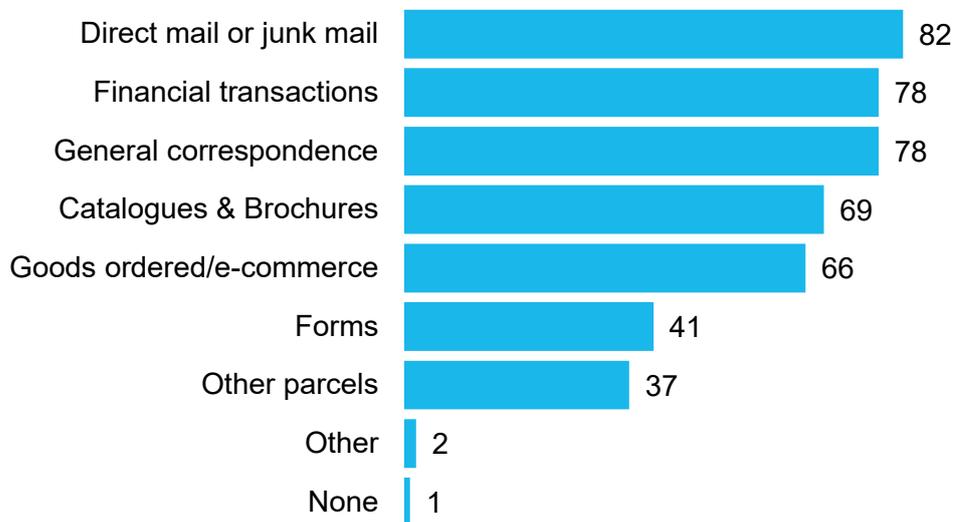
Source: Review of Postal User Needs Survey 2019

QSME B1. Which of these types of mail would you say that your business receives at least once a month by post? Base: unweighted data SME n=971

Businesses were asked what proportion of the letters or parcels they reported receiving were important enough to open on the day of their arrival (**Figure 39**).

Figure 39: Proportion of letters or parcels reportedly received that are important enough to open on day of arrival

%

| Category	SME Letters	SME Parcels
All/almost all	57	76
Most (3/4)	12	6
About half	10	2
Small proportion	16	6
None	3	10
DK		1
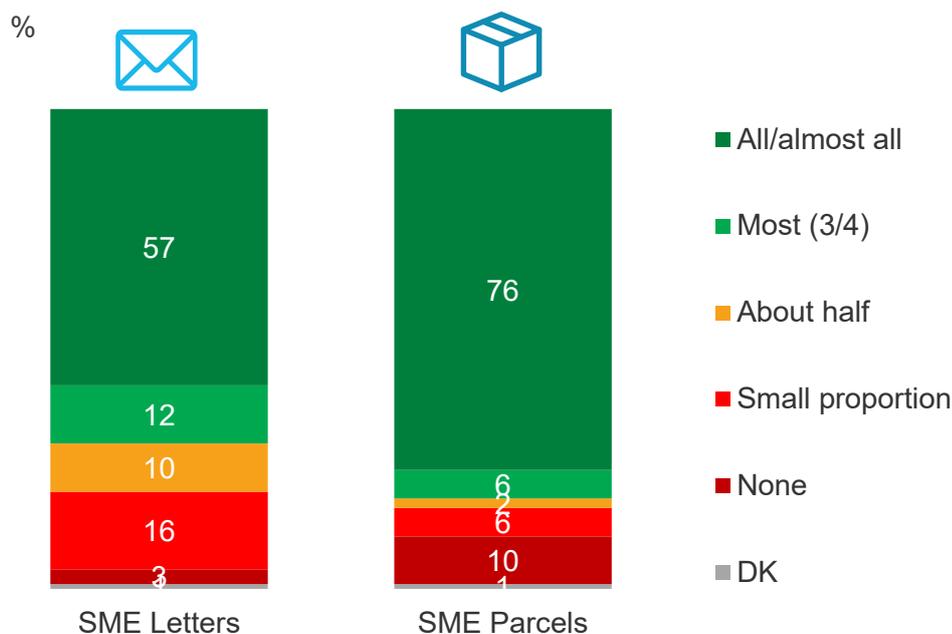
Source: Review of Postal User Needs Survey 2019

QSME B2a/B2b. What proportion of the letters/parcels you receive are important enough to open on the day of arrival?
Base: unweighted SME Total Sample n=971

Ninety five percent of SMEs reported receiving at least some letters that were important enough to open on the day of arrival. These businesses were then asked what type of letters this tended to be (**Figure 40**).

Financial letters were most likely to be perceived as urgent by SMEs, with 63% citing financial transactions. The importance of these was higher still for businesses with 5-9 and 50-249 employees (79% and 76% respectively).

General correspondence was considered important enough by more than half (55%) and goods ordered by 41%.

Less than a quarter considered direct mail, catalogues/brochures, or forms to be important enough to open on the day they arrived. Larger SMEs with 50-249 employees were more likely to see direct mail as important enough to open (35% vs. 24% overall).

Figure 40: Type of mail important enough to open on day of arrival (letters)
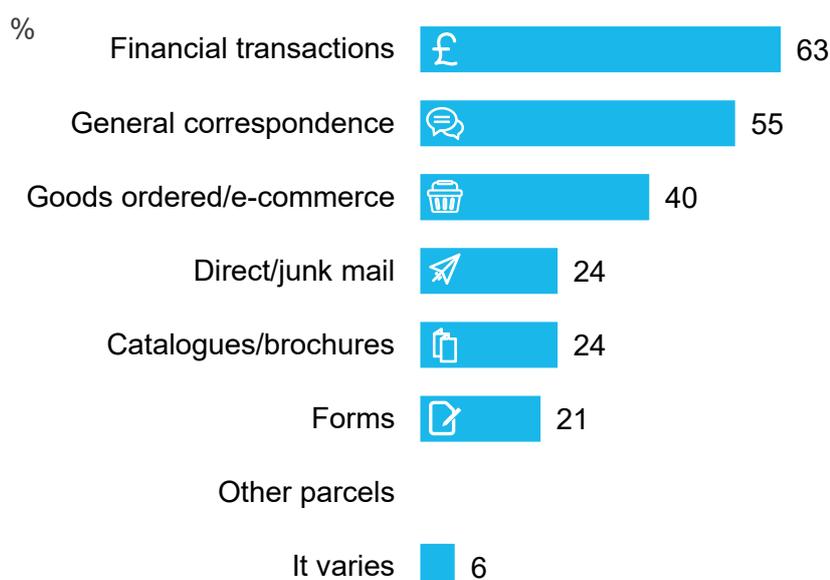
Source: Review of Postal User Needs Survey 2019

QSME B3a. You said that <% from B2b> of the letters you receive are important enough to open on the day they arrive. What type of mail does this tend to be? Base: unweighted SME Total Sample letters n=956

Ninety percent of SMEs said that they reported receiving at least some parcels that were important enough to open on the day of arrival. These people were then asked what type of parcels this tended to be (**Figure 41**).

- 'Goods ordered' were perceived as the most important type of parcels reportedly received by SMEs – with 62% citing these as important enough to open on the day of arrival. Other types of parcel were mentioned by 21% (higher for businesses with 5-9 employees at 33%).

- Eighteen mentioned parcels related to general correspondence. This was higher for businesses with 5-9 employees (34%).
- SMEs with 5-9 and 10-49 employees were more likely to mention parcels containing forms (13% and 11% respectively vs. 4% overall).

Figure 41: Type of mail important enough to open on day of arrival (parcels)

%

Type	Value
Financial transactions	16
General correspondence	18
Goods ordered/e-commerce	62
Direct/junk mail	10
Catalogues/brochures	12
Forms	4
Other parcels	21
It varies	7
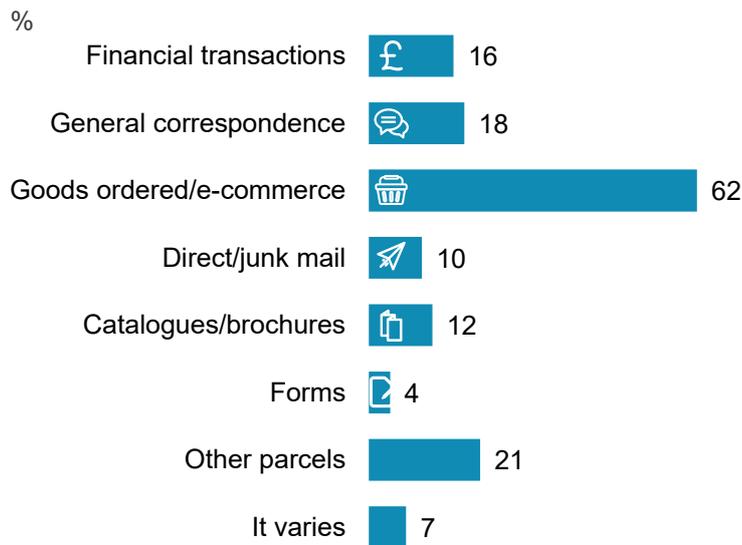
Source: Review of Postal User Needs Survey 2019

QSME B3b. You said that (X%) of the parcels you receive are important enough to open on the day they arrive. What type of mail does this tend to be? Base: unweighted SME Total Sample parcels n=891

Fifteen percent of the SME sample had moved premises in the last 3 years (**Figure 42**) with forty four percent of these using the Royal Mail redirection service.

Figure 42: Usage of Royal Mail redirection service

Moved in last 3 years   **Used redirection**

%

15

- Used 44
- Considered 11
- Neither 44
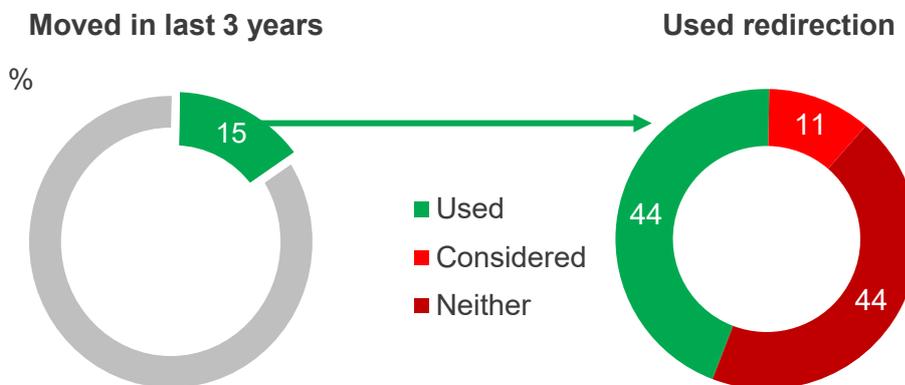
Source: Review of Postal User Needs Survey 2019

QSME B4/5, When was the last time you moved premises/home? Base: unweighted SME n=971
>   Did you use or consider using Royal Mail redirection service? Base: all that moved in last 3 years residential
    SME n=102

Lack of perceived need was the key reason for not having done so (**Figure 43**), with 60% citing this as a reason for not using the service.

Fourteen percent said it was too expensive, seven percent said that others redirected the mail on their behalf. "Other" responses were largely related to finding other solutions e.g. putting a note in the window with their new address.

Figure 43: Reason for not using service

%

Category	Value
Didn't need it	60
Too expensive	14
Neighbours/new occupiers redirected mail	7
Other	7
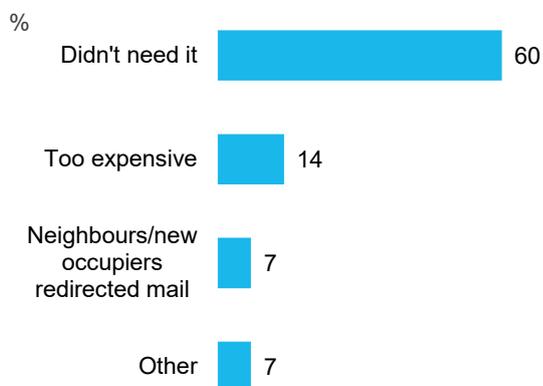
Source: Review of Postal User Needs Survey 2019

QSME B6 Why didn't you use Royal Mail redirection service? Base: all who didn't use the service.
>   SME n=44* CAUTION LOW BASE

All participants (regardless of whether they had moved business premises recently) were then asked to look at the pricing of the current Royal Mail redirection service (**Figure 44**) and to consider to what extent this represented value for money.

Twenty nine percent agreed that the Royal Mail redirection service offered value for money, rising to forty eight percent amongst those that had used the service and to forty nine percent amongst larger SMEs (with 50-249 employees).

However, a larger proportion (38%) disagreed that the service offered value for money.

Figure 44: Does Royal Mail redirection offer value for money?

%

Destination	Duration	Price
UK address	Up to 3 months	£211
	Up to 6 months	£313
	Up to 1 year	£506

- Strongly agree
- Agree
- Neither
- Disagree
- Strongly disagree
- DK
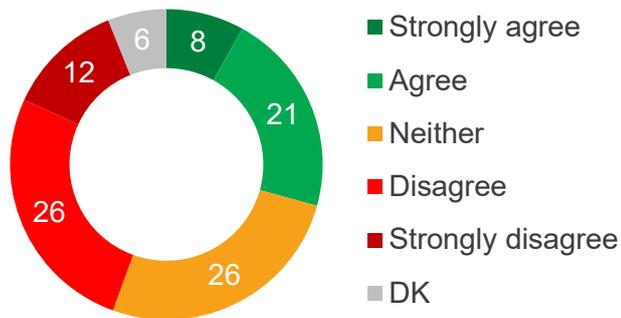
Source: Review of Postal User Needs Survey 2019

QSME B7, Royal Mail redirection service is priced as follows. To what extent do you agree that this service offers value for money? Base: unweighted SME n=971

6. Expected behavioural change

Participants were asked a number of questions related to how they anticipated their postal needs and behaviour to change in the future.

6.1. Residential

Participants were asked to consider whether the amount of letters or parcels they sent or reported receiving might change over the next three years (**Figure 45**).

The majority expected to send and receive the same or fewer letters in the next three years. However, receipt of parcels was likely to either stay the same or increase.

Sixty two percent expected to send the same amount of letters, twenty four percent expected to send fewer and nine percent expected to send more.

Fifty nine percent expected to receive the same amount of letters, twenty five percent expected to receive fewer and eleven percent expected to receive more.

Sixty five percent expected to send the same amount of parcels, fourteen percent expected to send fewer and thirteen percent expected to send more.

Sixty two percent expected to receive the same amount of parcels, ten percent expected to receive fewer and twenty two percent expected to receive more.

Those aged 16-24 were significantly more likely to expect to receive more letters (27% vs. 10%), send more letters (20% vs. 8%), receive more parcels (37% vs. 22%) and send more parcels (25% vs. 13%).

Those with children in the household were significantly more likely to expect to receive more letters (14% vs. 10%), receive more parcels (30% vs. 22%) and send more parcels (18% vs. 13%).

Figure 45: In three years' time do you think you will send/receive more/less/about the same amount of…

Source: Review of Postal User Needs Survey 2019

QRES. D1. In three years' time, do you think you will…Base: all unweighted residential n=4596

Participants were asked about their agreement with a number of attitudes towards postal needs in the future (**Figure 46**).

Eighty two percent agreed that there were some things they would always need to send by post (rising to 87% amongst those living in deep rural areas). 16-24s were least likely to agree with this (72% vs. 82%), along with DE social grade (77%).

Two-thirds (67%) said that they would be willing to accept a delay to the delivery of items during busy times. This was higher amongst those aged 25-34 (71%) and those living in deep rural areas (72%), Northern Ireland (75%), the South West of England (75%) and the Highlands & Islands (77%). Those living in Greater London were less likely to agree (61% vs. 67%).

More than half (53%) felt that they would be ordering more goods that are sent by post in three years' time. This was higher for those with children in the household (63%), those aged 16-34 (65%) and lower amongst retired people (36%).

Just under a quarter (23%) agreed that they would use Royal Mail's competitors more in the future. This rose to 30% for 16-34s and 31% for those with children in the household or those living in Greater London. 46% of high-volume parcel senders (5+ per month) agreed that they would use Royal Mail's competitors more in the future.

Figure 46: Agreement with statements about the postal service
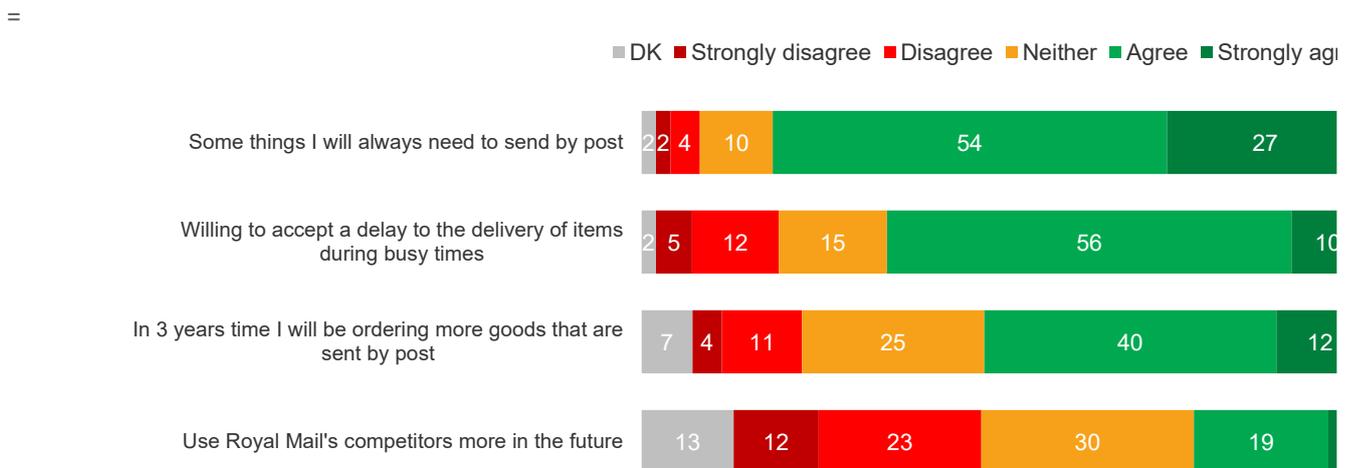
=

Source: Review of Postal User Needs Survey 2019

QRES D2. How far do you agree or disagree with the following statements? Base: all unweighted residential n=4596

The eighty two percent who agreed that there were some things they would always have to send by post (**Figure 47**), were asked what those things might be (**Figure 48**).

Figure 47: Agreement with "there are some things I will always need to send by post"
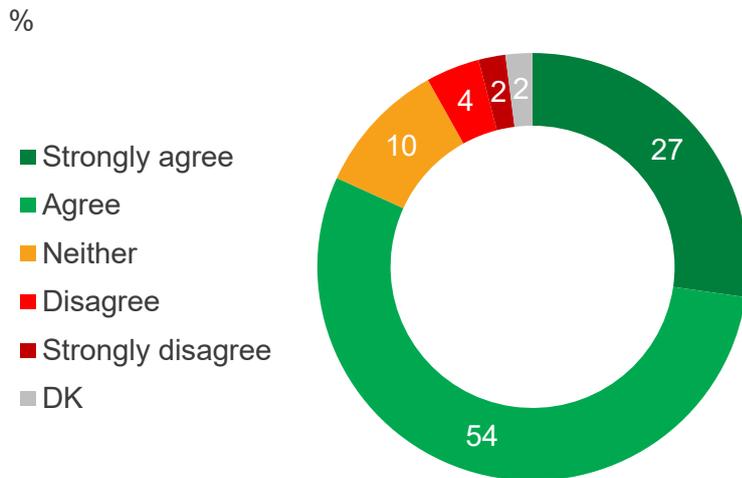
%

- Strongly agree
- Agree
- Neither
- Disagree
- Strongly disagree
- DK

Source: Review of Postal User Needs Survey 2019

QRES D2. How far do you agree or disagree with the following statements? Base: all unweighted residential n=4596

Personal communications were top of mind for 63% of those saying there would always be some things they needed to send by post. This was even higher amongst those aged 55+ (78%) and those aged 75+ (84%). More than half mentioned returning ordered items (56%) or sending parcels or packets to family or friends (52%).

More than two-fifths (43%) thought they'd always have to send general correspondence by post, but fewer than one-fifth (18%) felt the same way about invoices or bill payments.

Figure 48: What things will you always need to send by post?
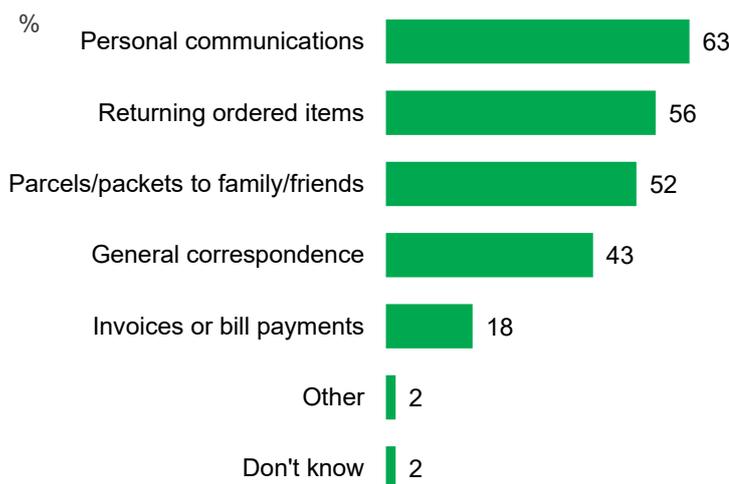
Source: Review of Postal User Needs Survey 2019

QSME D3a. What sort of items will you always need to send by post? Base: all agreeing there are some things will always need to send by post n=3790

Still thinking about things they felt would always need to be sent by post, participants were asked how quickly each of those types of post would need to reach their destination (**Figure 49**).

Less than a third of items people felt they would "always need to send by post" needed to reach their destination by the following day. Thirty percent said invoices or bill payments needed to arrive next day, twenty eight percent said this was true of general correspondence and twenty seven percent about personal communications.

Parcels or packets to family or friends, or returning ordered items were even less likely to be required to arrive the next day (20% for parcels/packets, 15% for returning ordered items).

Figure 49: How quickly "things you will always need to send by post" need to get to their destination

%
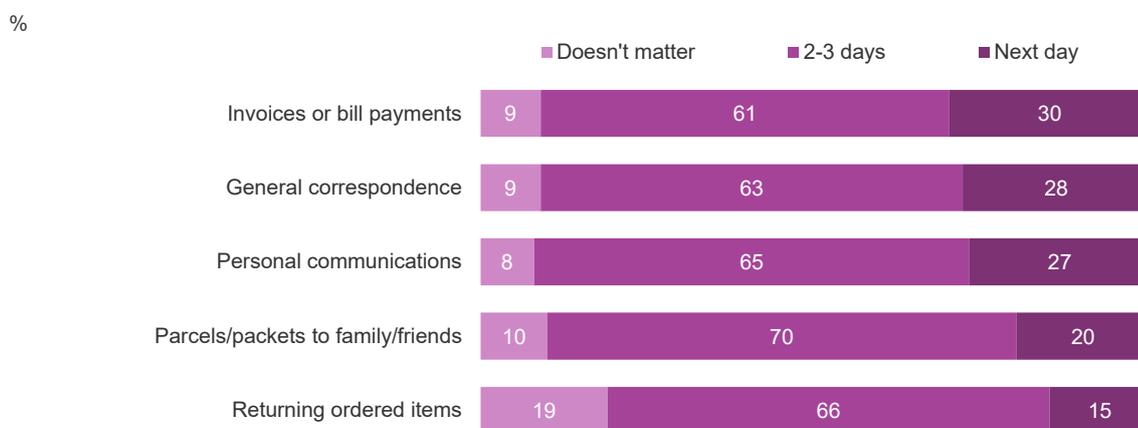
Source: Review of Postal User Needs Survey 2019

QRES D3b. Thinking about when you send (item) how quickly do they typically need to get to their destination? Base: all saying they will always need to send (item) by post. Unweighted residential n=2397 (personal communications), n=696 (invoices), n=1637 (general correspondence), n=2006 (parcels to family/friends), n=2201 (returning ordered items)

6.2. SME

SME participants were asked whether or not they agreed there were some things that the business would always need to send by post (**Figure 50**).

Eighty four percent of SMEs agreed there would always be some items they needed to send by post (almost half strongly agreed with this). This was even higher for businesses with 50+ employees (93%).

Figure 50: Agreement with "there are some things my business will always need to send by post"
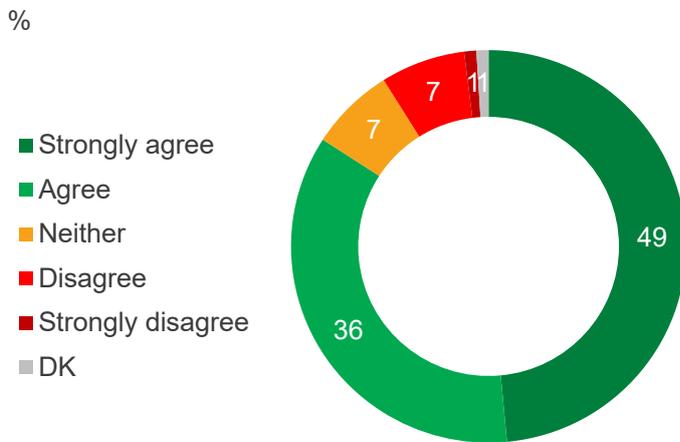
%

- Strongly agree
- Agree
- Neither
- Disagree
- Strongly disagree
- DK

Source: Review of Postal User Needs Survey 2019

QSME. D1. How far do you agree or disagree with the following? Base: Unweighted SME total sample n=971

Those agreeing with the statement were asked what kind of communications they have moved or would consider moving online (rather than sending by post). **Figure 51** shows that they were most likely to say they would consider moving financial transactions (75%) and general correspondence online (75%).

Forms were cited by more than half (57%) and direct mail/marketing by two-fifths (43%). Catalogues and brochures were less likely to be mentioned (26%).

Figure 51: What things have you/would consider moving online?
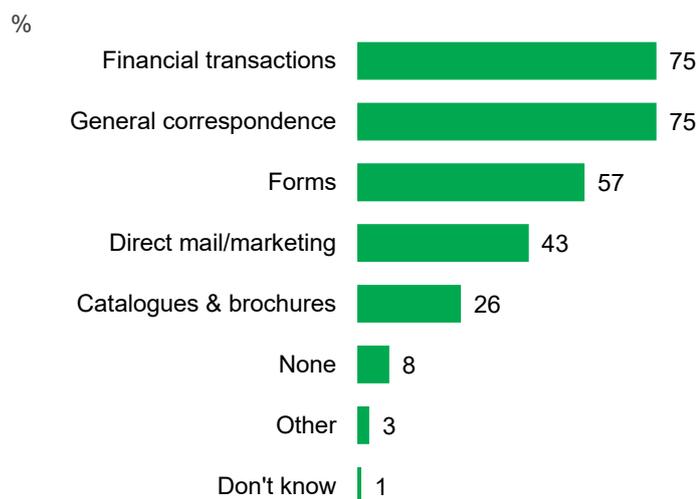
Source: Review of Postal User Needs Survey 2019

QSME D2. What kind of communications have you moved to or would you consider moving online rather than sending by post? Base: all agreeing there are some things will always need to send by post n=820

Figure 52 shows the proportion of SME participants who agreed that they expect to use Royal Mail's competitors more in the future. Only a quarter (25%) agreed with this; more than half (56%) disagreed.

Figure 52: Expect to use Royal Mail's competitors more in the future
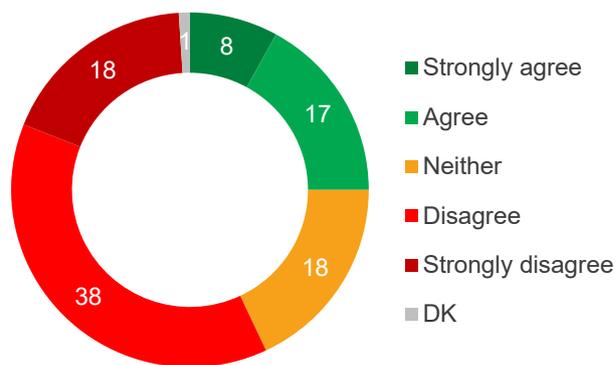
%

Source: Review of Postal User Needs Survey 2019

QSME. D1. How far do you agree or disagree with the following? I expect my business will use Royal Mail's competitors more in the future. Base: Unweighted SME total sample n=971

7. About conjoint

Choice-based conjoint analysis, a form of trade-off analysis, was included in the study to help identify users' needs from the postal service and the elements of the universal service they particularly value. Conjoint analysis is a statistical technique that helps us better understand what people really value in products and services and what drives their decisions.

7.1. Benefits of a conjoint approach

Research participants often find it difficult to answer questions about what is most important or what they value within a packaged good or service if asked directly. This mainly occurs because we are asking them to think about their preferences in a way that is unfamiliar to them, and partly because other factors, such as their desire to appear logical or socially responsible, constrain their responses.

In a conjoint exercise, instead of asking participants to think about individual elements of a service package and ascribe a value to each element, participants are asked to evaluate the package as a whole compared to a similar package created with slightly different elements. The participant can therefore make a choice that is more reflective of the way in which they make choices in the real world and without artificially focusing on elements of these service that may not ordinarily be important to them.

An additional benefit of using a conjoint approach is that we can use the method to model and predict a wide range of different packages made up of different elements without having to show every participant every single combination of elements. We go on to explain how conjoint works in practice in the next few sections.

7.2. How does conjoint work

In general terms, conjoint works by designing a huge number of packages with different iterations of the elements within them. The number of possible packages is so large that we could not feasibly ask each participant to choose their preferred options, so we design subsets of these packages. Each participant is then assigned to a subset and given a small number of choices to make, usually between 8-15.

Because each participant has only been shown a subset of the many possible packages/ combinations of features we need to use a technique called Hierarchical Bayes to analyse their answers. The basic aim of Hierarchical Bayes is to create individual utilities for each participant. A utility is a number representing the attractiveness of each feature in a conjoint study.

Instead of estimating each participant's utilities individually, an algorithm estimates how different the participant's utilities are from the other participants in the study. This is a much easier task than estimating each participant's individual utilities independently. The algorithm estimates the average utilities for the entire sample and then uses the participant's individual data to determine how each participant differs from the sample averages. The algorithm will then adjust each participant's utilities so that they reflect the optimal mix of the individual participant choices and the choices of the entire sample.

The optimal mix of participant data and the entire sample is determined by the amount of data a participant provides and the amount of variance in the sample. The more variance in the sample, the more the algorithm will rely on the individual participant's data. Conversely, the more choice tasks there are for each participant, the less influential the sample will be.

Once the algorithm has computed utility scores for each level of service within each service attribute for each participant, we can use these scores to understand the attractiveness of the overall product. We do this by adding utilities from one service level in each service attribute to create an overall service utility. Utility scores are arbitrary between one conjoint study to another, so we usually use market simulations to interpret the scores in a more useful manner that can be acted upon. In market simulations we often compare two different products/

services (different combinations of levels) against the option of not choosing either of the products/ services. The conjoint exercise in this report is subtly different however, as we go on to explain in the next section.

7.3. Our Conjoint Exercise

Generally speaking, conjoint is used to trade-off different products and services in a competitive environment in order to maximise market share. However, its implementation is subtly different in the context of this study as there is no 'competitor' to the USO. Instead, we are interested in understanding the relative importance of the elements that make up the USO and understanding what the minimum level of service is that would meet postal users' stated needs. We do this by asking the participant to select which USO 'package' they prefer and then asking whether that package meets their needs.

Our approach to designing, analysing, and interpreting the conjoint exercise in this study is detailed in the sections below. We have conducted our design and analysis with the widely used Conjoint software from Sawtooth Software. For technical information beyond the level contained in this report please refer to their documentation https://www.sawtoothsoftware.com/support/technical-papers.

7.3.1. Designing attributes and levels for the study

For our conjoint exercise we wanted to test the following elements of the USO:

- a) Number of days per week letters will be delivered
- b) Number of days per week parcels will be delivered
- c) Whether letters were delivered Monday to Friday or whether Saturday delivery was included
- d) Whether parcels were delivered Monday to Friday or whether Saturday delivery was included
- e) A Single Class service vs 1st and 2nd Class
- f) Reliability of the service offered (e.g. arrives when stated 90% of the time)
- g) The time taken for items to be delivered
- h) Cost of the USO

Conjoint designs are split into what are called 'attributes' and 'levels'. The above categories could be defined as attributes (e.g. 'Number of days letters will be delivered') with levels sitting underneath them (e.g. 6 days a week, 5 days a week, 4 days a week).

Generally, it's good practice to have between 8-10 attributes and 2-6 levels. Keeping within these limits ensures that we create a robust design, but more importantly, more than 10 attributes is likely to confuse participants as they try to understand and evaluate the package.

Our initial scoping of the design resulted in the following attributes and levels.

Attribute	Levels
a) Number of days letters will be delivered	6 days a week 5 days a week 4 days a week 3 days a week
b) Number of days parcels will be delivered	6 days a week 5 days a week 4 days a week 3 days a week
c) Letters – Saturday delivery available?	Yes

	No
d) Parcels – Saturday delivery available?	Yes No
e) Single Class service vs 1st and 2nd Class (letters and parcels)	Single Class service 1st and 2nd Class service
f) Reliability of the service offered	1st Class – 93% of the time, 2nd Class 98.5% of the time 90% for both 1st Class and 2nd Class 80% for both 1st Class and 2nd Class Single Class – 95% Single Class – 87.5% Single Class – 80%
g) The time taken for items to be delivered	1st Class – Next day, 2nd Class – 3 days Single Class – 2 days Single Class – 3 days Single Class – 4 days Single Class – 5 days
h) Cost of the USO *(with cumulative price increases)*	Current Price + an additional 10% + an additional 10% + an additional 10% + an additional 10%

In practice, when conducting the conjoint exercise, a participant would see one level from each attribute in a package, for example:

	Package 1
a) Number of days letters will be delivered	6 days a week
b) Number of days parcels will be delivered	5 days a week
c) Letters – Saturday delivery available?	Yes
d) Parcels – Saturday delivery available?	No
e) Single Class service vs 1st and 2nd Class	Single Class service
f) Reliability of the service offered	Single Class – 95%
g) The time taken for items to be delivered	Single Class – 4 days
h) Postage prices	Current Price

However, from the above design of attributes and levels there are some iterations of levels that would not make sense to show against each other. The below is an example of one such package where it makes no sense to show the reliability (attribute f) of a Single Class service if the package contains 1st and 2nd Class service (attribute e).

	Package 1
a) Number of days letters will be delivered	6 days a week
b) Number of days parcels will be delivered	5 days a week
c) Letters – Saturday delivery available?	Yes
d) Parcels – Saturday delivery available?	No
e) Single Class service vs 1ˢᵗ and 2ⁿᵈ Class	1ˢᵗ and 2ⁿᵈ Class service
f) Reliability of the service offered	Single Class – 95%
g) The time taken for items to be delivered	1ˢᵗ Class – Next day, 2ⁿᵈ Class – 3 days
h) Cost of the USO	Current Price

This type of nonsensical pairing can be controlled for through two different methods. We can introduce what are called prohibitions to the design (i.e. not allowing one level to be displayed against another) or by combining attributes to ensure only relevant items are shown. It is generally preferred to not include prohibitions within a design if it can be helped (as it can affect reliability of utility estimation) so we looked to combine the attributes affected into one.

Our final design looked as so:

Attribute	#	Levels
a) Days <u>letters</u> will be delivered	1	6 days a week
	2	5 days a week – including Saturday
	3	5 days a week – Monday - Friday
	4	4 days a week – including Saturday
	5	4 days a week – Monday – Friday
	6	3 days a week – including Saturday
	7	3 days a week – Monday – Friday
b) Days <u>parcels</u> will be delivered	1	6 days a week
	2	5 days a week – including Saturday
	3	5 days a week – Monday - Friday
	4	4 days a week – including Saturday
	5	4 days a week – Monday – Friday
	6	3 days a week – including Saturday
	7	3 days a week – Monday – Friday
c) Level of service	1	First Class (that arrives the next day 93% of the time) Second Class (that arrives within 3 days 98.5% of the time)
	2	First Class (that arrives the next day 90% of the time) Second Class (that arrives within 3 days 90% of the time)
	3	First Class (that arrives the next day 80% of the time) Second Class (that arrives within 3 days 80% of the time)
	4	Single Class that arrives within 2 days 95% of the time
	5	Single Class that arrives within 2 days 87.5% of the time
	6	Single Class that arrives within 2 days 80% of the time

	7	Single Class that arrives within 3 days 95% of the time
	8	Single Class that arrives within 3 days 87.5% of the time
	9	Single Class that arrives within 3 days 80% of the time
	10	Single Class that arrives within 4 days 95% of the time
	11	Single Class that arrives within 4 days 87.5% of the time
	12	Single Class that arrives within 4 days 80% of the time
	13	Single Class that arrives within 5 days 95% of the time
	14	Single Class that arrives within 5 days 87.5% of the time
	15	Single Class that arrives within 5 days 80% of the time
d) Example price of service *(with cumulative price increases)*	1	Current Price
	2	+ an additional 10%
	3	+ an additional 10%
	4	+ an additional 10%
	5	+ an additional 10%

Taking each attribute one-by-one:

a) **Days letters will be delivered** – we combined this attribute with the delivering on a Saturday binary attribute (previously attribute c). We hypothesised that the importance of Saturday delivery may be linked to the number of delivery days per week (i.e. if you deliver 5 days a week it may not make much difference if Saturday is offered, whereas if you only deliver 3 days a week it may make more difference). If we had left these attributes separate, we would have a utility score for Saturday delivery and an independent utility score for number of days delivered and so we would not be able to observe this trend. In addition to the hypothesised trend, combining these attributes made the task easier for the participant to complete.

b) **Days parcels will be delivered** – this attribute mirrors days letters will be delivered in combining delivery days with Saturday delivery.

c) **Level of service** – we eliminated the possibility of creating non-sensical answers where a single class service was offered by combining the attributes e, f and g. This was similar to the effect of combining days letters will be delivered with Saturday delivery – this allowed us to observe trends in the importance of reliability as post takes longer to arrive. To ensure that we did not overwhelm the participant with too much information, for this attribute we needed to assume that letters and parcels were delivered within the same amount of time and reliability – taking a view of 'post' as a whole.

d) **Example price of service** – we were also interested in measuring the impact on users of increases in the price of the USO. As a proxy for this we showed example prices for a 'standard' letter and 'small parcel'. As we were seeking to understand the impact of increases in the price the USO we took the view that, instead of separating out price here for 1st/2nd Class and Single Class service into separate levels (and therefore generating separate utilities), we could use a technique known as conditional pricing. This technique changes the wording shown for the price levels depending on what other levels are in the package. Therefore, the prices shown became dependent on whether 1st /2nd Class or a single class service was shown in attribute c. The prices shown to the participant are in the table below. Single class prices were assumed to be an average of 1st and 2nd Class prices.

Example price of service	1st / 2nd Class (levels 1-3 at attribute c)	Single Class (levels 4-15 at attribute c)
Current Price	First Class standard letter 70p Second Class standard letter 61p First Class small parcel £3.55 Second Class small parcel £3.00	Single Class letter 65p Single Class small parcel £3.30
Current Price +10%	First Class standard letter 77p Second Class standard letter 67p First Class small parcel £3.91 Second Class small parcel £3.30	Single Class letter 72p Single Class small parcel £3.60
Current Price +20%*	First Class standard letter 85p Second Class standard letter 74p First Class small parcel £4.30 Second Class small parcel £3.63	Single Class letter 79p Single Class small parcel £3.96
Current Price +30%*	First Class standard letter 93p Second Class standard letter 81p First Class small parcel £4.73 Second Class small parcel £3.99	Single Class letter 87p Single Class small parcel £4.36
Current Price + 40%*	First Class standard letter £1.02 Second Class standard letter 89p First Class small parcel £5.20 Second Class small parcel £4.39	Single Class letter 95p Single Class small parcel £4.79

Note that for ease we refer to the prices throughout the rest of the report as +20%, + 30%, +40% however this is not strictly true. Prices were calculated by applying 10% increases on the previous price level.

7.3.2. Choice Tasks

After compiling the attributes and levels, we needed to decide on how many tasks (choices) each participant would face, along with the number of packages per task. We knew from our qualitative research findings that trading-off packages in this situation was complex, so we only asked each participant to trade-off two packages per task. In order to ensure a reasonable questionnaire length we decided to opt for eight tasks per participant (generated through the statistical design process) supported by two fixed tasks that were asked of every participant.

Fixed tasks are generally included within conjoint studies to enable us to test the reliability of predictions from the analysis. Our fixed tasks did this but also had two separate purposes as detailed below.

Fixed Task 1 was designed to introduce participants to the idea of a Single Class service and a reduced number of days that post would be delivered on.

	Package 1	Package 2
Days letters will be delivered	6 days a week	3 days a week – including Saturday
Days parcels will be delivered	6 days a week	3 days a week – including Saturday
Level of service	First Class (that arrives the next day 93% of the time) Second Class (that arrives within 3 days 98.5% of the time)	Single Class that arrives within 2 days 95% of the time
Example price of service	First Class standard letter 70p Second Class standard letter 61p First Class small parcel £3.55 Second Class small parcel £3.00	Single Class letter 65p Single Class small parcel £3.30

Fixed Task 2 was designed to get a measure, across all participants for what was hypothesised to be one of the lowest levels of USO service (reduced service at a higher cost) that we could test in our conjoint.

	Package 1	Package 2
Days letters will be delivered	3 days a week – Monday – Friday	3 days a week – Monday - Friday
Days parcels will be delivered	3 days a week – Monday – Friday	3 days a week – Monday - Friday
Level of service	Single Class that arrives within 5 days 80% of the time	Single Class that arrives within 5 days 80% of the time
Example price of service	Single Class letter 95p Single Class small parcel £4.79	Single Class letter 87p Single Class small parcel £4.36

For the eight generated tasks per participant we used Sawtooth Software's 'Balanced Overlap' method of design. This method essentially tries to show each level an approximately equal number of times and show co-occurrences of each level an approximately equal number of times. The aim of this design is to efficiently allow for many different levels to be shown against other levels as fairly as possible. Using this design, we created 300 versions (different sub-sets of choices that the participant would see). We chose 300 versions as this allowed for a certain amount of repeatability within our design and could be managed with face to face interviewers to ensure an even spread across the 300.

7.3.3. The 'none' choice

So far, we have discussed how we built different packages and how they were presented against each other for the participant to choose which they preferred. However, this only enabled us to understand which levels were

the most important. To assess the needs of users we needed to evaluate what level of service met the needs of the participant.

We used a technique called 'Dual-Response None' to evaluate whether a package met the participant's needs. The technique employed a follow-up question after the participant had chosen the package they preferred, to ask whether their chosen package met their needs from the postal service. Using the technique in this way allowed us to gather information on participants' preferences for levels whilst also being able to estimate a threshold that needed to be passed for a participant to find a package acceptable. More details on how we used this threshold are provided later in this report.

7.3.4. The participant experience

Before beginning the conjoint exercise, we introduced the task to the participant to fully explain what we would like the participant to do. Included with this explanation were detailed descriptions of each of the attributes and what they mean.

Figure 53: Example screen for a conjoint exercise

Below is a table which compares two different postal services and shows you all of the information about both of them.

As part of this exercise you will be presented with two alternative postal services and you will have to select the service which you **prefer**.

	Option A	**Option B**
Delivery days - Letters	6 days a week	3 days a week - including Saturday
Delivery days - Parcels	6 days a week	3 days a week - including Saturday
Level of Service	1st class (that arrives the **next day 93%** of the time) 2nd class (that arrives within **3 days 98.5%** of the time)	Single class that arrives within **3 days 95%** of the time
Example prices of the service	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00	Single Class Letter 65p Single Class small parcel £3.30

Key:
- **Delivery days - letters** - the number of days in the week you could receive letters (e.g. through your letterbox).
- **Delivery days - parcels will be delivered to you** - the number of days in the week you could receive parcels.
- **Level of service** – is the number of days it takes an item to be delivered to the receipients address from the day it is collected (e.g. from the postbox or post office) and the reliability of post being delivered within the specified number of days. A Special Delivery service is also available in all scenarios guaranteeing arrival next day at a premium price.
- **Example prices of the service** – Standard letters are classified as up to 24 cm long, 16.5cm wide and 0.5cm thick; Small parcels are up to 1kg, 45cm long, 35cm wide and 16cm thick

When you are ready to begin the exercise click 'Continue' to proceed

Continue »

Source: Survey Script

Note that in the key we explicitly mentioned that "A Special Delivery service is also available in all scenarios guaranteeing arrival next day at a premium price" under the level of service attribute. We also provided descriptions of what we meant by a 'standard letter' and 'small parcel' within our example price of the service attribute.

After introducing the task (with the Fixed Task as an example) we first asked, "Thinking about what you need from the postal service, if you could choose what was offered, which of these options would you prefer?" We used this information to build an understanding of what levels within each package were preferred over each other.

Figure 54: Fixed Task 1 - Preference

	Option A	Option B
Delivery days - <u>Letters</u>	6 days a week	3 days a week - including Saturday
Delivery days - <u>Parcels</u>	6 days a week	3 days a week - including Saturday
Level of Service	1st class (that arrives the **next day 93%** of the time) 2nd class (that arrives within **3 days 98.5%** of the time)	Single class that arrives within **3 days 95%** of the time
Example prices of the service	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00	Single Class Letter 65p Single Class small parcel £3.30

Thinking about what you need from the postal service, if you could choose what was offered, which of these options would you prefer?

Option A	Option B
○	○

Source: Survey Script

We then applied whichever option they chose to a follow-up question immediately after - "This is the service that you said you preferred. Does this meet your needs from the postal service?". So, if in Figure 54 the participant selected Option A as their preferred option, then at Figure 55 they were shown Figure A and asked to select if it met their needs.

Figure 55: Fixed Task 1 – Meets needs

	Option A
Delivery days - <u>Letters</u>	6 days a week
Delivery days - <u>Parcels</u>	6 days a week
Level of Service	1st class (that arrives the **next day 93%** of the time) 2nd class (that arrives within **3 days 98.5%** of the time)
Example prices of the service	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00

This is the service that you said you preferred. Does this meet your needs from the postal service?

◯ Yes this meets my needs

◯ No it does not meet my needs

Source: Survey Script

7.3.5. Simulating our results from the exercise

We discussed in section 7.1.2 how conjoint works and produces utility scores for each level in each attribute for each participant. We also discussed in 7.2 how the conjoint in this research is subtly different, namely, we're interested in a package that meets people's requirements, rather than directly comparing two different products in a competitive marketplace.

From our conjoint analysis, the Hierarchical Bayes algorithm (described in 7.1.2) creates individual level utility scores for not only the levels within our design, but also creates one using the 'dual-response none' option from our follow up question. This 'none utility' is a threshold utility that gets estimated and scaled to be compared to the sum of the utilities across all the other utility scores. For example, if the None utility is higher than the sum of utility scores across all the attributes that define a product (taking one level from each attribute and sum their utility scores), then we would think that this person or that segment of participants has a higher likelihood of choosing None than choosing the product.

In our analysis of the conjoint data below we defined set product scenarios (starting with the equivalent of the current postal USO service). We then summed the utilities for the levels that were used in the service scenario for each individual in our data set. For each individual we then compared this summed service utility against their individual none utility. If their summed service utility was greater than that of their none utility, then we deemed that service as meeting that user's needs.

In the charts below we report the weighted proportion of participants to which the simulated utilities were predicted to meet the participants' needs.

8. Acceptability of changing the universal service: Residential

8.1. Simulated impact of changing the universal service

8.1.1. The current UK postal service

To establish a base line, we simulated the current UK postal service. The attributes and levels associated with this simulation are shown below (**Figure 56**).

Figure 56: The current UK postal service

Delivery days - Letters	6 days a week
Delivery days - Parcels	6 days a week
Level of service	First Class (that arrives the next day 93% of the time)
	Second Class (that arrives within 3 days 98.5% of the time)
Example prices	First Class standard letter 70p
	Second Class standard letter 61p
	First Class small parcel £3.55
	Second Class small parcel £3.00

[8]The table shows the current level of service provided by the Royal Mail

Source: the questionnaire

Overall, the current postal service was predicted to meet the needs of 98% of UK households. **Figure 57** examines the extent to which the current postal service is predicted to meet the needs of key demographic subgroups. For example, the current postal service is predicted to meet the needs of 97% of households in deep rural locations.

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[8] The current USO requires Royal Mail to deliver parcels on Monday to Friday. In practice, Royal Mail delivers parcels on Saturday

Figure 57: Predicted proportion for whom current postal service meets needs

%

Category	%
Total	98.1
16-24	97.3
25-34	98.5
35-44	98.2
45-54	98.3
55-64	97.9
65+	98.4
AB	97.4
C1	98.3
C2	98.3
DE	98.4
England	98.1
Scotland	98.4
Wales	98.7
NI	98.7
Urban	98.3
Rural	97.6
Deep Rural	97.1
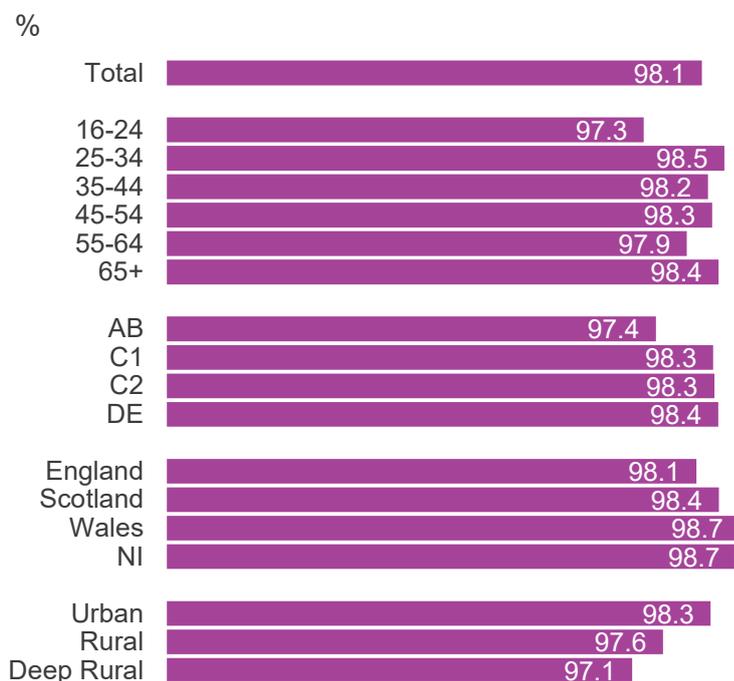
Source: Conjoint – Residential (n=4596)

To understand what elements of the service, have the most impact on the acceptability of the service, we conducted a sensitivity analysis. The sensitivity analysis involved changing one level of the current service at a time to see what reduced acceptability of the service the most.

From the analysis in **Figure 58** we can see that reducing the number of days letters are delivered to 3 days with delivery Monday - Friday (while all other elements of the service remain as they are) decreases the proportion of UK households that are predicted to have their needs met by the current service from 98.1% to 85.4%.

Figure 58 shows the full results of the sensitivity analysis.

Figure 58: Sensitivity Analysis – Predicted proportion whose needs are met after changing one level of the current service
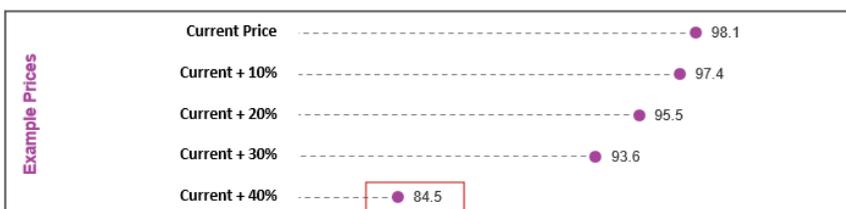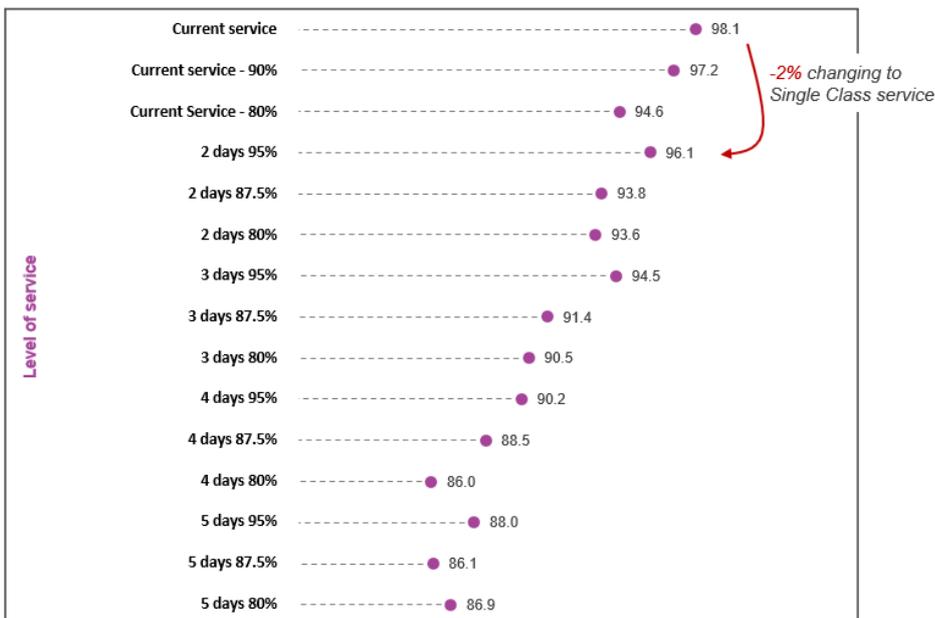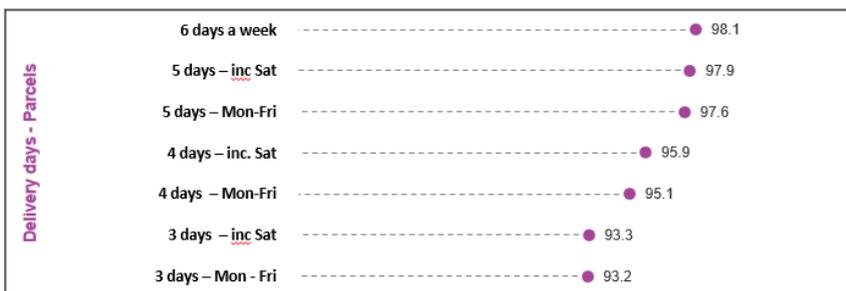
Source: Conjoint – Residential (n=4596)

8.1.2. The current UK postal service – impact of price changes

The sensitivity analysis in **Figure 58** suggests that the current postal service would meet the needs of 84.5% if the price increased to £1.02 for a First-Class letter stamp compared to 98.1% at the current price. We can analyse who this impacts most by analysing the simulation whose levels are shown in **Figure 59**.

Figure 59: Current postal service with a price increase to £1.02 for First Class

Delivery days - Letters	6 days a week
Delivery days - Parcels	6 days a week
Level of service	First Class (that arrives the next day 93% of the time)
	Second Class (that arrives within 3 days 98.5% of the time)
Example prices	First Class standard letter £1.02 Second class standard letter 89p First Class small parcel £5.20 Second class small parcel £4.39

Source: Conjoint – Residential (n=4596)

Using the simulated levels from **Figure 59** we can see who would be most impacted by a price increase to £1.02 for a First-Class standard letter. The chart in **Figure 60** shows the proportion for whom this revised scenario is predicted to meet their postal needs and shows the demographics most affected by this price increase.

For example, prior to the price increase, 98.3% of those in Rural/Deep Rural locations in Northern Ireland are predicted to say the current service meets their needs, but increasing the price of a First Class standard letter to £1.02 is predicted to meet the needs of only 77.6% of those in Rural/Deep Rural locations in Northern Ireland, a drop of 20.7 percentage points.

Other subgroups who are most impacted by the price increase are those who are housebound and those in the Highlands and Islands. Those sending higher volumes of parcels and letters are also among those most affected.

Figure 60: Meets needs (most affected by change)

%   New Price   ● *Current Service & Price*

	New Price	Current Service & Price	Difference
Total	84.5	98.1	-13.7
NI Rural/Deep Rural	77.6	98.3	-20.7
Northern Ireland	78.0	98.7	-20.7
Housebound	80.3	99.2	-18.9
Highlands and Islands	80.1	98.5	-18.4
Sell via online marketplace	81.1	99.2	-18.1
Under £11,500 HH Income	79.9	97.8	-17.9
£30k-£50k HH Income	80.4	98.0	-17.6
High Parcel Sending Volume	78.9	96.4	-17.5
Scotland Rural/ Deep Rural	80.9	98.2	-17.3
High Letter Sending Volume	80.6	97.6	-17.1

`

Source: Conjoint – Residential (n=4596)

Noting that in **Figure 60** we saw those most affected by an increase in price were those sending higher volumes of letters and parcels we look at this impact in more detail in **Figure 61**. In **Figure 61** we look at the predicted percentage of the current service (dark purple) vs the more expensive service, specified in Figure 61, (light purple) meeting the needs for those who send a high, medium, low or no letters and parcels.

As would be expected, higher volume senders were more price sensitive than lower volume senders.

Among those sending high volumes of parcels (5+ per month), 79% were predicted to say that the postal service would still meet their needs at the highest price point, compared to 96% saying this at the current price point.

Figure 61: Percent that Current Service meets needs at highest price point

- ■ Current Price
- ■ Highest Price

	Zero/Never send	Low	Medium	High		Zero/Never send	Low	Medium	High
Current Price total	97.5	98.6	97.5	97.6		98.7	98.0	100.0	96.4
Highest Price	86.8	85.6	83.1	80.6		87.9	83.8	83.6	78.9

Volume of sending
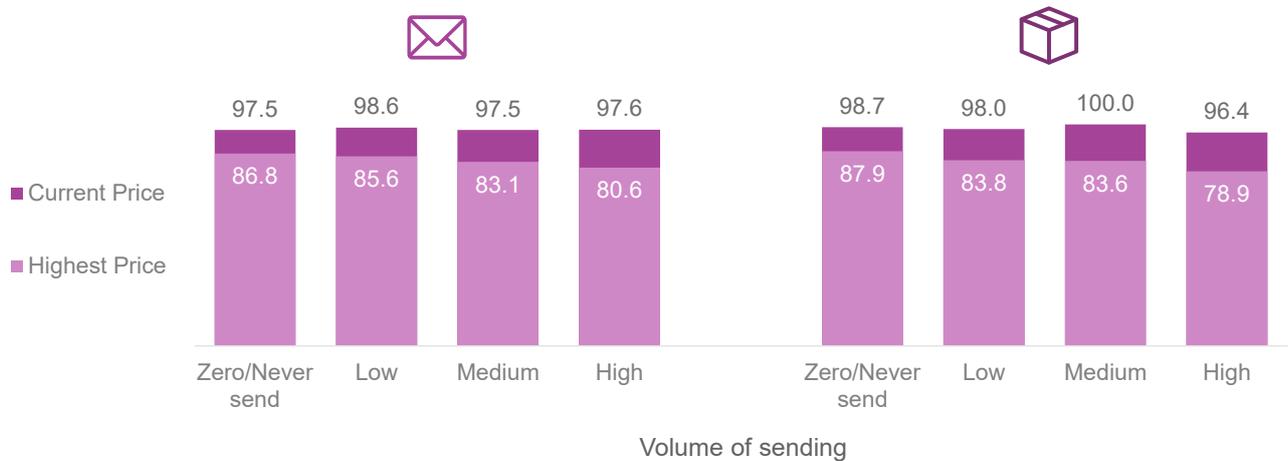
Source: Conjoint – Residential (n=4596)

8.1.3. The current UK postal service – impact of letter frequency

Figure 62 examines the predicted level of needs being met when changing the days that letters are being delivered (while holding all other elements of the current postal service as they are). In Figure 62 we were particularly interested in comparing the importance of including Saturday delivery in the USO as the number of delivery days were reduced.

When the number of delivery days is lowered to 3 or 4, a Monday-Friday delivery met the needs of a slightly higher proportion than when a Saturday was included.

Figure 62: 1st and 2nd Class Service that delivers… (letters)

— Including Saturday   — Monday - Friday

	6 days a week	5 days a week	4 days a week	3 days a week
Including Saturday	98.1	97.4	90.2	84.5
Monday - Friday	98.1	96.8	91.1	85.4

% Meets needs

Source: Conjoint – Residential participants (n=4596)

8.1.4. The current UK postal service – impact of parcel delivery frequency

Figure 63 examines the predicted level of needs being met when changing the days that parcels are being delivered (while holding all other elements of the current postal service as they are). In Figure 63 we were particularly interested in comparing the importance of including Saturday delivery in the USO as the number of delivery days were reduced.

Where we saw in Figure 62 for letters that Monday-Friday delivery met the needs of a higher proportion when the number of delivery days was reduced to 3-4 days, Figure 63 for parcels shows that including a Saturday delivery always meets the needs of a higher proportion of the UK regardless of the number of delivery days.

Figure 63: 1st and 2nd Class Service that delivers… (parcels)
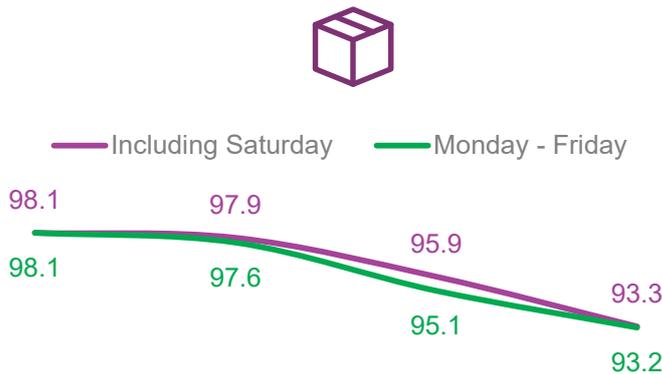
Source: Conjoint – Residential participants (n=4596)

8.1.5. A high-quality Single Class service

Our next avenue of investigation was to understand the impact of removing the 1st and 2nd Class services in favour of a single class service. To enable a fair comparison against 1st and 2nd Class we first looked at a single class service that could arrive within 2 days 95% of the time (a high level of service). The rest of the scenario attributes remained the same as they were when we established baseline levels for the current postal service in **Figure 56**.

Figure 64 shows the attributes and levels used to simulate the high-quality Single Class service.

Figure 64: Simulated high-quality Single Class service

Delivery days - Letters	6 days a week
Delivery days - Parcels	6 days a week
Level of service	Single class that arrives within 2 days 95% of the time
Example prices	Single Class Letter 65p Single Class Small Parcel £3.30

Source: Conjoint – Residential participants (n=4596)

Figure 65 shows the simulated impact of changing from the current postal service to a high-quality Single Class service among key demographics. At a total level, the Single Class service is predicted to meet the needs of 96% of the UK, 2 percentage points lower than the current postal service was predicted to do (98%).

The bars on the left-hand side show the proportion of UK households (first overall and then by specific subgroups) for whom the simulated Single Class service from Figure 64 is predicted to meet their needs. This is compared with the simulated current service using purple dots. On the right-hand side of the chart the percentage point change is shown i.e. the reduction level in needs being met.

Sub-groups for whom a change from the current service to a Single Class service had the most impact on their predicted needs being met were C2 social group participants (3.2% points lower) and those aged 16-24 (3.1% points lower).

Figure 65: Proportion for whom the high-quality Single Class service meets needs
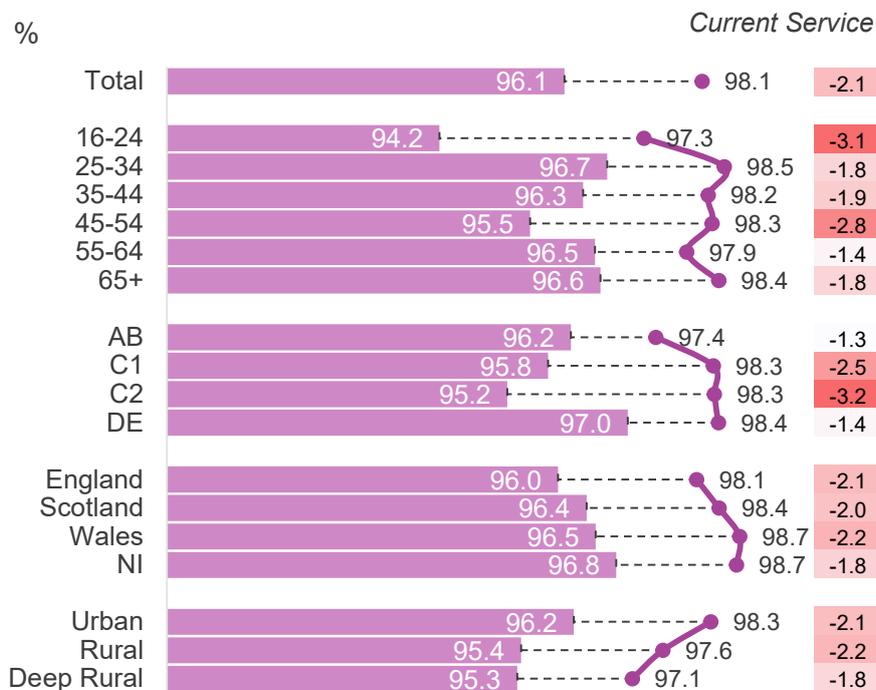
Source: Conjoint – Residential participants (n=4596)

Figure 66 shows the sensitivity analysis of the high-quality Single Class service from Figure 64 and the extent to which needs were met after changing one level at a time.

From this analysis the conjoint predicts that the number of delivery days for letters could be reduced (in addition to having a Single Class service that delivered within 2 days 95% of the time) to 5 days a week and still meet the needs of over 90% of UK postal users.

Figure 66: Sensitivity Analysis – Predicted proportion whose needs are met after changing one level of the high-quality Single Class service

Delivery days - Letters

6 days a week	96.1
5 days – inc Sat	93.4
5 days – Mon-Fri	92.6
4 days – inc. Sat	86.3
4 days – Mon-Fri	86.5
3 days – inc Sat	80.6
3 days – Mon - Fri	81.1

Delivery days - Parcels

6 days a week	96.1
5 days – inc Sat	93.8
5 days – Mon-Fri	93.6
4 days – inc. Sat	91.7
4 days – Mon-Fri	90.7
3 days – inc Sat	88.8
3 days – Mon - Fri	89.0

Level of service

Current service	98.1
Current service - 90%	97.2
Current Service - 80%	94.6
2 days 95%	96.1
2 days 87.5%	93.8
2 days 80%	93.6
3 days 95%	94.5
3 days 87.5%	91.4
3 days 80%	90.5
4 days 95%	90.2
4 days 87.5%	88.5
4 days 80%	86.0
5 days 95%	88.0
5 days 87.5%	86.1
5 days 80%	86.9

Level of service scores are the same as current level of service

Example Prices

Current Price	96.1
Current + 10%	93.9
Current + 20%	92.0
Current + 30%	90.4
Current + 40%	81.3

Source: Conjoint – Residential participants (n=4596)

Figure 67 examines the change from the current service (Figure 56) to a high-quality Single Class service (Figure 64) amongst low, medium, and high senders and receivers of letters and parcels. The darker purple bar shows the proportion of UK households for whom the current service meets their needs and the paler purple bar shows this proportion in relation to the single class service simulation.

The conjoint simulation suggests that those sending or receiving high volumes of parcels are least accepting of a high-quality Single Class service, suggesting that these users are more likely to value the choice offered by a dual-class service offering.

Figure 67: % Meets needs (change to a high-quality Single Class service)
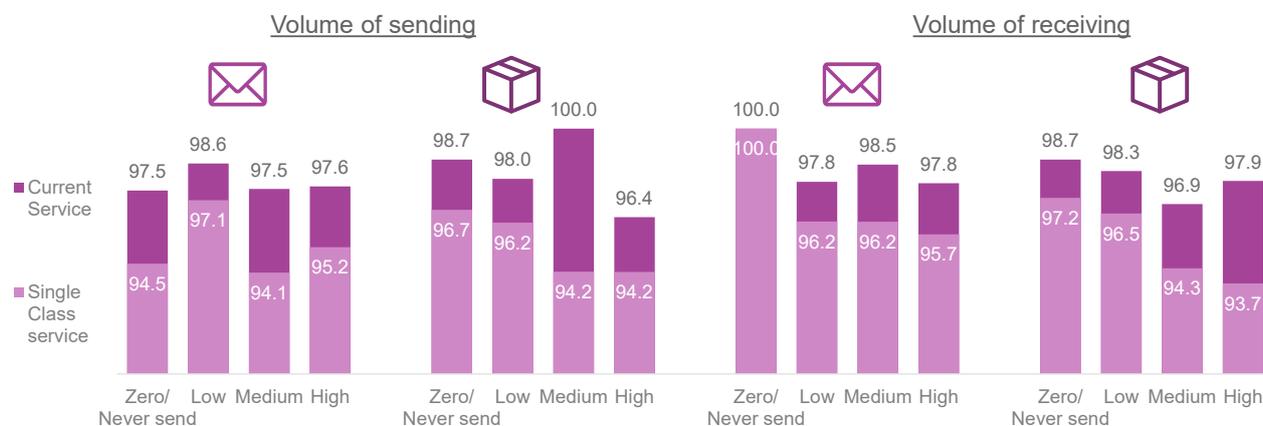
Source: Conjoint – Residential participants (n=4596)

8.2. Specific scenario testing

In addition to the conjoint, research participants were asked what they would do in relation to three different postal service scenarios. **Figure 68** shows the different scenarios that were shown to the research participants. These scenarios represent substantial changes in service – the removal of a next-day first class service, alone and combined with a reduction in delivery frequency. They were chosen to test how user behaviour might change if the service was materially altered in this way. In the following sections we present the results for each of these scenarios and corresponding conjoint predictions for meeting people's needs.

Figure 68: Standalone Services

	Current Service	Vs	New service 1	New service 2	New service 3
Delivery days - <u>Letters</u>	6 days a week		6 days a week		3 days a week – Between Monday - Friday
Delivery days - <u>Parcels</u>	6 days a week		6 days a week	3 days a week – including Saturday	3 days a week – Between Monday - Friday
Level of service	First Class (that arrives the **next day**) Second Class (that arrives within **3 days**)		Single class that arrives within **2 -3 days**	Single class that arrives within **2 – 3 days**	Single class that arrives within **2 – 3**
Example prices of the service	First Class standard letter 70p Second class standard letter 61p First Class small parcel £3.55 Second class small parcel £3.00		Single Class Letter 65p Single Class small parcel £3.30	Single Class small parcel £3.30	Single Class Letter 65p Single Class small parcel £3.30

8.2.1. A high-quality Single Class service - Proposition 1

Figure 69 examines the response to New Service 1 (Figure 68). For the purposes of the conjoint analysis please refer to the high-quality Single Class service shown in the previous section.

Sixty four percent say they would send the same or more letters and fifty three percent say they would send the same or more parcels via Royal Mail. Around a quarter in each case claim they would send the same amount of letters (23%) or parcels (24%) but send some of these by special or guaranteed delivery.

Ten percent claimed they would send fewer/no letters via Royal Mail and thirteen percent claimed they would send fewer/no parcels via Royal Mail if there was a change to a Single Class service. Fourteen percent of 16-34s claimed they would send fewer/no parcels compared with eleven percent of those aged 55+. Fourteen percent of ABC1 social grade claimed they would send fewer/no parcels compared with vs eleven percent for C2DE.

There is a correlation between parcel sending volume and those who claimed they would send fewer or no parcels via Royal Mail if there was Single Class service; 20% for high volume senders, 15% for medium, 14% for low and 9% for those sending zero.

Figure 69: If Royal Mail changed to this new service, what would be the impact on letters/parcels you send? (Single Class delivering 6 days per week)
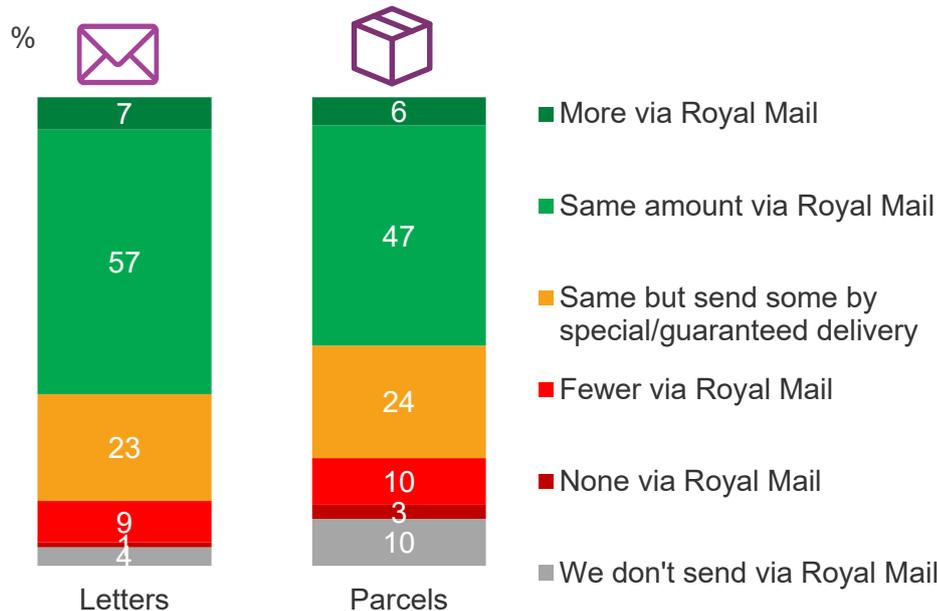
Those who said they would send fewer or no parcels via Royal Mail were asked what they would do instead (**Figure 70**). More than half (55%) said they'd send the same amount of parcels but use another post provider. More than a quarter (28%) would send some via Royal Mail but also use another post provider. Eleven percent would send fewer parcels generally and six percent would send no parcels at all.

Figure 70: If fewer parcels, what would you do instead?
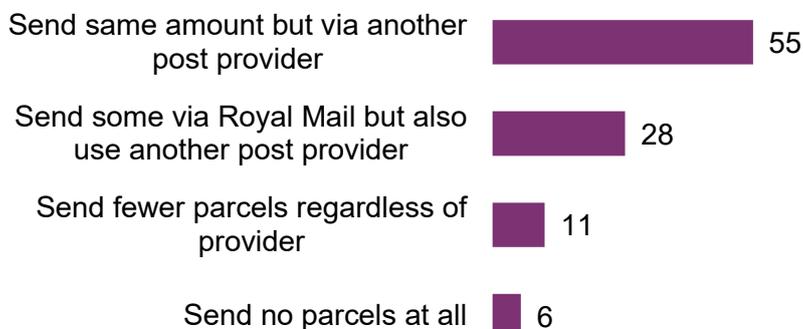
Send same amount but via another post provider	55
Send some via Royal Mail but also use another post provider	28
Send fewer parcels regardless of provider	11
Send no parcels at all	6

Source: E2c. You said you would send (fewer/no parcels) via Royal Mail with this new service. What would you/your business do instead? Base: all who would send fewer/none Weighted residential n=576

8.2.2. Single Class service – Proposition 2

Figure 71 shows a Single Class Service that delivers within 2 days with letters and parcel delivery 3 days per week including on a Saturday.

Figure 71: Single Service – Including Saturday

Delivery days - Letters	3 days a week – Including Saturday
Delivery days - Parcels	3 days a week – Including Saturday
Level of service	Single class that arrives within 2 days 95% of the time
Example prices	Single Class Letter 65p Single Class Small Parcel £3.30

Source: Survey Questionnaire

Analysing this offer via the conjoint methodology (**Figure 72**), moving to a Single Class service that delivers 3 days a week, including Saturday, was predicted to meet the needs of 73% of the UK (down 25% points from the current service).

The gap between the current and proposed service meeting needs was widest in Northern Ireland and among 55-64s.

Figure 72: Proportion for whom Single Class service - proposition 2 meets needs

%   *Current Service*

Total	73.3 ---- 98.1	-24.9
16-24	76.5 ---- 97.3	-20.8
25-34	75.4 ---- 98.5	-23.0
35-44	71.6 ---- 98.2	-26.6
45-54	74.7 ---- 98.3	-23.6
55-64	66.8 ---- 97.9	-31.1
65+	73.0 ---- 98.4	-25.4
AB	72.1 ---- 97.4	-25.4
C1	71.9 ---- 98.3	-26.4
C2	75.7 ---- 98.3	-22.6
DE	73.9 ---- 98.4	-24.5
England	74.1 ---- 98.1	-24.0
Scotland	71.3 ---- 98.4	-27.1
Wales	69.4 ---- 98.7	-29.3
NI	63. ---- 98.7	-34.8
Urban	74.0 ---- 98.3	-24.3
Rural	70.3 ---- 97.6	-27.3
Deep Rural	68.1 ---- 97.1	-29.0
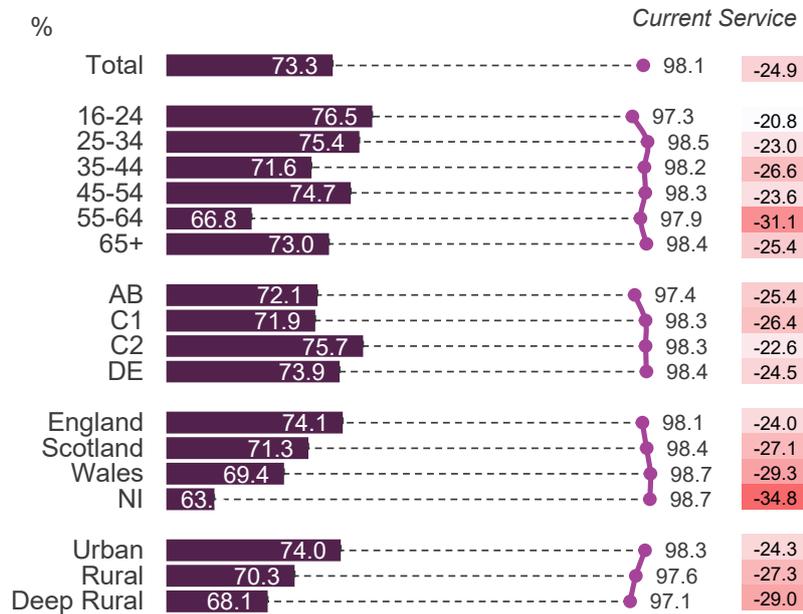
Source: Conjoint – Residential (n=4596)

Twenty one percent claim they would send fewer/no parcels via Royal Mail if there was a change to a 3-day Single Class service that included Saturday (**Figure 73**).

This proportion was higher amongst those aged 35-54 (24%) vs those aged 55+ (14%) and also amongst ABC1 (23%) compared with C2DE (19%).

There was a correlation with parcel sending volume and those who claimed they would send fewer or no parcels via Royal Mail; 32% for high volume senders, 28% for medium, 23% for low and 13% for those sending zero.

Figure 73: If Royal Mail changed to this new service, what would be the impact on letters/parcels you send? (3-day Single Class including Saturday: parcels)
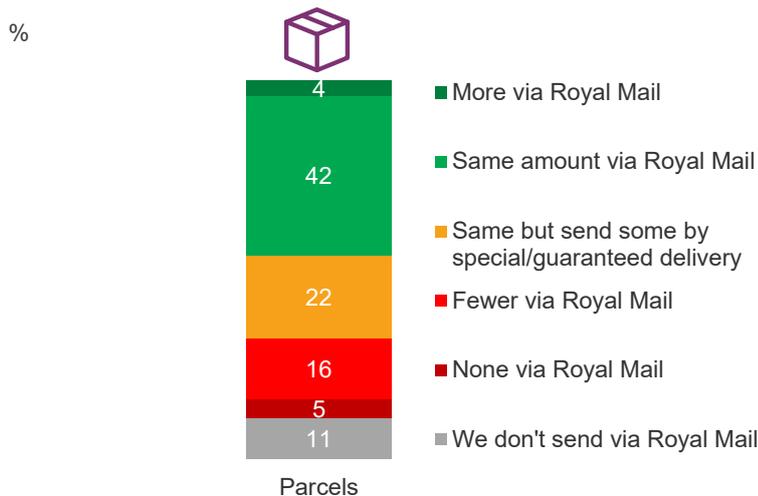
%

Value	Category
4	■ More via Royal Mail
42	■ Same amount via Royal Mail
22	■ Same but send some by special/guaranteed delivery
16	■ Fewer via Royal Mail
5	■ None via Royal Mail
11	■ We don't send via Royal Mail

Parcels

Source: RES: E2a/b. If Royal Mail changed to this new service, how would that impact the amount of parcels you send?
            Base: Weighted residential n=4596

Those who said they would send fewer or no parcels via Royal Mail were asked what they would do instead (**Figure 74**). More than half (54%) said they'd send the same amount of parcels but use another post provider. A third (33%) would send some via Royal Mail but also use another post provider. Eleven percent would send fewer parcels generally and three percent would send no parcels at all.

Figure 74: If fewer parcels, what would you do instead?

Source: E2c. You said you would send (fewer/no parcels) via Royal Mail with this new service. What would you/your business do instead? Base: all who would send fewer/none. Weighted residential n=1007

8.2.3. Single Class service – Proposition 3

Figure 75 shows a Single Class service with delivery within 2 days that only delivers 3 days a week, Monday to Friday.

Figure 75: Single Class Service - Weekdays
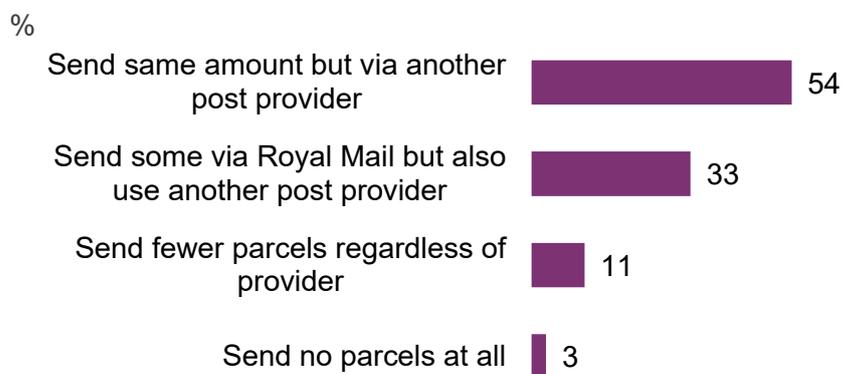
%

Send same amount but via another post provider	54
Send some via Royal Mail but also use another post provider	33
Send fewer parcels regardless of provider	11
Send no parcels at all	3

Delivery days - Letters	3 days a week – Between Monday-Friday
Delivery days - Parcels	3 days a week – Between Monday-Friday
Level of service	Single class that arrives within 2 days 95% of the time
Example prices	Single Class Letter 65p Single Class Small Parcel £3.30

Source: Survey Questionnaire

Simulating this service via the conjoint analysis (**Figure 76**), moving to a simulated Single Class service on weekdays only was seen to meet the needs of 74% of the UK (down 24 percentage points from the current service).

The gap between the current and proposed service meeting needs was widest in Northern Ireland and 55-64s.

Figure 76: Proportion for whom Single class service – proposition 3 meets needs

%   *Current Service*

	Meets needs	Current Service	Difference
Total	74.1	98.1	-24.1
16-24	76.5	97.3	-20.8
25-34	75.6	98.5	-22.9
35-44	73.1	98.2	-25.1
45-54	75.0	98.3	-23.3
55-64	68.2	97.9	-29.7
65+	75.2	98.4	-23.2
AB	73.1	97.4	-24.4
C1	72.8	98.3	-25.5
C2	76.5	98.3	-21.8
DE	74.3	98.4	-24.1
England	74.7	98.1	-23.3
Scotland	73.4	98.4	-25.0
Wales	70.2	98.7	-28.5
NI	64.8	98.7	-33.9
Urban	74.8	98.3	-23.5
Rural	70.7	97.6	-26.8
Deep Rural	68.0	97.1	-29.1
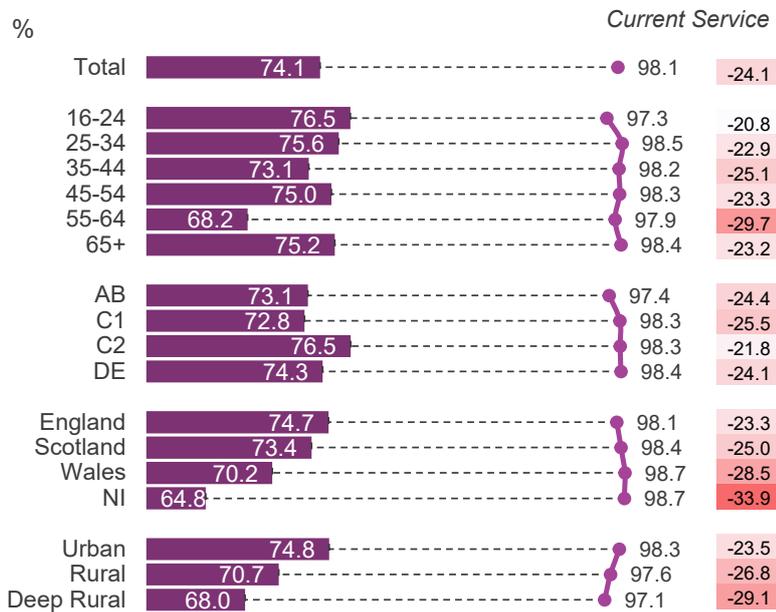
Source: Conjoint – Residential (n=4596)

One in five would send fewer or no letters (20%) or parcels (23%) via Royal Mail with a Single Class 3-day weekday only service (**Figure 77**).

There was a correlation with parcel sending volume and those who claimed they would send fewer or no parcels via Royal Mail; 24% for high volume senders, 23% for medium, 22% for low and 16% for those sending zero.

**Figure 77: If Royal Mail changed to this new service, what would be the impact on letters/parcels you send? (3 days Single Class – Weekdays only)**
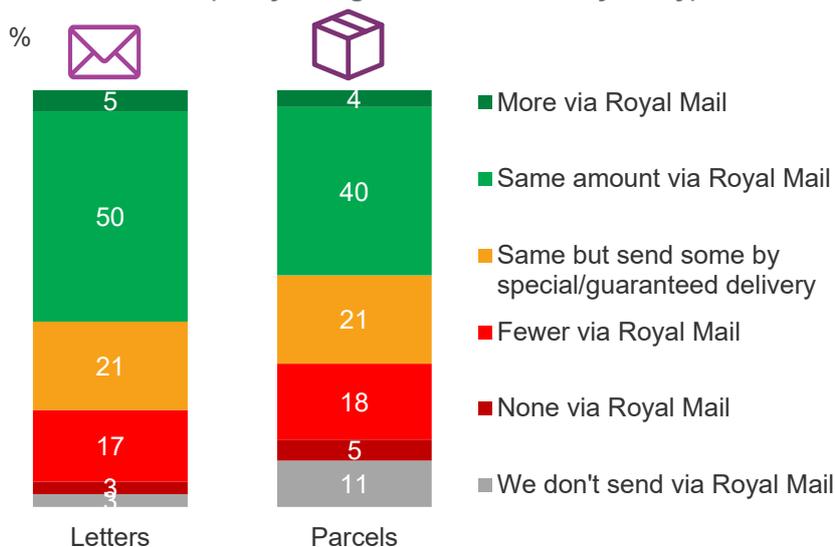
%

	Letters	Parcels
More via Royal Mail	5	4
Same amount via Royal Mail	50	40
Same but send some by special/guaranteed delivery	21	21
Fewer via Royal Mail	17	18
None via Royal Mail	3	5
We don't send via Royal Mail	3	11

Source: RES: E2a/b. If Royal Mail changed to this new service, how would that impact the amount of letters/parcels you/your business sends? Base: Weighted residential n=4596.

Those who said they would send fewer or no parcels via Royal Mail were asked what they would do instead (**Figure 78**). More than half (52%) said they'd send the same amount of parcels but use another post provider. A third (33%) would send some via Royal Mail but also use another post provider. Eleven percent would send fewer parcels generally and four percent would send no parcels at all.

Figure 78: If fewer parcels, what would you do instead?
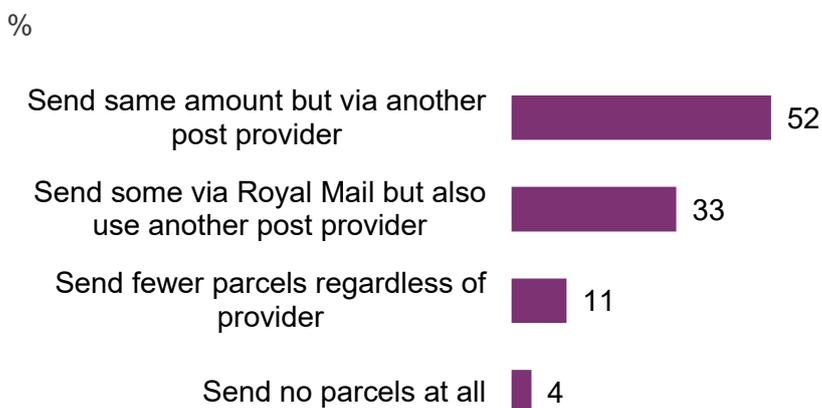
%

Send same amount but via another post provider	52
Send some via Royal Mail but also use another post provider	33
Send fewer parcels regardless of provider	11
Send no parcels at all	4

Source: E2c. You said you would send (fewer/no parcels) via Royal Mail with this new service. What would you/your business do instead? Base: all who would send fewer/none Weighted residential n=1093

8.2.4. Proposition comparison – impact of weekday only deliveries versus including Saturday

The following section compares the impact of weekday and weekend delivery options under a scenario where there is a Single Class service.

Figure 79 compares a Single Class service that delivers post within 2 days 95% of the time and delivers on 3 days Monday to Friday versus the same proposition but with delivery including Saturday. The lighter purple shows a 3-day service Monday to Friday, the darker purple bar shows a 3-day service including Saturdays.

Under this scenario, the weekday only delivery is predicted to meet the needs of users more than the delivery that includes Saturday – particularly so for over 55s and those in urban areas.

Figure 79: Percent that meets needs – Weekday only vs Including a Saturday comparison

Delivery days - Letters	Delivery days - Parcels	Level of service	Example prices
3 days a week	3 days a week	Single class that arrives within 2 days 95% of the time	Single Class Letter 65p Single Class Small Parcel £3.30
■ Including Saturday ■ Weekday only			
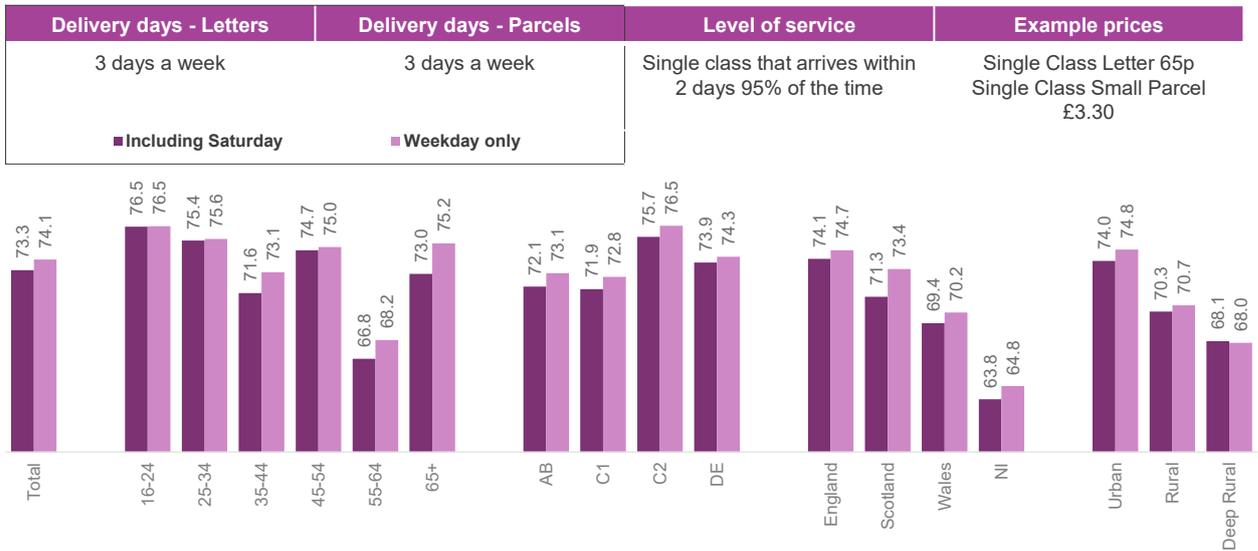
Source: Conjoint – Residential (n=4596)

Figures 80 and 81 compare acceptance levels of the current postal service versus a Single Class service that delivers within 2 days, 3 days a week - including Saturday - and 3 days a week Monday to Friday, by the amount of letters and/or parcels that participants tended to receive in an average month.

The simulations suggest that users who claim to send a higher volume of post are much more likely to be negatively impacted by the change.

Figure 80: Proportion for whom a 3-day service meets needs (letters)

Volume of receiving
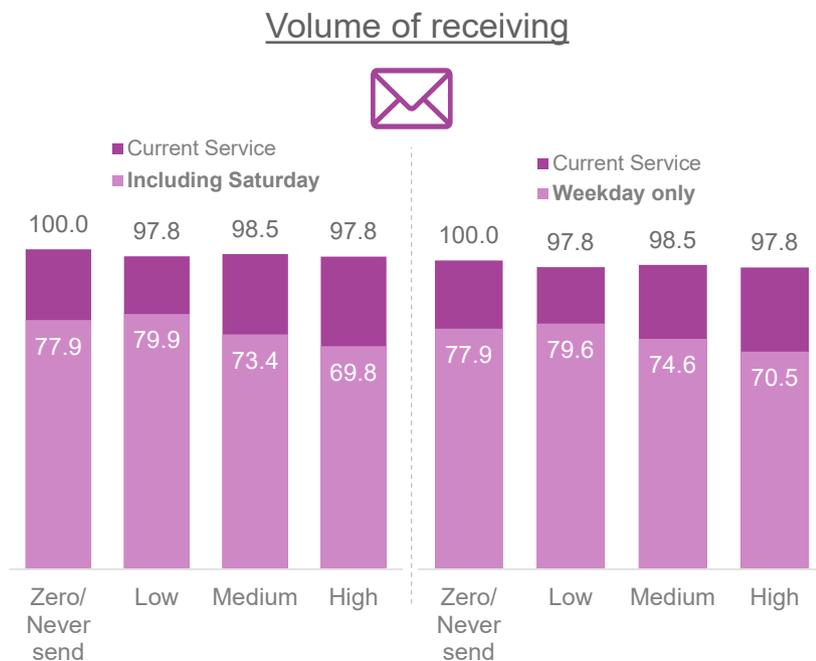
Source: Conjoint – Residential (n=4596)

Figure 81: Proportion for whom a 3-day service meets needs (parcels)

Volume of receiving
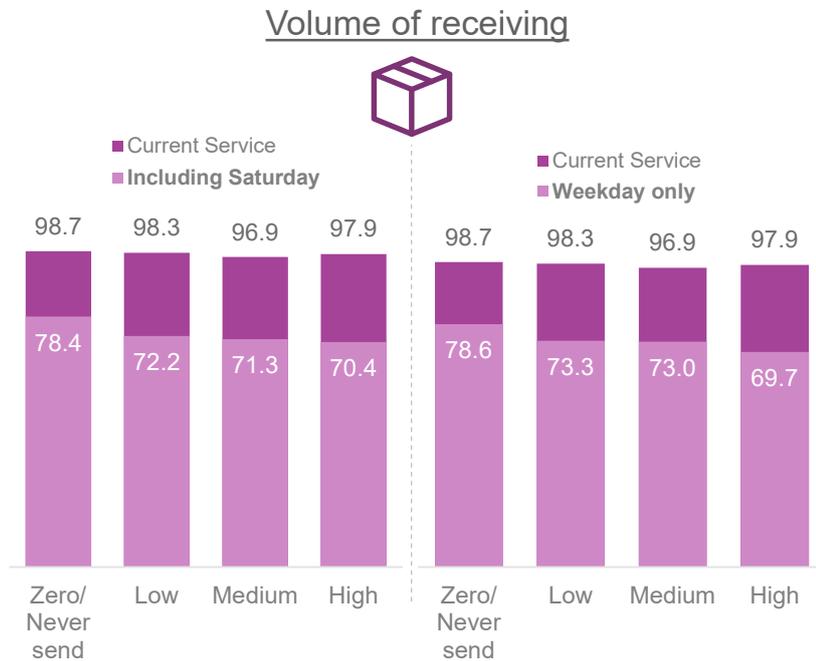
Source: Conjoint – Residential (n=4596)

Figure 82 shows the proportion of participants who would send the same amount of letters or parcels with Royal Mail (i.e. their behaviour would not change) for each of the services tested.

Looking across all three of the services tested, generally speaking, the older the participant, the less likely it is that their behaviour would change in response to the new service options. Behaviour generally was less likely to change in relation to letters than parcels.

Figure 82: Proportion who would send the same amount with Royal Mail (i.e. no change)
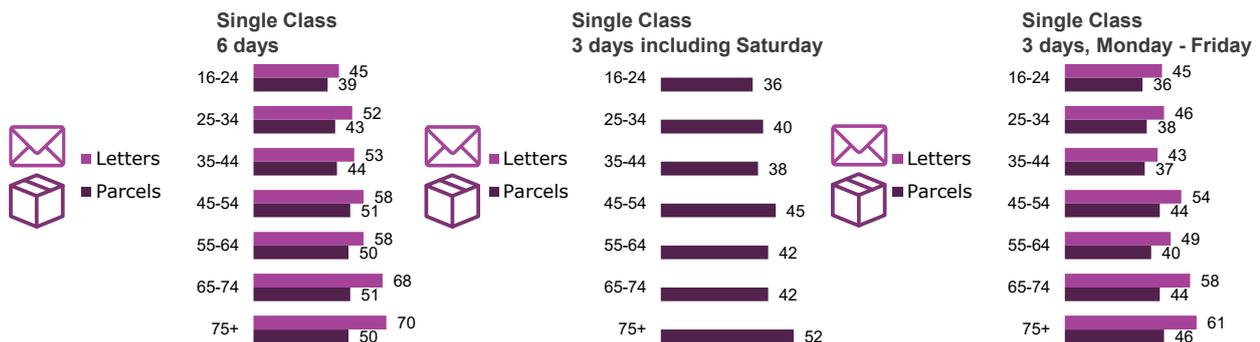
Source: RES: E2a/b. If Royal Mail changed to this new service, how would that impact the amount of letters/parcels you send? Base: Weighted residential n=4596.

8.3. The importance of availability of a guaranteed next day delivery service

Research participants were asked to consider, if there was a Single Class service that took 2 days for items to be delivered, how important it would be to them to also have a guaranteed next day delivery service available (**Figure 83**)

Fifty seven percent feel that it would be important to have guaranteed next day delivery for most/some of the letters or parcels they would send, in addition to a 2-day Single Class service. A further fifth (22%) said it would be important for a small number of letters or parcels. 17% said that they would not need a guaranteed next day delivery service with a 2-day Single Class service.

Figure 83: Proportion of letters/parcels for which it would be important to also have guaranteed next day delivery (in addition to the 2-day service)
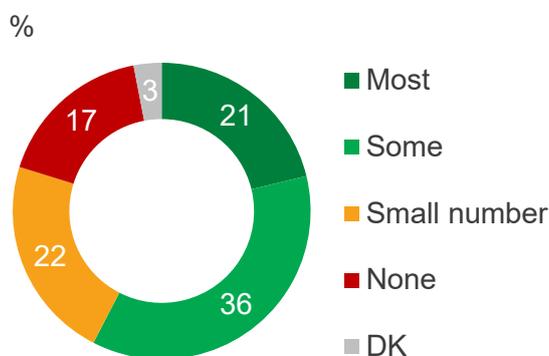
Source: Review of Postal User Needs Survey 2019

RES. E4. If there was a single class service that took 2 days for items to be delivered, how important would it be to you to also have a guaranteed next day delivery service available for the letters/parcels that you send? Base: Unweighted residential n=4596

8.4. Attitudes to elements of the postal service

Research participants were asked for their opinion on a number of elements of the postal service and how important these were to them (**Figure 84**).

Nine in ten (90%) residential research participants said it was important that they could be confident that at least 90% of sent post would be delivered on time.

Ninety two percent felt it was important that the price of sending post was kept affordable.

Monday to Friday deliveries were more valued than deliveries on Saturdays. Seventy four percent agreed that it was important that post be delivered Monday to Friday vs. fifty seven percent agreeing that it was important to be delivered on Saturdays.

Seventy six percent of high letter receivers and seventy seven percent of high parcel receivers agreed it was important that post be delivered Monday to Friday (vs. 74% overall).

Fifty nine percent of high letter receivers and sixty five percent of high parcel receivers agreed it was important that post be delivered on Saturdays (vs. 57% overall).

Sixty one percent felt that it was important that post was delivered 6 days a week, but a fifth (20%) said it was not very or not at all important.

Three-quarters (75%) felt that it was important that a next day post service was available to them. This rose to 80% amongst high letter senders (5+ per month) and 83% amongst high parcel senders (5+ per month).

Figure 84: Importance to you that…

Legend: DK · Not at all · Not very · Neither · Important · Very important   *% important*

	DK	Not at all	Not very	Neither	Important	Very important	% important
The price of sending post is kept affordable	1	1		5	35	57	92
I can be confident that at least 90% of sent post will be delivered on time		2		7	46	44	90
A next day delivery post service is available		2	7	14	42	34	75
Post is delivered to your home Monday to Friday		2	7	16	45	29	74
Post is delivered to your home 6 days a week			5	15	19	37	24	61
Post is delivered to your home on Saturdays	1	5	16	22	35	21	57

Source: Review of Postal User Needs Survey 2019

E6. How important is it to you that…Base: Unweighted residential n=4596

Residential research participants were asked how important it was to them to have end to end tracking for sending or receiving parcels (**Figure 85**). Around three-quarters said that end to end tracking was important for parcels, either sending (74%) or receiving (78%).

The proportion saying end to end tracking was important for receiving parcels was higher amongst younger people (86% of 16-34s, 83% of 35-54s compared with 68% of those aged 55+) and those who said they used Royal Mail's competitors (87%).

Figure 85: Importance of end to end tracking for PARCELS
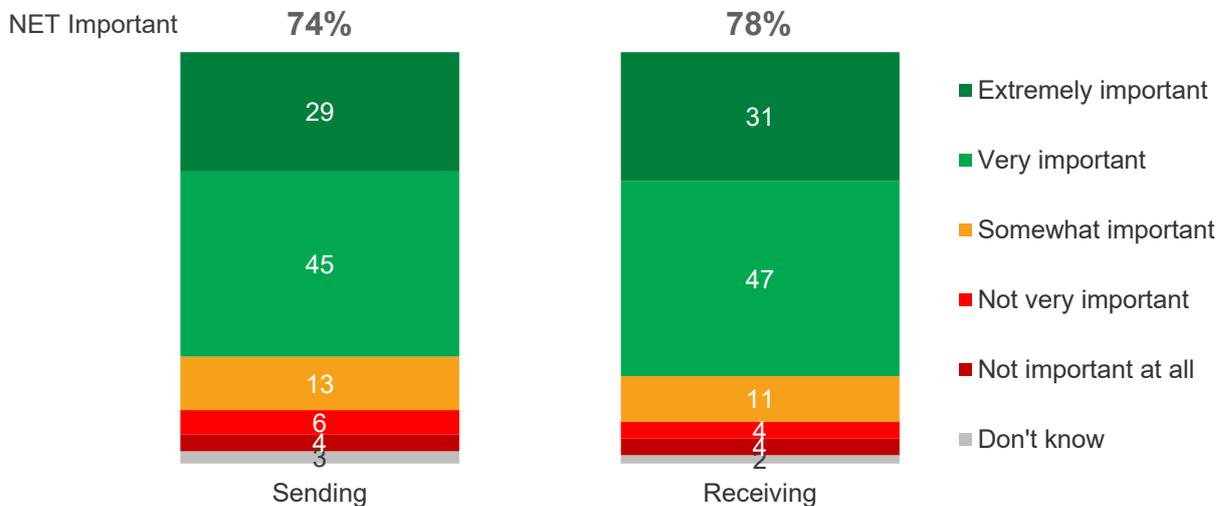
NET Important   **74%**   **78%**

Legend: Extremely important · Very important · Somewhat important · Not very important · Not important at all · Don't know

	Sending	Receiving
Extremely important	29	31
Very important	45	47
Somewhat important	13	11
Not very important	6	4
Not important at all	4	4
Don't know	3	2

9. Acceptability of changing the universal service: SME

9.1. Simulated impact of changing the universal service

9.1.1. The current UK postal service

As per the residential sample, we established a base line, simulating the current UK postal service. The attributes and levels associated with this simulation are shown below (**Figure 86**).

Figure 86: The current UK postal service

Delivery days - Letters	6 days a week
Delivery days - Parcels	6 days a week
Level of service	First Class (that arrives the next day 93% of the time)
	Second Class (that arrives within 3 days 98.5% of the time)
Example prices	First Class standard letter 70p
	Second Class standard letter 61p
	First Class small parcel £3.55
	Second Class small parcel £3.00

Source: Conjoint – SME participants (n=961)

Overall, the current postal service was predicted to meet the needs of 97% of UK SMEs (**Figure 87**). The proportion of needs being met was lowest for Scotland among the key firmographics measured.

The current postal service was predicted to meet the needs of almost all SMEs in Wales and Northern Ireland, and 99% of those with 10-49 employees.

Figure 87: Proportion for whom current postal service meets needs

%

Category	Current Service
Total	97.0
1-4	97.0
5-9	96.7
10-49	99.0
50-249	97.4
England	96.9
Wales	99.7
Scotland	95.9
NI	99.6
Urban	97.4
Rural	96.3
Deep Rural	96.3
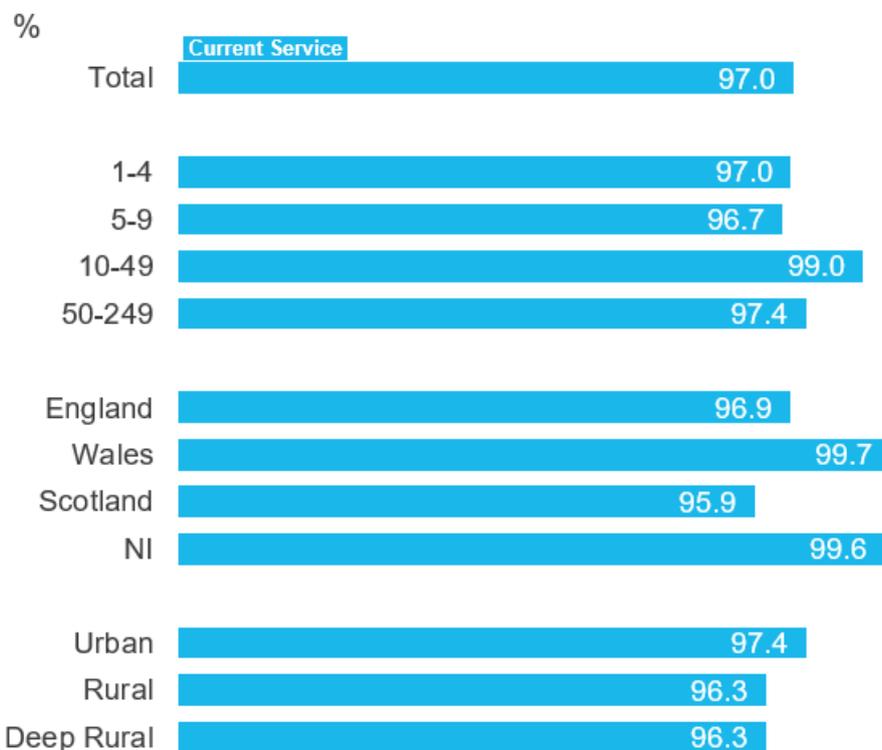
Source: Conjoint – SME participants (n=961)

To understand what elements of the service, have the most impact on acceptability of the service, we conducted a sensitivity analysis. The sensitivity analysis involves changing one level of the current service at a time to see what reduces acceptability of the service the most.

From this analysis we can see in **Figure 88** that for UK SMEs increasing the price to its highest level (£1.02 for a First Class letter stamp) is predicted to meet the needs of a higher proportion (84.7%) of SMEs than reducing the service beyond a delivery time of 3 days (83.7% - 72.2%).

Changing the number of delivery days from 6 days to 5 days (Mondays to Fridays) for letters shows that SMEs marginally preferred 5 days (Monday -Friday) to 6 days letter delivery (97.1% vs 97%)

Figure 88: Sensitivity Analysis – Predicted proportion whose needs are met after changing one level of the current service

Delivery days - Letters

6 days a week	97.0
5 days – inc Sat	96.5
5 days – Mon-Fri	97.1
4 days – inc. Sat	84.5
4 days – Mon-Fri	88.1
3 days – inc Sat	74.8
3 days – Mon - Fri	77.5

Delivery days - Parcels

6 days a week	97.0
5 days – inc Sat	97.0
5 days – Mon-Fri	96.1
4 days – inc. Sat	92.6
4 days – Mon-Fri	92.6
3 days – inc Sat	89.5
3 days – Mon - Fri	90.6

Level of service

Current service	97.0
Current service - 90%	91.3
Current Service - 80%	89.6
2 days 95%	91.8
2 days 87.5%	87.2
2 days 80%	84.6
3 days 95%	87.3
3 days 87.5%	83.7
3 days 80%	80.8
4 days 95%	81.4
4 days 87.5%	78.9
4 days 80%	78.2
5 days 95%	76.1
5 days 87.5%	72.2
5 days 80%	74.5

-5% changing to Single Class service

Example Prices

Current Price	97.0
Current + 10%	95.8
Current + 20%	95.0
Current + 30%	94.0
Current + 40%	84.7

Source: Conjoint – SME participants (n=961)

9.1.2. The current UK postal service – impact of letter frequency

Figure 89 examines the predicted level of needs being met when changing the days that letters are being delivered (while holding all other elements of the current postal service as they are). In Figure 89 we were particularly interested in comparing the importance of including Saturday delivery in the USO as the number of delivery days were reduced.

When the number of delivery days is lowered to 3 or 4, a Monday-Friday delivery met the needs of a higher proportion than when a Saturday was included.

Figure 89: 1st and 2nd Class Service that delivers… (letters)

Source: Conjoint – SME participants (n=961)

9.1.3. The current UK postal service – impact of parcel frequency

Figure 90 examines the predicted level of needs being met when changing the days that parcels are being delivered (while holding all other elements of the current postal service as they are). In Figure 90 we were particularly interested in comparing the importance of including Saturday delivery in the USO as the number of delivery days were reduced.

In Figure 89 we saw a delivery between Monday-Friday met the needs of a higher proportion when the number of delivery days was reduced, regardless of the level of that reduction. Figure 90 for parcels, shows that including a Saturday delivery meets the needs of a higher proportion when the service is reduced to 5 or 4 days a week, while if parcel delivery is reduced to 3 days then Monday-Friday meets the needs of a higher proportion.

Figure 90: 1st and 2nd Class Service that delivers… (parcels)

─── Including Saturday   ─── Monday - Friday

97.0   97.0

97.0   96.1   92.6   90.6

                              92.6

                                        89.5

% Meets needs

6 days a week   5 days a week   4 days a week   3 days a week

Source: Conjoint – SME participants (n=961)

9.1.4. A high-quality Single Class service

Our next avenue of investigation was to understand the impact of removing the 1st and 2nd Class services in favour of a single class service. To enable a fair comparison against 1st and 2nd Class we first look at a single class service that can arrive within 2 days 95% of the time (a high level of service). The rest of the scenario attributes remain the same as they were when we established baseline levels for the current postal service in Figure 86.

Figure 91 shows the attributes and levels that were used to simulate a high-quality Single Class service for UK SMEs.

Figure 91: Simulated Single Class service

Delivery days - Letters	6 days a week
Delivery days - Parcels	6 days a week
Level of service	Single class that arrives within 2 days 95% of the time
Example prices	Single Class Letter 65p Single Class Small Parcel £3.30

Source: Conjoint – SME participants (n=961)

Figure 92 shows the simulated impact of changing from the current postal service to a high-quality Single Class service among key firmographics. At a total level, the high-quality Single Class service is predicted to meet the needs of 92% of UK SMEs, 5% lower than the current postal service was predicted to do (97%).

The bars on the left-hand side show the proportion of UK SMEs (first overall and then by specific subgroups) for whom the simulated high-quality Single Class service from Figure 91 is predicted to meet their needs. This is

compared with the simulated current service using blue dots. On the right-hand side of the chart the percentage change is shown i.e. the reduction level in needs being met.

Sub-groups for whom a change from the current service to a Single Class service has the most impact on their predicted needs being met are those in rural areas (90%) and SMEs with 1-4 employees (91.5%).

Figure 92: Proportion for whom the Single Class service meets needs
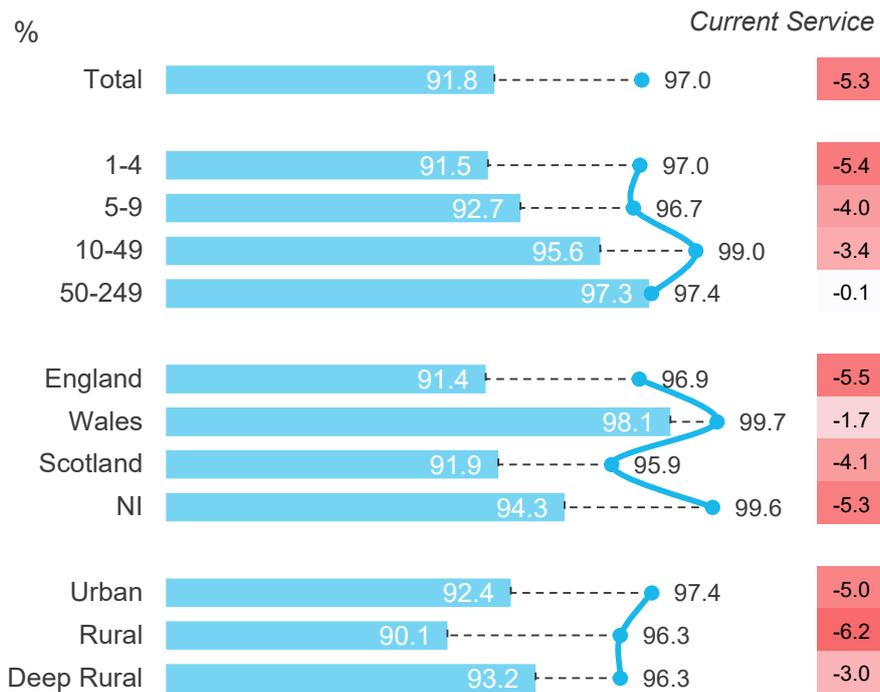
Source: Conjoint – SME participants (n=961)

Figure 93 shows the sensitivity analysis of the high-quality Single Class service and the extent to which needs are met after changing one level of service.

From this analysis the conjoint data predicts that reducing from a 6 day to a 5 day Mon-Fri service (in addition to being a Single Class service) would have little impact on the Postal service meeting the needs of SMEs – moving from 91.8% to 88.5% for letters or 90.8% for parcels.

Figure 93: Meets needs after changing 1 level of the Single Class service

Delivery days - Letters

6 days a week	91.8
5 days – inc Sat	86.3
5 days – Mon-Fri	88.5
4 days – inc. Sat	76.1
4 days – Mon-Fri	78.8
3 days – inc Sat	68.3
3 days – Mon - Fri	71.5

Delivery days - Parcels

6 days a week	91.8
5 days – inc Sat	90.5
5 days – Mon-Fri	90.8
4 days – inc. Sat	86.7
4 days – Mon-Fri	87.2
3 days – inc Sat	83.3
3 days – Mon - Fri	85.4

Level of service

Current service	97.0
Current service - 90%	91.3
Current Service - 80%	89.6
2 days 95%	91.8
2 days 87.5%	87.2
2 days 80%	84.6
3 days 95%	87.3
3 days 87.5%	83.7
3 days 80%	80.8
4 days 95%	81.4
4 days 87.5%	78.9
4 days 80%	78.2
5 days 95%	76.1
5 days 87.5%	72.2
5 days 80%	74.5

Level of service scores are the same as current level of service

Example Prices

Current Price	91.8
Current + 10%	87.7
Current + 20%	86.8
Current + 30%	86.5
Current + 40%	77.7

Source: Conjoint – SME participants (n=961)

In **Figure 94** we investigate how increasing monthly spend and reliance on postal services affects SMEs' reactions to a move to a high-quality Single Class service. The darker blue bar shows the predicted proportion of the current postal service meeting the needs of each subgroup, while the lighter blue shows the predicted proportion of needs being met by the high-quality Single Class service.

Figure 94 shows that a switch to a high-quality Single Class service from the current service has the most impact among SMEs who consider parcels as core to their business, falling from 96.2% to 80.1%.

Figure 94: Meets needs (change to a Single Class service)
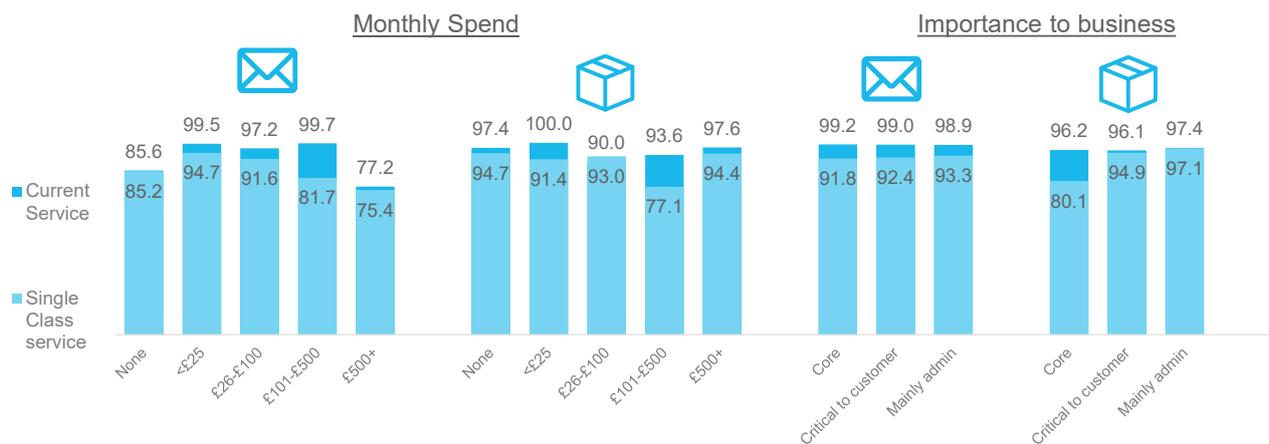
Source: Conjoint – SME (n=961)

9.2. Specific scenario testing

In addition to the conjoint, research participants were asked what they would do in relation to three different postal service scenarios. These scenarios represent substantial changes in service – the removal of a next-day first class service, alone and combined with a reduction in delivery frequency. They were chosen to test how user behaviour might change if the service was materially altered in this way. **Figure 95** shows the different scenarios that were shown to the research participants. In the following sections we present the results for each of these scenarios and corresponding conjoint predictions for meeting people's needs.

Figure 95: Standalone Services

	Current Service	Vs	New service 1	New service 2	New service 3
Delivery days - <u>Letters</u>	6 days a week		6 days a week	3 days a week – including Saturday	3 days a week – between Monday – Friday
Delivery days - <u>Parcels</u>	6 days a week		6 days a week	3 days a week – including Saturday	3 days a week – between Monday – Friday
Level of service	First Class (that arrives the **next day**) Second Class (that arrives within **3 days**)		Single class that arrives within **2 days**	Single class that arrives within **2 days**	Single class that arrives within **2 days**
Example prices of the service	First Class standard letter 70p Second class standard letter 61p First Class small parcel £3.55 Second class small parcel £3.00		Single Class Letter 65p Single Class small parcel £3.30	Single Class Letter 65p Single Class small parcel £3.30	Single Class Letter 65p Single Class small parcel £3.30

Source: Survey Questionnaire

9.2.1. A high-quality Single Class service - Proposition 1

Figure 96 examines the response to New Service 1 (**Figure 95**). For the purposes of the conjoint analysis please refer to the high-quality Single Class service shown in the previous section.

Sixty four percent would send the same or more letters and fifty one percent would send the same or more parcels via Royal Mail. Just under a fifth in each case would send the same amount of letters (17%) or parcels (18%) but send some of these by special or guaranteed delivery.

Fifteen percent claimed they would send fewer/no letters via Royal Mail and fifteen percent claimed they would send fewer/no parcels via Royal Mail if there was a change to a Single Class service. Sixteen percent of SMEs said they didn't currently sent parcels via Royal Mail.

Those spending upwards of £500 per month on letters or parcels were more likely to say they would send fewer/no letters (44% vs. 15% overall) or parcels (20% vs. 15%); the effect being more significant in the case of letters.

Figure 96: If Royal Mail changed to this new service, what would be the impact on letters/parcels your business sends? (Single Class delivering 6 days per week)
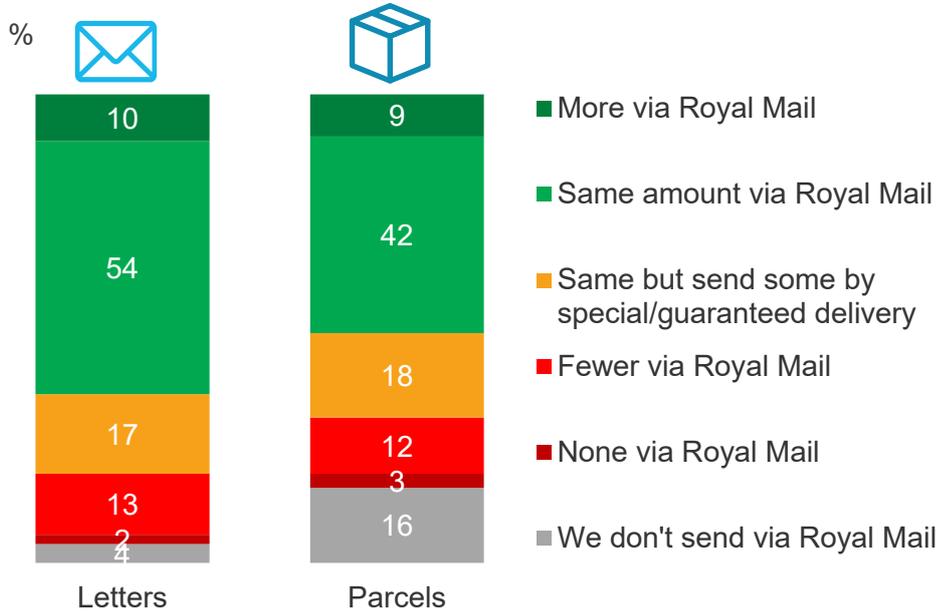
Source: SME: E2a/b. If Royal Mail changed to this new service, how would that impact the amount of letters/parcels you/your business sends? Base: Weighted SME n=961

Those who said they would send fewer or no parcels via Royal Mail were asked what they would do instead (**Figure 97**). Twenty nine percent said they'd send the same amount of parcels but use another post provider. Two-fifths (44%) would send some via Royal Mail but also use another post provider. Eighteen percent would send fewer parcels generally and nine percent would send no parcels at all.

Figure 97: If fewer parcels, what would you do instead?
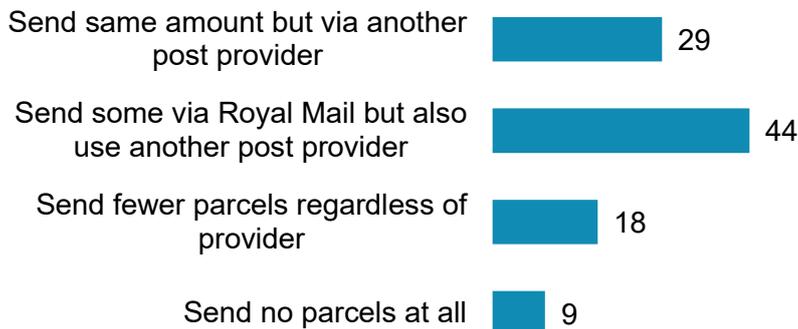
Source: E2c. You said you would send (fewer/no parcels) via Royal Mail with this new service. What would you/your business do instead? Base: all who would send fewer/none Weighted SME n=128

9.2.2. Single Class service – Proposition 2

Figure 98 shows the standalone service offering a Single Service within 2 days with delivery 3 times per week including Saturdays.

Figure 98: Single Class – 3 days per week, including Saturday

Delivery days - Letters	3 days a week – Including Saturday
Delivery days - Parcels	3 days a week – Including Saturday
Level of service	Single class that arrives within 2 days 95% of the time
Example prices	Single Class Letter 65p Single Class Small Parcel £3.30

Source: Conjoint – SME participants (n=961)

Analysing this offer via the conjoint methodology (**Figure 99**), shows that a simulated 3-day Single Class service (arrives within 2 days 95% of the time) that includes Saturday would not be acceptable to 39% of SMEs. The current postal service would be acceptable to 97% of SMEs, compared with only 60.9% in this proposed scenario.

Acceptability is further reduced in Scotland (56.2% would find it acceptable) and falls in correlation with rurality of location (only 41.9% of those in deep rural locations would find it acceptable).

Figure 99: Proportion for whom service meets needs

	%	Current Service	
Total	60.9	97.0	-36.2
1-4	60.3	97.0	-36.7
5-9	68.4	96.7	-28.3
10-49	66.1	99.0	-32.9
50-249	58.9	97.4	-38.5
England	60.3	96.9	-36.6
Wales	70.2	99.7	-29.5
Scotland	56.2	95.9	-39.7
NI	79.8	99.6	-19.8
Urban	65.5	97.4	-31.9
Rural	52.1	96.3	-44.2
Deep...	41.	96.3	-54.3
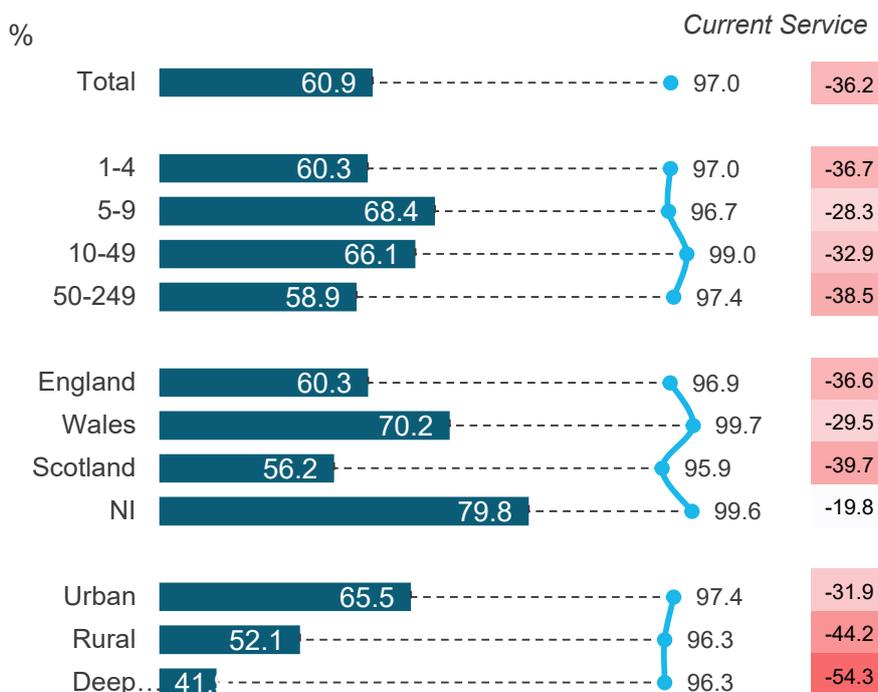
Source: Conjoint – SME participants (n=961)

Figure 100 shows that 27% of SMEs claim they would send fewer/no parcels via Royal Mail with a Single Class 3-day service that includes a Saturday. Twenty six percent claim they would send fewer/no letters via Royal Mail.

Businesses with 50+ employees were more likely to send fewer/no letters via RM (38% vs. 26% overall).

Those spending upwards of £500 per month on letters or parcels were more likely to say they would send fewer letters (46% vs. 26% overall) or parcels (42% vs. 27%).

**Figure 100: If Royal Mail changed to new service, what would be the impact on letters/parcels you/your business sends? (Single Class, 3 days per week, including Saturday)**
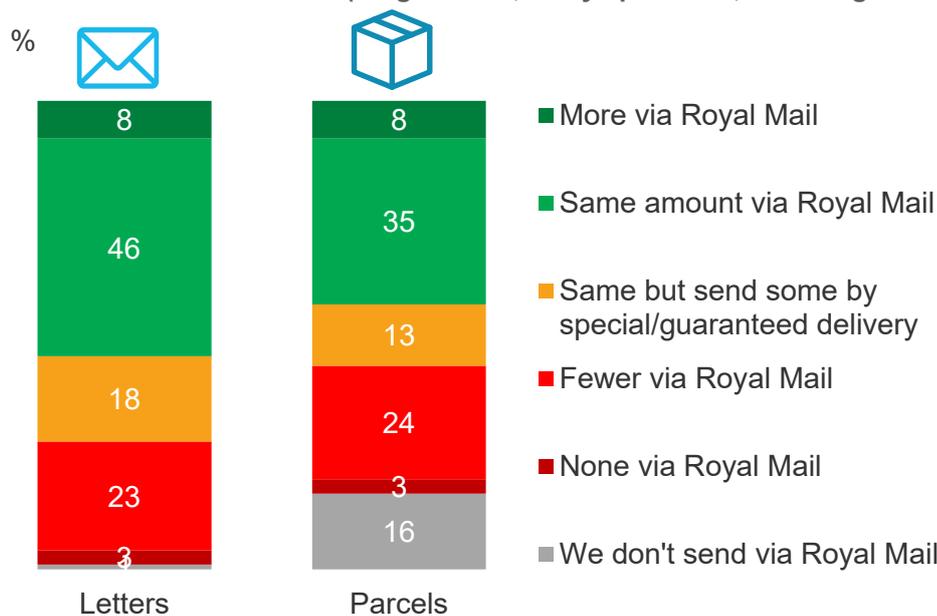
Source: SME: E2a/b. If Royal Mail changed to this new service, how would that impact the amount of letters/parcels you/your business sends? Base: Weighted SME n=961.

Those who said they would send fewer or no parcels via Royal Mail were asked what they would do instead (**Figure 101**). Thirty four percent said they'd send the same amount of parcels but use another post provider. Almost half (48%) would send some via Royal Mail but also use another post provider. Fourteen percent would send fewer parcels generally and four percent would send no parcels at all.

Figure 101:   If fewer parcels, what would you do instead?
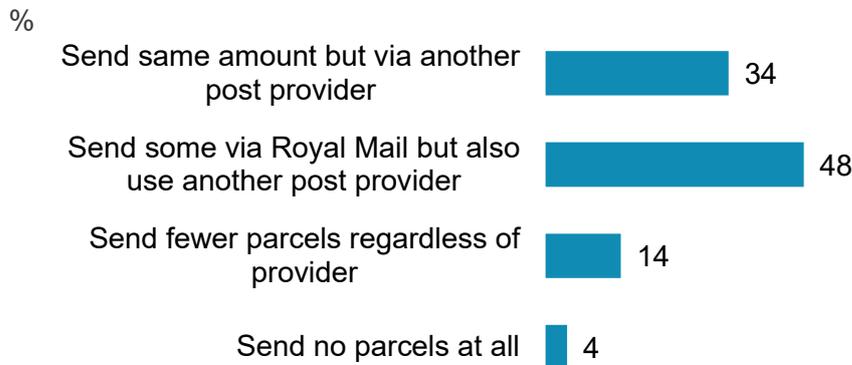
%

Send same amount but via another post provider — 34

Send some via Royal Mail but also use another post provider — 48

Send fewer parcels regardless of provider — 14

Send no parcels at all — 4

Source: E2c. You said you would send (fewer/no parcels) via Royal Mail with this new service. What would you/your business do instead? Base: all who would send fewer/none Weighted SME n=232

9.2.3. Single Class service – Proposition 3

Figure 102 shows the standalone service offering a Single Service within 2 days, with delivery 3 days a week only on weekdays (Monday-Friday).

Figure 102:   Single Class – 3 days per week, Monday-Friday

Delivery days - Letters	3 days a week – Between Monday-Friday
Delivery days - Parcels	3 days a week – Between Monday-Friday
Level of service	Single class that arrives within 2 days 95% of the time
Example prices	Single Class Letter 65p Single Class Small Parcel £3.30

Source: Conjoint – SME participants (n=961)

Figure 103 shows the standalone service offering a reduced 3-day Single Service within 2 days with delivery only on weekdays (Monday-Friday).

If the reduced 3-day service was weekday-only, acceptability would increase to 65% (from the Saturday option) but is still a reduction of 32% compared to the current postal service.

Acceptability falls in correlation with rurality of location (only 52% of those in deep rural and 53% in rural locations would find it acceptable).

Figure 103: **Proportion for whom service meets needs**
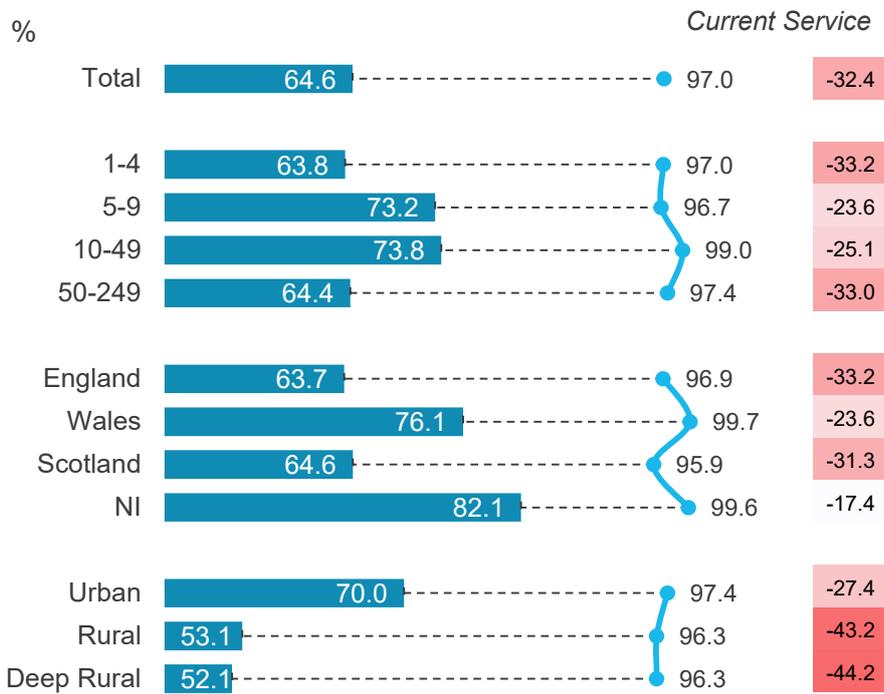
Source: Conjoint – SME (n=961)

Figure 104 shows that 28% of SMEs claim they would send fewer/no parcels via Royal Mail with a Single Class 3-day service Monday-Friday. Twenty nine percent claim they would send fewer/no letters via Royal Mail.

Those spending upwards of £500 per month on letters or parcels were more likely to say they would send fewer letters (48% vs. 29% overall) or parcels (44% vs. 28%).

Figure 104: **If Royal Mail changed to new service, what would be the impact on letters/parcels you/your business sends? (Single Class, 3 days per week, Monday-Friday)**

%

	Letters	Parcels
More via Royal Mail	7	8
Same amount via Royal Mail	45	37
Same but send some by special/guaranteed delivery	16	14
Fewer via Royal Mail	27	22
None via Royal Mail		6
We don't send via Royal Mail	3	13
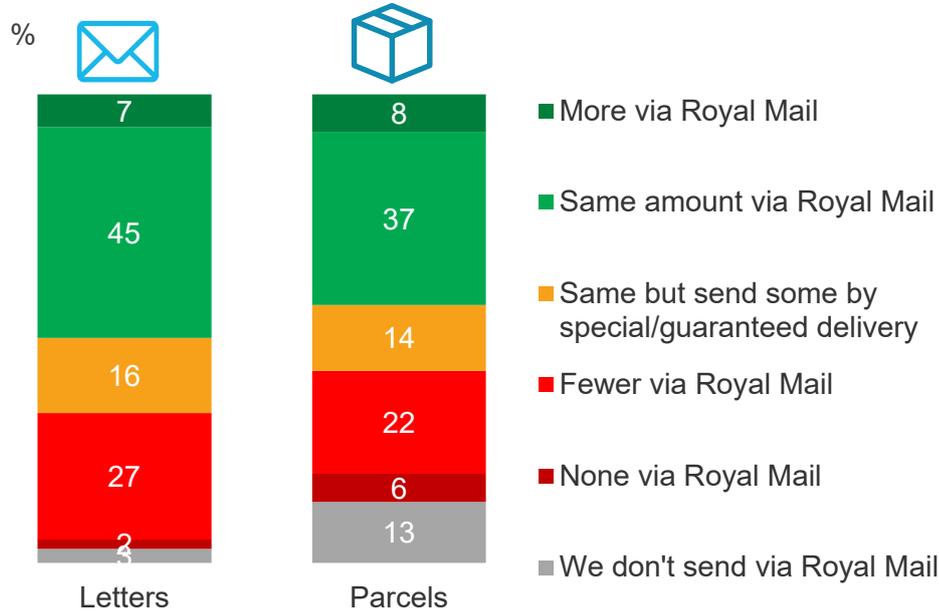
Source: SME: E2a/b. If Royal Mail changed to this new service, how would that impact the amount of letters/parcels you/your business sends? Base: Weighted SME n=961.

Those who said they would send fewer or no parcels via Royal Mail were asked what they would do instead (**Figure 105**). Thirty four percent said they'd send the same amount of parcels but use another post provider. Forty five percent would send some via Royal Mail but also use another post provider. Eleven percent would send fewer parcels generally and nine percent would send no parcels at all.

Figure 105: **If fewer parcels, what would you do instead?**

%

Send same amount but via another post provider	34
Send some via Royal Mail but also use another post provider	45
Send fewer parcels regardless of provider	11
Send no parcels at all	9

Source: E2c. You said you would send (fewer/no parcels) via Royal Mail with this new service. What would you/your business do instead? Base: all who would send fewer/none Weighted SME n=238

9.2.4. Proposition comparison – impact of weekday only versus including Saturday

The following section looks to compare the impact of weekday and weekend delivery options under a scenario where there is a Single Class service.

Figure 106 compares a Single Class service that delivers post within 2 days 95% of the time and delivers on 3 days Monday to Friday versus the same proposition but with the delivery days including Saturday. The lighter blue bar shows a 3-day service including Saturdays, the darker blue bar shows a 3-day service Monday to Friday only,

Under this scenario, the weekday only delivery is predicted to meet the needs more than the delivery that includes Saturday across all business firmographics.

Figure 106: **Meets needs – Weekday only vs Including a Saturday comparison**

Delivery days - Letters	Delivery days - Parcels	Level of service	Example prices
3 days a week	3 days a week	Single class that arrives within 2 days 95% of the time	Single Class Letter 65p Single Class Small Parcel £3.30
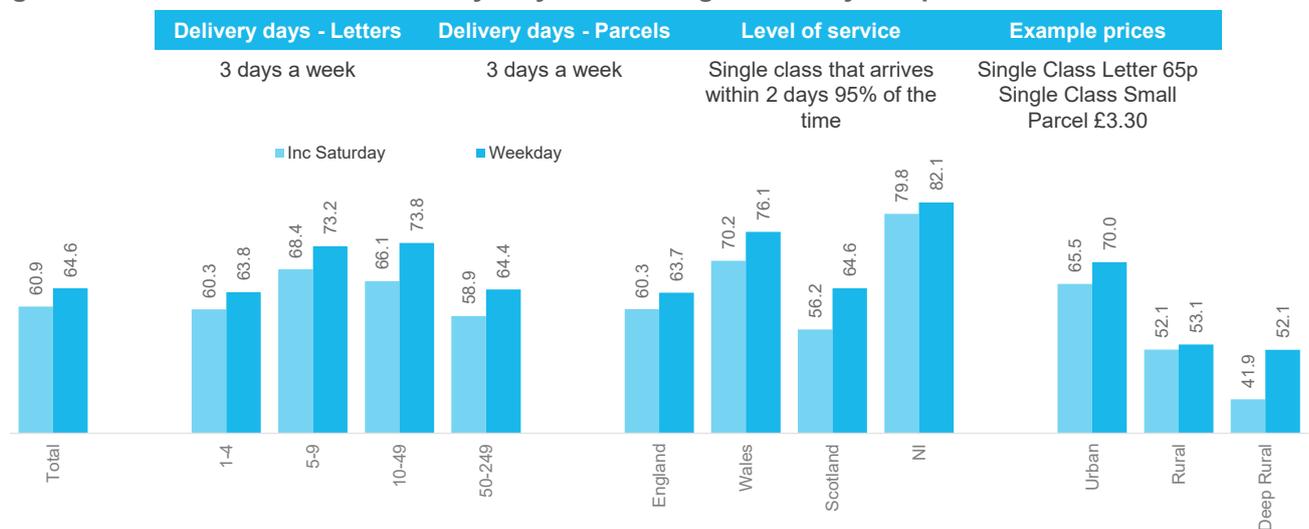
Source: Conjoint – SME (n=961)

9.3. The importance of a guaranteed next day delivery service

Research participants were asked to consider if there was a Single Class service that took 2 days for items to be delivered, how important it would be to them to also have a guaranteed next day delivery service available (**Figure 107**).

Sixty eight percent of SMEs felt that some or most of the parcels they send would need guaranteed next day delivery, in addition to a 2-day Single Class service. A further fifth (21%) said this would apply to a small number of letters or parcels. Only one in ten said that they would not need such a service.

Figure 107: Proportion of letters/parcels for which it would be important to also have guaranteed next day delivery (in addition to the 2 day service)

%
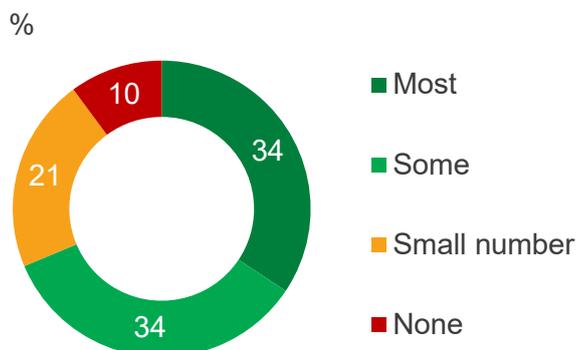
Source: Review of Postal User Needs Survey 2019

SME. E4. If there was a single class service that took 2 days for items to be delivered, how important would it be to you to also have a guaranteed next day delivery service available for the letters/parcels that your business sends?

9.4. Attitudes to elements of postal service

Research participants were asked for their opinion on a number of elements related to the postal service and how important these were to their business (**Figure 108**).

The vast majority (93%) of SMEs said it was important that they could be confident at least 90% of sent post would be delivered on time. Importance rose to 100% of those who reported spending of £500+ per month on letters and to 98% amongst those who reported spending of £500+ per month on parcels.

Eighty nine percent of SMEs felt it was important that the price of sending post was kept affordable.

Monday to Friday deliveries were more valued to SMEs than deliveries on Saturdays. Eighty seven percent agreed that it was important that post be delivered to their business Monday to Friday vs. only seventeen percent agreeing that it was important to be delivered on Saturdays.

A six day per week delivery service is not necessarily required by a majority of SMEs. A third (33%) of SMEs felt that this was important to their business but more than half (53%) said it was not very or not at all important.

Eight in ten felt that it was important that a next day post service was available to their business.

Figure 108:   Importance to your business that…

DK ■ Not at all ■ Not very ■ Neither ■ Important ■ Very important   *% important*

	% important
I can be confident that at least 90% of sent post will be delivered on time	93
The price of sending post is kept affordable	89
Post is delivered to your business Monday to Friday	87
A next day delivery post service is available	80
Post is delivered to your business 6 days a week	33
Post is delivered to your business on Saturdays	17
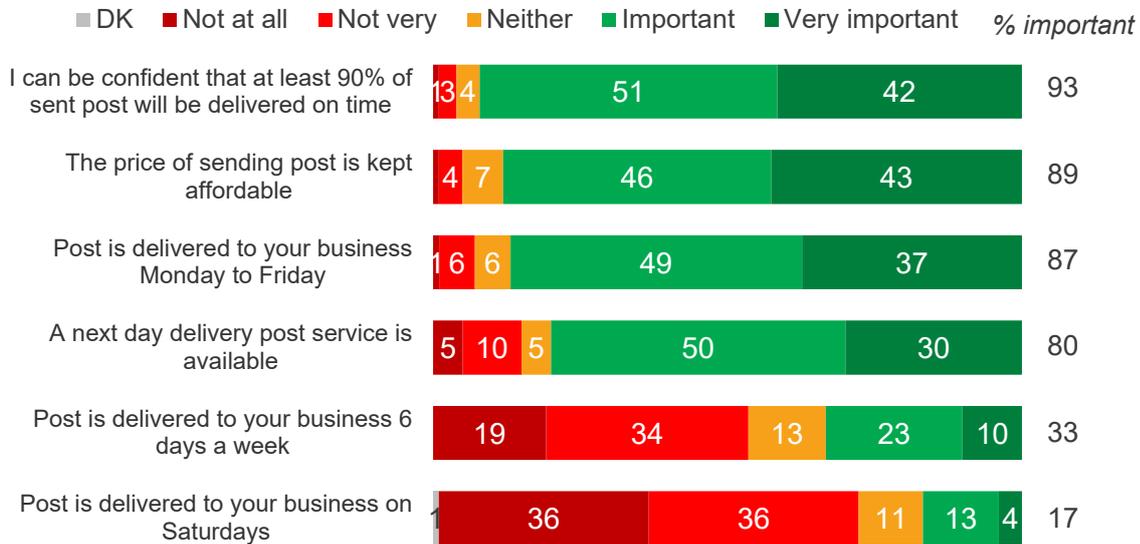
Source: Review of Postal User Needs Survey 2019

E6. How important is it to your business that…Base: all unweighted SME n=971

SMEs were asked how important it was to them to have end to end tracking for sending or receiving parcels (**Figure 109**). Seven in ten SMEs said that end to end tracking was important for parcels, either sending or receiving.

Figure 109:   Importance of end to end tracking for PARCELS

NET Important   **71%**   **71%**

■ Very important
■ Important
■ Neither
■ Not very important
■ Not important at all
■ Don't know

	Sending	Receiving
Very important	30	27
Important	41	44
Neither	8	11
Not very important	12	13
Not important at all	7	5
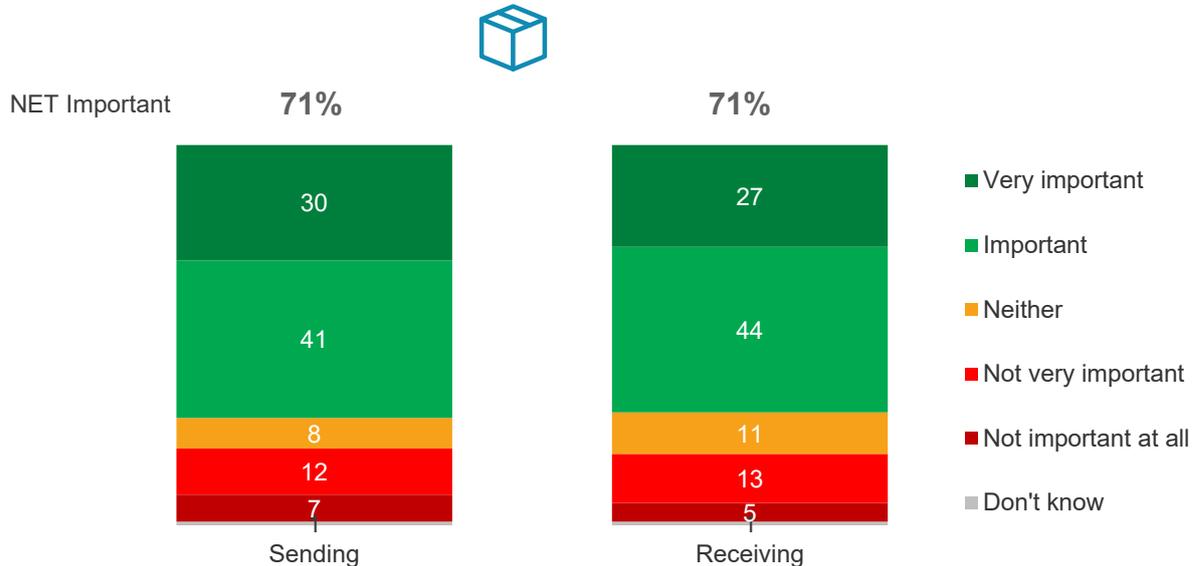
Source: SME: E7/E8. When sending a parcel/receiving a parcel, how important is it to have end to end tracking – so you can look up and track the journey of the parcel online? Base: Unweighted SME n=971

10.Future delivery points

Participants were asked to consider the concept of a "secure locker" as an alternative to delivery to the door.

Instead of letters / parcels being delivered to your door / business, they would be delivered to a secure locker in a central location (such as a local post office, shop, petrol station or train station) This would not be a personal locker, but a central bank of lockers. If you needed to pick something up, you would be sent a code via SMS or email which you could use to access the locker. The postman/woman would leave your letters in the locker for you to come and pick up at a convenient time.

Seventy six percent of Residential participants were against the concept with regard to letters, and sixty five percent were against it with regard to parcels.

Opposition was strongly correlated with age. Sixty six percent of 16-34s were against the concept for letters (vs. 76% overall), compared with eighty seven percent of those aged 55+. This correlation was also true for parcels, with 53% of 16-34s against the concept (vs. 65% overall) compared with 76% for those aged 55+.

Those in rural or deep rural locations were also more likely to be against the concept for both letters (85% vs. 76% overall) and parcels (76% vs. 65% overall).

Subgroups who were more positive about the concept included those living in Greater London (18% in favour vs. 11% for letters, 24% in favour vs. 17% for parcels), those aged 25-34 (17% in favour vs. 11% for letters, 26% in favour vs. 17% for parcels), full-time workers (16% in favour vs. 11% for letters, 24% in favour vs. 17% for parcels) and those who use Royal Mail's competitors (17% in favour vs. 11% for letters, 24% in favour vs. 17% for parcels).

Figure 5: Popularity of the "secure locker" concept (Residential)
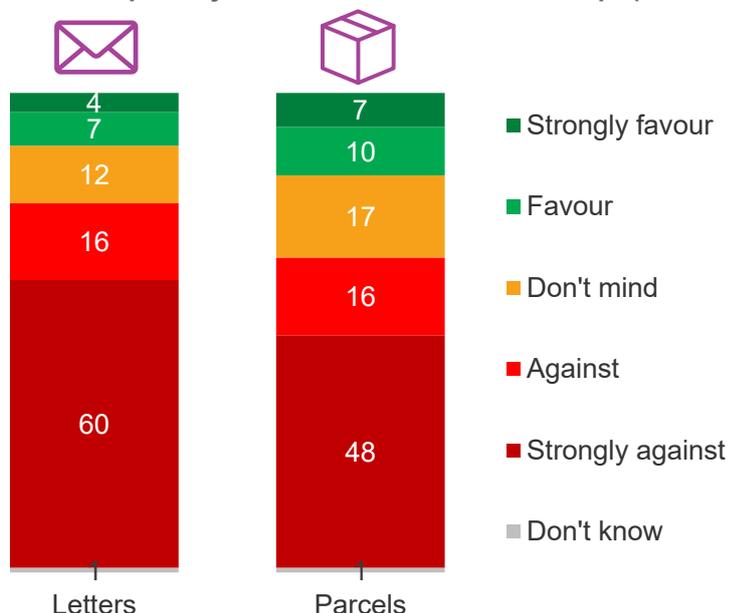
Source: Review of Postal User Needs Survey 2019

QRES F1b. For the following statements, please give me a score out of 5 where 1 means you strongly favour the idea, 5 means you are against the idea and 3 means you don't mind. Base: Unweighted residential n=4596

Opposition to the "secure locker" concept was even stronger amongst SME participants (**Figure 111**). Eighty three percent of SME participants were against the concept with regard to letters, and seventy seven percent were against it with regard to parcels.

There were no significant differences by business demographics.

Figure 6: Popularity of the "secure locker" concept (SME)
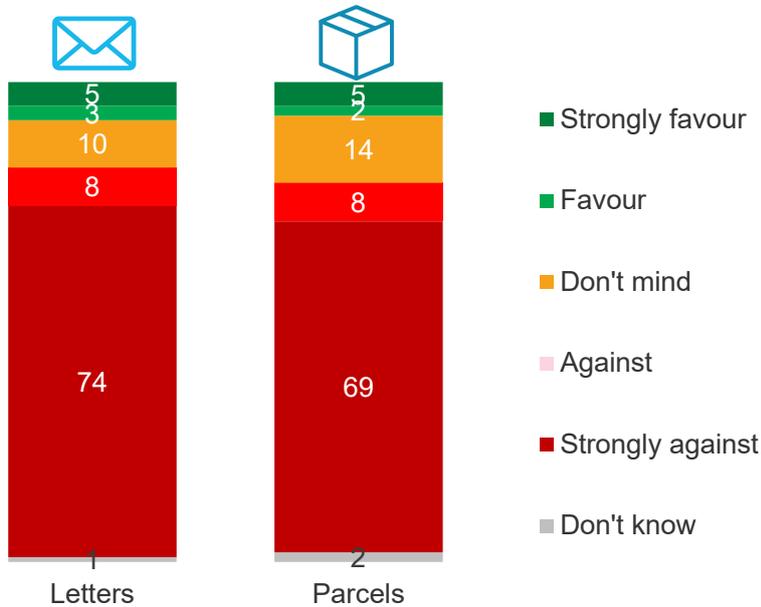
QSME F1b. For the following statements, please give me a score out of 5 where 1 means you strongly favour the idea, 5 means you are against the idea and 3 means you don't mind. Base: Unweighted SME n=971

11. Improvements to the Royal Mail service

Participants were asked an open-ended question, to choose one thing they might improve about Royal Mail's postal service (**Figure 112**). Just under two-fifths (38%) of Residential participants said they could not think of anything to improve. One in ten said a "cheaper price". Other improvements were quite diverse (representing only 1% of participants in many themes) and varied across themes of reliability, consistency, accuracy, and flexibility.

Figure 7: Things would improve about Royal Mail's postal service

%

Category	%
Cheaper price	10
Deliver post earlier in the day	6
Ensure post does not get lost	4
Ensure post received within specified delivery time	4
Delivery of post 7 days a week, including Sunday	2
Ensure post not damaged	2
Tracking as optional extra on all deliveries	2
More Post Offices needed	2
Nothing	38
Don't know	4

Source: Review of Postal User Needs Survey 2019

QRES. G1. If you could choose one thing to improve about Royal Mail postal service what would it be? Base: Unweighted residential n=4596. (NB: mentions of 1% or less have not been shown)

Some quotations giving further detail on user suggested improvements are listed below:

"The cost of sending things to Europe is expensive, should be a more affordable price. Parcel price delivery cost needs to be more competitive."

"Sorting office opening times extended or more flexible to include evening opening or an alternative drop off point. Post offices inside supermarkets and open for longer and being able to choose an after 6pm delivery at home."

"Ensuring more accurate delivery making sure you get your post and not that of somebody with a similar address. More communication on where parcels are and better communication on lost parcels."

"Have a similar delivery time each day - in my area, sometimes I receive mail at 10am, other days it will be 7pm. It's so hard to plan things - especially when waiting for an important letter"

"Give people chance to get to the door, quite a few elderly people around here, they need more time. They don't know who that parcel is being delivered to, young or old, sometimes they don't even ring bell and push card through door."

"Ensure first class arrives next day, my grandson had his 3rd birthday cards arrive after his birthday and all were posted the day before but took 2 or 3 days to arrive. First Class should be guaranteed next day, very often it's not."

SME participants were asked the same question (**Figures 113** .Thirty seven percent said there was nothing to be improved upon. Otherwise, as with Residential participants, being cheaper and earlier delivery were key issues; other improvements varied across themes of reliability, consistency, accuracy, and flexibility.

Figure 8: Things would improve about Royal Mail's postal service

%
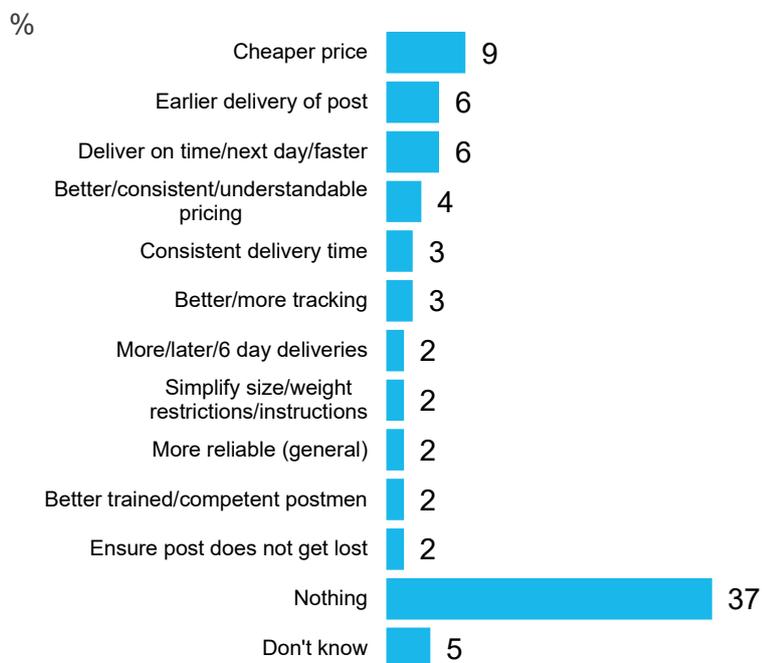
Source: Review of Postal User Needs Survey 2019

QSME. G1. If you could choose one thing to improve about Royal Mail postal service what would it be? Base: Unweighted SME n=971

12.Research Participant Profile: Residential

Figure 114: **Age and Gender**

49% 51%

Age	
16-24	13
25-34	16
35-44	17
45-54	17
55-64	14
65+	23
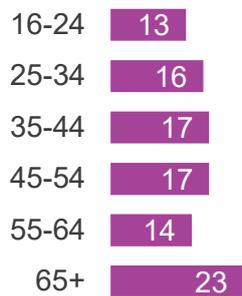
Source: Review of Postal User Needs Survey 2019

QRES. S1. Gender. S2. Age. Base: Unweighted Data n=4596

Figure 115: **Social Grade**
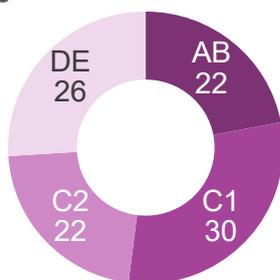
DE 26
AB 22
C1 30
C2 22

Source: Review of Postal User Needs Survey 2019

QRES. S4. SEG. Base: Unweighted Data n=4596

Figure 116: **Ethnic Minority Groups**
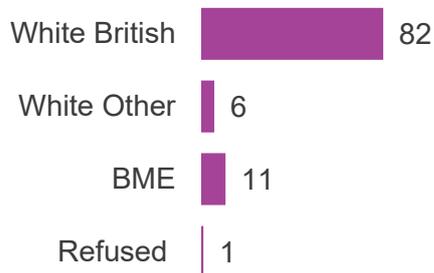
White British	82
White Other	6
BME	11
Refused	1

Source: Review of Postal User Needs Survey 2019

QRES. S4. SEG. Base: Unweighted Data n=4596

Figure 117: **Annual Household Income**

Less than £11,500	7
£11,500-£17499	13
£17,500-£29,999	18
£30,000-£49,999	19
£50,000+	12
Refused	23
Don't know	9
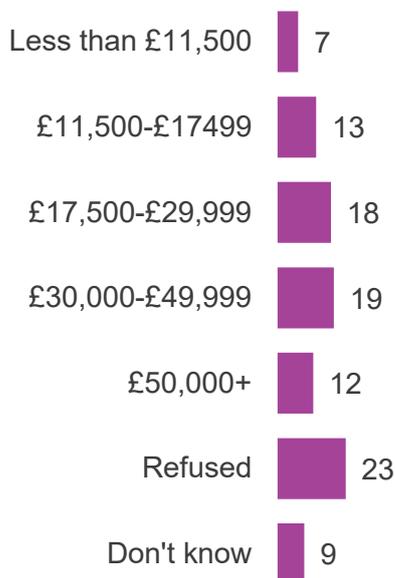
Source: Review of Postal User Needs Survey 2019

QRES. H8. Could you let me know in which group you would place your total household income per year from all sources, before tax and other deductions? Base: Unweighted Data n=4596

Figure 118:   Working Status

%

Full time	39
Part time	15
Retired	25
Still at school	1
Full time higher education	4
Unemployed (seeking work)	5
Not in paid employment	10
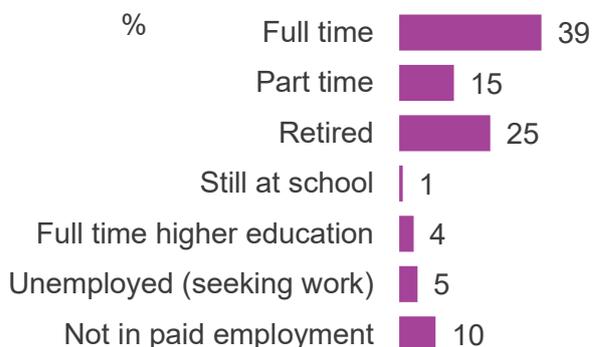
Source: Review of Postal User Needs Survey 2019

QRES. H1. What is your working status? Base: Unweighted Data n=4596

Figure 119:   Home Ownership

%

Owned outright	31
Mortgaged	25
Rented (private)	18
Rented (local authority)	14
Rented (housing authority)	8
Other	1
Refused	2
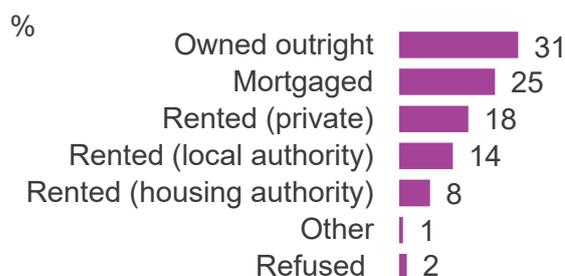
Source: Review of Postal User Needs Survey 2019

QRES H2. Which of these applies to your home?

There were an average of 2.2 adults living in the household.

Twenty nine percent of participants said that there were children under 16 living in the household. Of these households, 40% said there were children aged 0-4, 47% said there were children aged 5-9 and 53% said there were children aged 10-15.

Figure 120:   Internet usage

%

Have and use at home	93
Have at home but don't use	2
No home access, use elsewhere	1
No access	4
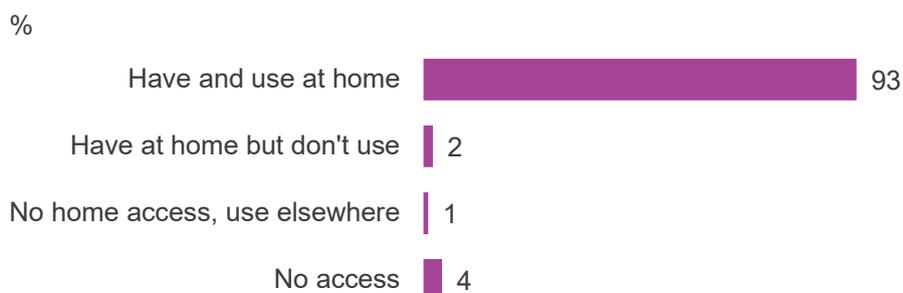
Source: Review of Postal User Needs Survey 2019

QRES H5b. Which of the following statements describes your internet usage? Base: Unweighted Data n=4596

Figure 121: **Region**

%

Region	%
South East	14
Greater London	13
North West	11
West Midlands	9
South West	9
East of England	9
Yorkshire	8
Scotland	8
East Midlands	7
Wales	5
North East	4
Northern Ireland	3

Source: Review of Postal User Needs Survey 2019

QRES. S6/7 Postcode. Base: Unweighted Data n=4596

Figure 122: **Urbanity**
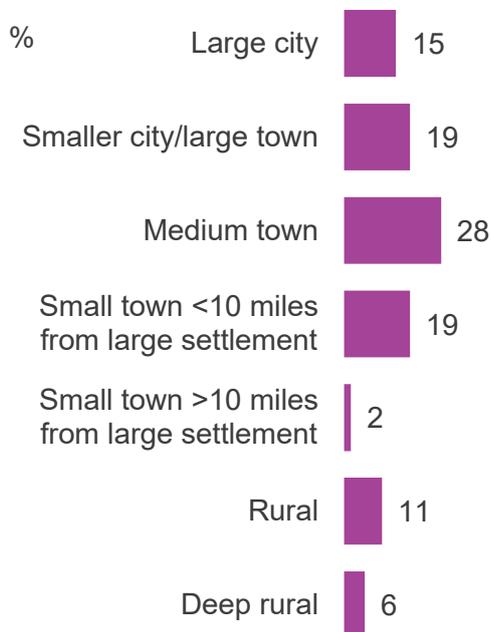
%

Urbanity	%
Large city	15
Smaller city/large town	19
Medium town	28
Small town <10 miles from large settlement	19
Small town >10 miles from large settlement	2
Rural	11
Deep rural	6

Source: Review of Postal User Needs Survey 2019

QRES. S6/7 Postcode. Base: Unweighted Data n=4596

Participants were asked if parcel companies charged an additional rate for delivery of parcels to their particular area of residence. Nine percent said that they had to pay an additional fee on parcels based on location. This was higher in Highlands & Islands (79%), Scotland (25%), Northern Ireland (21%) and those living in deep rural areas (16% amongst those living in rural locations situated more than 10 miles from a large settlement).

Figure 123:   Health limitations

%

Can't walk far/stairs	9
Mental health	7
Breathlessness	6
Limited ability to reach	3
Poor hearing	3
Poor vision	2
Can't walk at all	1
Speaking or communicating	1
Dyslexia	1
None	75
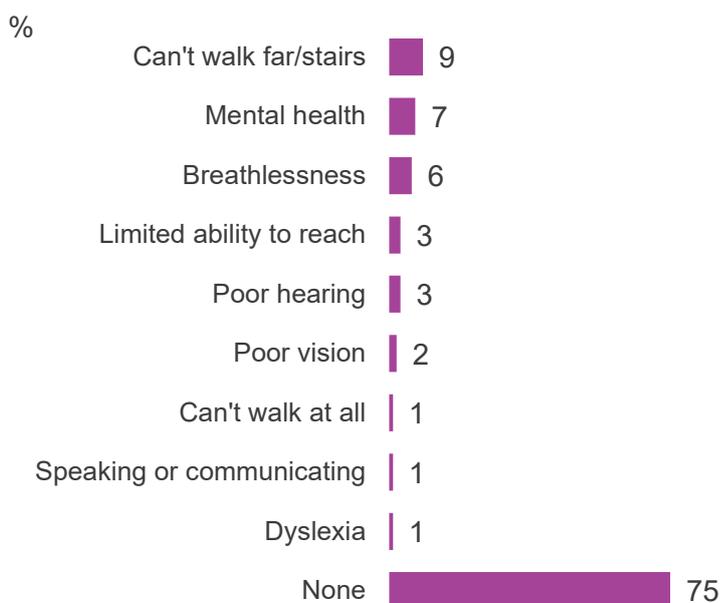
Source: Review of Postal User Needs Survey 2019

QRES H7a. Which of these if any limit your daily activities/work you can do? Base: Unweighted Data n=4596

Figure 124:   Frequency of leaving the home

%

At least once a day	76
At least once a week	20
At least once a month	2
Refused	2
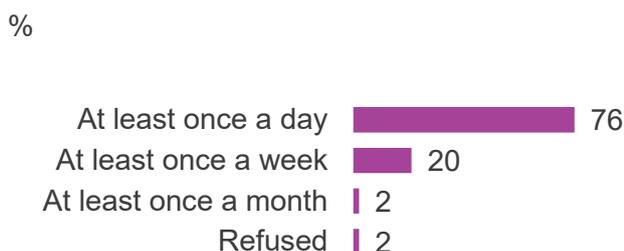
Source: Review of Postal User Needs Survey 2019

QRES H7b. How often do you tend to leave your home? Base: Unweighted Data n=4596

13.Research Participant Profile: SME

Figure 125:   **Number of employees**

%

	%
1-4	91
5-9	5
10-49	4
50-249	1
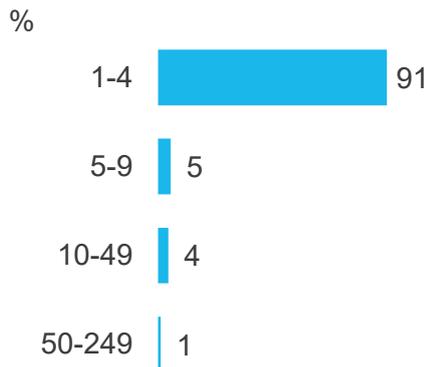
Source: Review of Postal User Needs Survey 2019

QSME A1. Approximately how many people work for your business in the UK? Base: Total SME. Unweighted Data n=971

Figure 126:   **Business operations**

%

Home 35
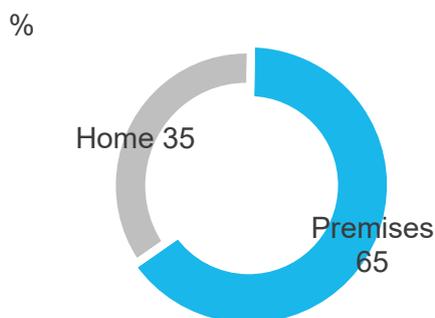
Premises 65

Source: Review of Postal User Needs Survey 2019

QSME A2. Does your business operate from business premises or from your home? Base: Total SME. Unweighted Data n=971

Figure 127:   Industry sector

%

Production	15
Retail/Leisure	19
Financial/Business	16
Public Services	13
Other Services	37
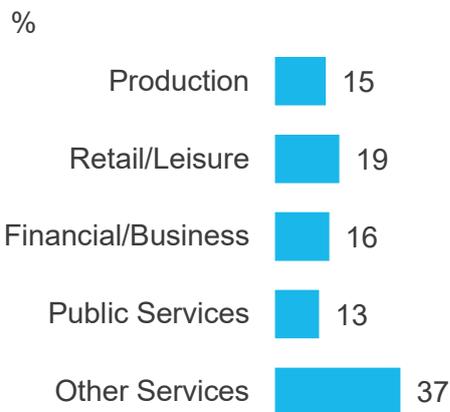
Source: Review of Postal User Needs Survey 2019

QSME A2b. Which of the following best describes the sector in which you operate? Base: Total SME. Unweighted Data n=971

Figure 128:   UK annual turnover

%

Under £50k	15
£50k-£100k	19
£100k-£250k	21
£250k-£500k	9
£500k-£1m	7
£1m-£5m	3
£5m+	1
Don't know	18
Refused	7
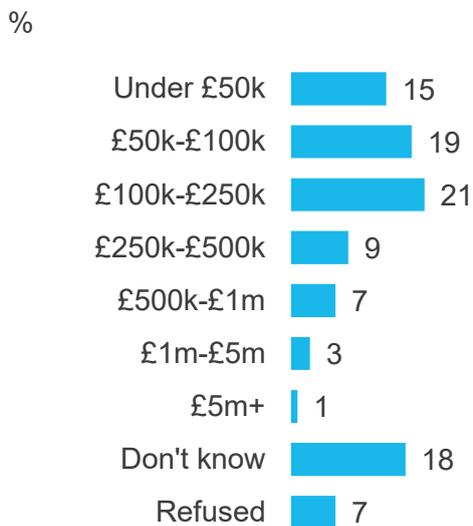
Source: Review of Postal User Needs Survey 2019

QSME A7. What is the turnover of your business overall in the UK? Base: Total SME. Unweighted Data n=971

Figure 129:   **Business location**

%

Region	%
North East	7
North West	8
Yorkshire & Humber	7
East Midlands	9
West Midlands	9
East of England	15
South East	13
South West	13
London	5
Wales	4
Scotland	6
Northern Ireland	2
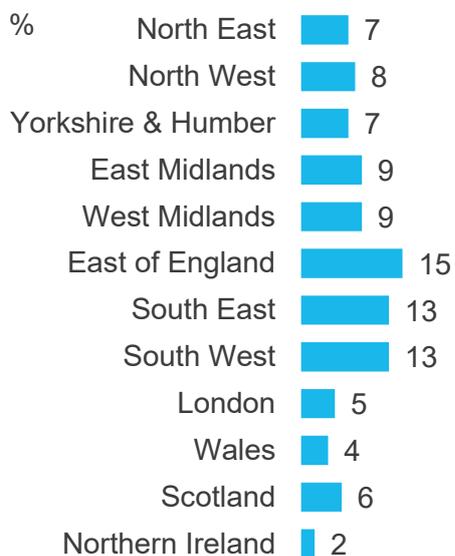
Source: Review of Postal User Needs Survey 2019

Region coded from sample. Base: Total SME. Unweighted Data n=971

Figure 130:   **Urbanity of business location**

%

Location	%
Large city	7
Smaller city/large town	17
Medium town	22
Small town <10 miles large settlement	19
Small town >10 miles large settlement	4
Rural	27
Deep Rural	4
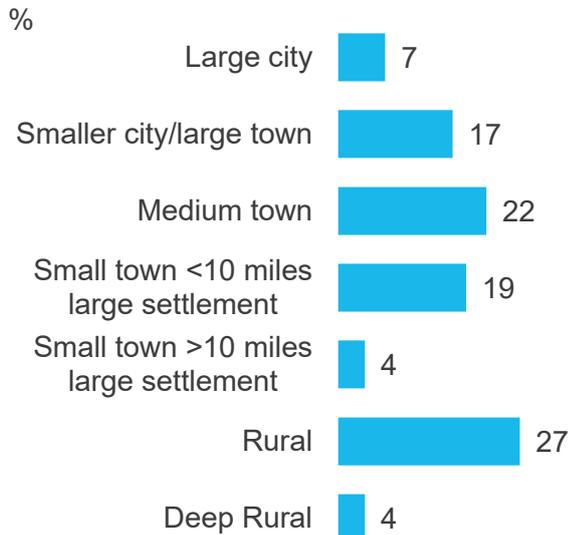
Source: Review of Postal User Needs Survey 2019

Urbanity coded from sample. Base: Total SME. Unweighted Data n=971

Figure 131:   Role of communications & technology

Vital means to drive the business forward	47
Important way of making business more efficient	29
Tool for basic communication & research	24
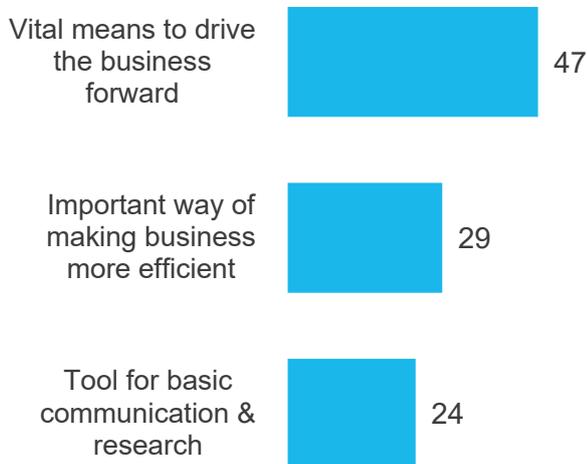
Source: Review of Postal User Needs Survey 2019

QSME A8b. What role would you say communications and technology services play in your business overall? Base: Total
        SME. Unweighted Data n=971

Figure 132:   Role of letters and parcels in the organisation
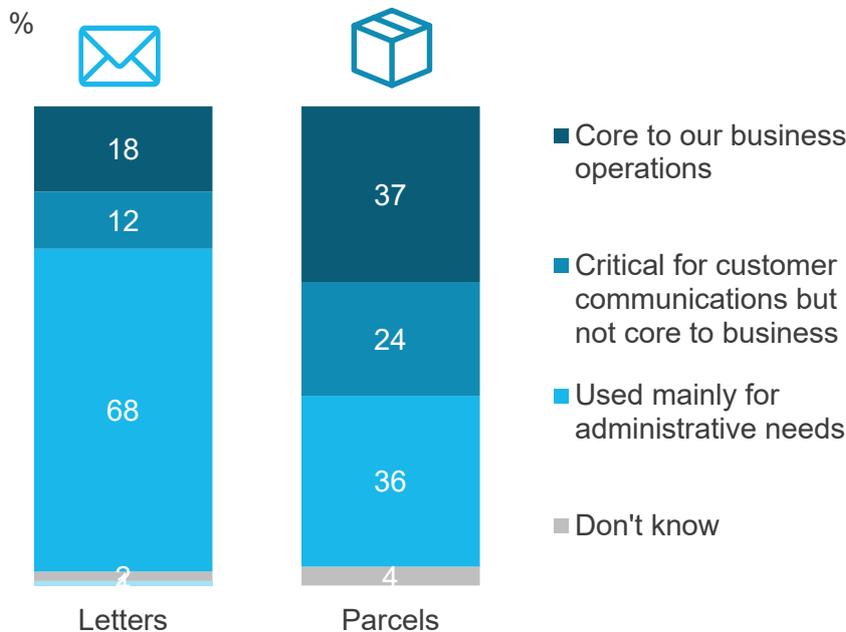
%

Letters	Parcels
18	37
12	24
68	36
2	4

- Core to our business operations
- Critical for customer communications but not core to business
- Used mainly for administrative needs
- Don't know

Source: Review of Postal User Needs Survey 2019

QSME. A4a/b. Which of the following statements best describes the role of letters/parcels in your organisation? A6a/b. And
        do you think that this will remain true over the next three years?
            Base: Total SME. Unweighted Data all sending letters n=906, all sending parcels n=571

Figure 133:   Whether role will change over next 3 years
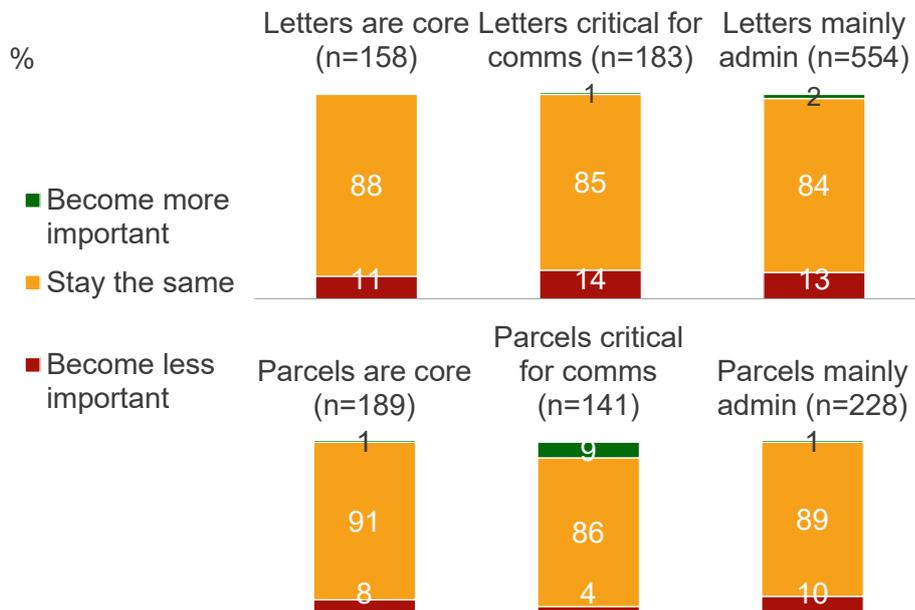
Letters are core Letters critical for Letters mainly
(n=158)   comms (n=183)   admin (n=554)

- Become more important
- Stay the same
- Become less important

Parcels are core Parcels critical Parcels mainly
(n=189)   for comms (n=141) admin (n=228)

Source: Review of Postal User Needs Survey 2019

Q SME. A4a/b. Which of the following statements best describes the role of letters/parcels in your organisation? A6a/b. And
do you think that this will remain true over the next three years? Base: Total SME. Unweighted Data all sending
letters n=906, all sending parcels n=571

Figure 134:   How positive feel about next 12 months
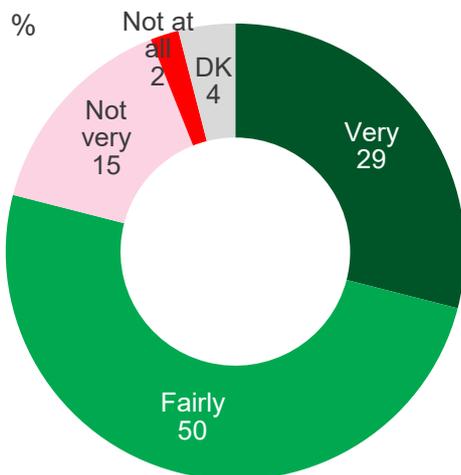
Source: Review of Postal User Needs Survey 2019

QSME A9a. How positive do you feel about the next 12 months in terms of your business's performance? Base: Total SME.
Unweighted Data n=971

Figure 135:   Growth objectives next 2-3 years

%

Objective	%
Grow significantly	8
Grow steadily	29
Grow a little	19
Stay the same	26
Respond to demand	8
Reduce	4
Don't know	4
None - not an objective	3
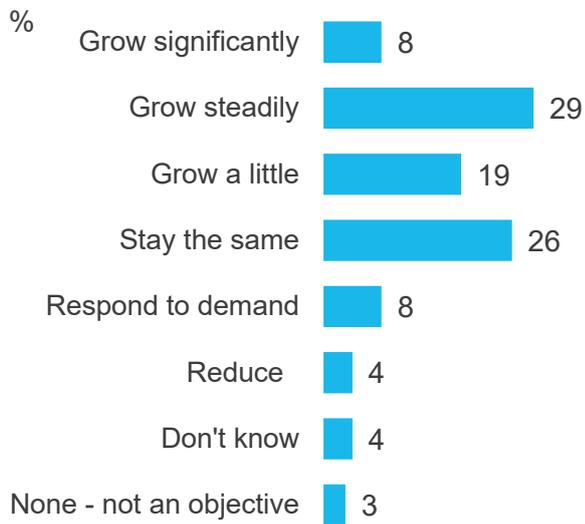
Source: Review of Postal User Needs Survey 2019

QSME A9b. Over the next 2-3 years, what are your business objectives in terms of growing the amount of business you generate? Base: Total SME. Unweighted Data n=971

14.Selling on websites and apps

Both Residential and SME participants were asked about their participation in selling on websites and on apps such as eBay and other online marketplaces (**Figures 136 and 137**).

Sixty eight percent of Residential participants said that they did this (**Figure 136**), with eBay being the most likely platform (used by 57%). Facebook Marketplace was used by 19%, Amazon or Gumtree by more than one in ten (13%).

Selling on websites and apps was strongly correlated with age. Around three quarters of those aged under 54 said that they sold on websites and apps compared just half (52%) of those aged 55+ (and only 26% of 75+).

Those selling on these sites were more likely to be using Royal Mail's competitors (seventy six percent use Royal Mail's competitors).

Figure 136:   **Selling of items via websites/apps (Residential)**

%

Platform	Value
Ebay	57
Facebook Marketplace	19
Amazon Marketplace	13
Gumtree	13
Other online marketplaces	7
Etsy	3
None of these	32
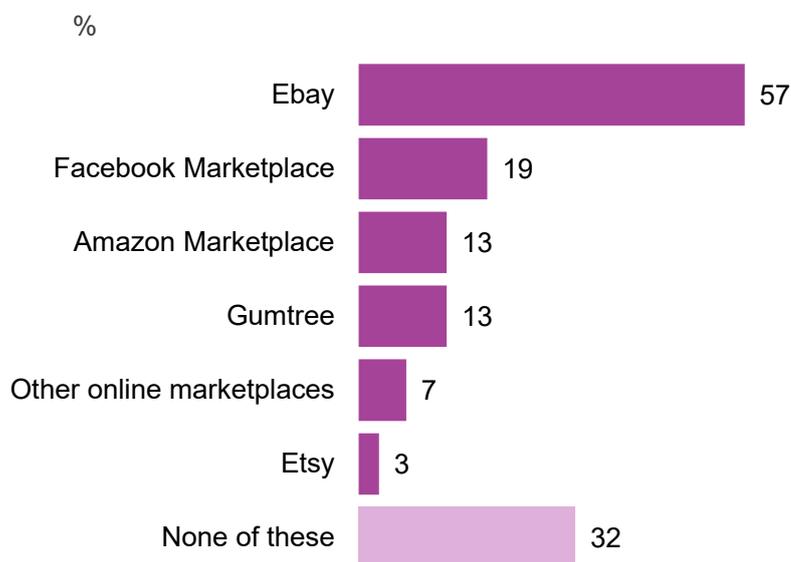
Source: Review of Postal User Needs Survey 2019

QRES B1c. Do you sell items via any of the following websites/apps? Base: Residential all sending more than one parcel per month unweighted n=984

Conversely, SME participants were far less likely to be selling on websites or apps such as eBay or other online marketplaces. Just one in five SMEs did this, (Figure 137), decreasing to one in ten businesses with 50-249 employees.

Figure 137:   Selling of items via websites/apps (SME)

%

Source: Review of Postal User Needs Survey 2019

QSME A8c Does your business sell items via any of the following websites/apps? Base: SME Total Sample unweighted
        n=971.

15. Appendices

A. Research Objectives

The detailed quantitative research objectives were as follows:

- To provide an overall assessment of 'reasonable' postal user needs
  - What elements of the postal service do users need and value the most?
  - Which other services do users need Royal Mail or other companies to provide in future?
  - How might postal users' needs change in the coming years?
- To assess current experiences of using postal services
  - How many letters and parcels do users send and receive?
  - How much do SMEs spend on sending letters and parcels?
  - Which Royal Mail and alternative operator services are used?
  - What attitudes do users and SMEs have towards the postal service?
- To assess the impact of USO scenarios on postal users
  - What impact could fewer letter or parcel delivery days, a reduced level of service and increased prices have?
  - Which alternatives will users choose to use under different scenarios?
- To understand how do users' trade-off between different changes
  - What value do postal users place on different elements and 'levels' of the service?

B. Residential methodology, sampling, and weighting of data

The research was conducted using a hybrid approach, with 2,355 face-to-face (CAPI) and 2,241 online interviews carried out between 15th October and 29th November 2019.

A nationally representative sample frame was devised, covering the following key subgroups:

- Age, gender, SEG and nation (and the English regions)
- Rurality: Urban and rural populations, including more isolated areas

The face-to-face approach used random location interviews, with a stratified sample, to ensure an adequate representation of all groups of interest. Sampling points were generated by UK Geographics:

- Based on Output Areas, the smallest level at which the Census data is collected, containing approximately 125 addresses in England, Wales, and NI and approximately 50 addresses in Scotland.
- Prior to selection, the OAs were sorted by GOR and within GOR by the UK Geographics urbanity indicator

Given Ofcom's interest in understanding user experience and views all UK nations and regions, we introduced skews to our sample, which allowed Ofcom to undertake detailed analysis at a national level with the UK. A truly representative sample would be dominated by English participants and representation of Northern Irish and Welsh participants, in particular, would be limited. As it's important to be able to analyse by each nation, we used a quota sampling approach to ensure that all nations were adequately represented within the sample.

Sample was allocated proportionately across the English regions, based on the population aged 16+. Sample for Northern Ireland, Scotland and Wales was structured to ensure at least 350 interviews per nation.

Rural areas within each nation, deep rural areas within each nation, Highlands & Islands and those paying more for commercial parcel services (due to their location) were also over-represented during the fieldwork, to produce robust sample sizes for analysis.

In total, 297 sample points were selected, with each interviewer securing 7 interviews per point. To avoid under-representing those in full time employment, shifts operated from 2pm-8pm.

The results were unweighted to adjust for any imbalances introduced by the sampling approach and ensure the findings were representative of all UK adults.

Rim weighting was used to apply more than one weighting target, to ensure the weighting was the best fit possible. The weighting applied was based on a combination of the 2018 ONS population update (age, gender, and region) and the 2011 Census (SEG).

The following tables show the demographic characteristics of the unweighted and weighted sample profiles.

Age within nation and gender within nation:

	Weighted	Achieved
16 to 24 - England	520	299
	11%	7%
25 to 39 - England	964	671
	21%	15%
40 to 54 - England	961	682
	21%	15%
55 to 74 - England	1026	738
	22%	16%
75+ - England	389	250
	8%	5%
16 to 24 - Scotland	48	71
	1%	2%
25 to 39 - Scotland	88	192
	2%	4%
40 to 54 - Scotland	91	182
	2%	4%
55 to 74 - Scotland	104	252
	2%	5%
75+ - Scotland	37	51
	1%	1%
16 to 24 - Wales	32	40
	1%	1%
25 to 39 - Wales	51	132
	1%	3%
40 to 54 - Wales	54	140
	1%	3%
55 to 74 - Wales	67	229
	1%	5%
75+ - Wales	26	69
	1%	2%
16 to 24 - Northern Ireland	20	77
	0%	2%
25 to 39 - Northern Ireland	34	168
	1%	4%
40 to 54 - Northern Ireland	35	164
	1%	4%
55 to 74 - Northern Ireland	36	156
	1%	3%
75+ - Northern Ireland	12	33
	0%	1%

	Weighted	Achieved
Male England	1891	1207
	41%	26%
Female England	1970	1433
	43%	31%
Male Scotland	177	301
	4%	7%
Female Scotland	191	447
	4%	10%
Male Wales	112	254
	2%	6%
Female Wales	118	356
	3%	8%
Male Northern Ireland	67	263
	1%	6%
Female Northern Ireland	71	335
	2%	7%

SEG within nation and Nation/English region:

	Weighted	Achieved
AB England	888	645
	19%	14%
C1 England	1158	806
	25%	18%
C2 England	849	572
	18%	12%
DE England	965	617
	21%	13%
AB Scotland	70	163
	2%	4%
C1 Scotland	114	233
	2%	5%
C2 Scotland	81	149
	2%	3%
DE Scotland	103	203
	2%	4%
AB Wales	41	147
	1%	3%
C1 Wales	67	193
	1%	4%
C2 Wales	57	116
	1%	3%
DE Wales	64	154
	1%	3%
AB Northern Ireland	23	112
	1%	2%
C1 Northern Ireland	40	178
	1%	4%
C2 Northern Ireland	32	131
	1%	3%
DE Northern Ireland	43	177
	1%	4%

	Weighted	Achieved
South East	643	402
	14%	9%
Greater London	597	378
	13%	8%
North West	506	339
	11%	7%
West Midlands	414	297
	9%	6%
South West	414	310
	9%	7%
East of England	414	276
	9%	6%
Yorkshire	368	277
	8%	6%
Scotland	368	748
	8%	16%
East Midlands	322	234
	7%	5%
Wales	230	610
	5%	13%
North East	184	127
	4%	3%
Northern Ireland	138	598
	3%	13%
NET - ENGLAND	3861	2640
	84%	57%

C. SME methodology, sampling, and weighting of data

Using the business universe, the minimum number of interviews needed for each subgroup and a sample ratio of 30:1, the number of pieces of sample to order in each cell was calculated. The sample was then ordered from Sample Answers, who selected the required sample from the business universe at random.

Sample Answers provided the main business telephone number, whether that be a traditional landline, Mobile or VoIP number.

A quota sample was used, with skews introduced in order to facilitate detailed subgroup analysis. All participants were responsible for the organisation's post and had a good idea of the amount reportedly spent on post and the volumes of post reportedly sent and received.

The decision to go for a quota sample was dictated largely by the profile of the business universe according to company size. A representative sample would be dominated by very small businesses, severely restricting the ability to analyse by company. It is therefore typical to implement a quota sample in order to ensure that all groups of interest are adequately represented.

As a consequence, the resulting sample tends not to match the profile of the audience it is representing and needs to be "corrected" as part of the analysis. Weighting procedures were implemented to correct the profile, in order to re-align company size with the overall universe of organisations across the UK. Effectively the larger companies were "down-weighted" so that their incidence in the overall sample was in line with their incidence in the universe.

Rim weighting was used to apply more than one weighting target, to ensure the weighting was the best fit possible. The weighting applied was based on the 2018 ONS Business population estimates.

The following table shows the characteristics of the unweighted and weighted sample profiles.

	Weighted	Achieved
0 to 4 - ENGLAND	783	159
	81%	16%
5 to 9 - ENGLAND	38	68
	4%	7%
10 to 49 - ENGLAND	31	91
	3%	9%
50 to 249 - ENGLAND	5	75
	1%	8%
0 to 4 - SCOTLAND	51	72
	5%	7%
5 to 9 - SCOTLAND	3	41
	0%	4%
10 to 49 - SCOTLAND	3	47
	0%	5%
50 to 249 - SCOTLAND	0	46
	0%	5%
0 to 4 - WALES	31	71
	3%	7%
5 to 9 - WALES	2	44
	0%	5%
10 to 49 - WALES	1	51
	0%	5%
50 to 249 - WALES	0	42
	0%	4%
0 to 4 - NORTHERN IRELAND	20	52
	2%	5%
5 to 9 - NORTHERN IRELAND	1	48
	0%	5%
10 to 49 - NORTHERN IRELAND	1	34
	0%	4%
50 to 249 - NORTHERN IRELAND	0	30
	0%	3%

D. Technical Notes

The reporting of the results includes testing for statistical significance to ensure that the differences highlighted are real differences and not differences that might be observed because only a sample has been surveyed, rather than the whole population. For the purposes of this report, only differences that are found to be significant at the 95% confidence level are highlighted.

Percentages are shown rounded to the nearest whole number. This may cause some mutually exclusive categories to sum to slightly more or less than 100%. For open-ended and multi coded questions, participants may give more than one answer. When this happens, the percentages representing different responses may add to considerably more than 100%. Where figures in the text appear not to match figures in the graphics (particularly where sub-groups have been combined), this can be due to decimals being rounded up or down when combining these figures.

In some cases, answers of 'Don't know' or 'Not applicable' may not have been shown, meaning that the percentages do not add up to 100%.

Survey data

The following tables show a selection of user attitudes split by some of key demographic groups in our survey sample. Our large samples allowed us to examine whether views differed within different population segments. A full, detailed breakdown of the survey data can be found in the published survey data tables.

Residential survey data

		Base	Gender		Age					SEG		Children in HH		Internet access
		Total	Male	Female	16 to 34	35-54	55+	65+	75+	ABC1	C2DE	Yes	No	Yes
	Unweighted sample	4596	2025	2571	1234	1584	1778	1042	403	2477	2119	1355	3241	4430
	Effective sample	3481	1588	1911	944	1220	1325	797	329	1877	1608	1023	2458	3353
	Total	4596	2247	2349	1340	1558	1697	1050	464	2401	2195	1332	3264	4427
There are some things that I will always need to send by post	NET - Agree	82%	80%	83%	76%	84%	84%	84%	85%	83%	80%	83%	81%	82%
I would feel cut off from society if I were not able to send or receive letters almost every day of the week	NET - Agree	40%	38%	42%	36%	40%	43%	45%	50%	42%	38%	39%	41%	40%
I would feel cut off from society if I were not able to send or receive parcels almost every day of the week	NET - Agree	36%	34%	39%	38%	39%	32%	32%	35%	37%	36%	41%	34%	37%
I expect to use Royal Mail's competitors more in the future	NET - Agree	23%	24%	22%	30%	27%	14%	11%	11%	23%	23%	31%	20%	23%

		Base	Highlands and Islands of Scotland		Nation				Location			Rural by nation				Household income	
		Total	Yes	No	England	Scotland	Wales	Northern Ireland	Urban	Rural	Deep Rural	England Rural/Deep Rural	Scotland Rural/Deep Rural	Wales Rural/Deep Rural	Northern Ireland Rural/Deep Rural	<£11,500	£50,000+
Unweighted sample		4596	101	4495	2640	748	610	598	3547	1049	448	404	221	206	218	302	513
Effective sample		3481	95	3422	2596	699	525	576	2803	692	289	397	205	186	208	233	411
Total		4596	48	4548	3861	368	230	138	3798	798	279	573	105	68	51	319	547
There are some things that I will always need to send by post	NET - Agree	82%	83%	82%	82%	82%	81%	83%	81%	84%	87%	84%	84%	85%	86%	74%	87%
I would feel cut off from society if I were not able to send or receive letters almost every day of the week	NET - Agree	40%	46%	40%	41%	39%	35%	45%	40%	42%	47%	42%	41%	43%	46%	36%	43%
I would feel cut off from society if I were not able to send or receive parcels almost every day of the week	NET - Agree	36%	49%	36%	36%	38%	34%	46%	36%	37%	42%	37%	40%	32%	47%	30%	39%
I expect to use Royal Mail's competitors more in the future	NET - Agree	23%	17%	23%	23%	22%	21%	21%	24%	21%	17%	22%	15%	14%	20%	27%	28%

SME survey data

		Base	No of employees		Sector					Turnover					
		Total	1 to 9 emp	10+ emp	Production	Retail / leisure	Financial and business	Public sector	other services	Under £50,000	£50,000 - £99,999	£100,000 - £249,999	£250,000 - £499,999	£500,000 - £999,999	£1,000,000+
Unweighted sample		971	555	416	187	198	105	128	353	71	86	108	87	78	153
Effective sample		239	219	159	37	48	35	30	89	34	42	47	23	18	16
Total		971	929	42	143	189	152	126	362	147	186	208	86	70	35
There are some things that my business will always need to send by post	Net -Agree	84%	84%	90%	84%	79%	82%	94%	85%	80%	83%	92%	80%	82%	78%
I expect my business will use Royal Mail's competitors more in the future	Net Agree	25%	25%	29%	14%	20%	22%	42%	26%	29%	21%	27%	27%	14%	35%

		Base	Nation					Location							Highland and Islands of Scotland	
		Total	Unweighted sample	England	Wales	Scotland	Northern Ireland	Urban	Rural	Deep Rural	England Rural/Deep Rural	Scotland Rural/Deep Rural	Wales Rural/Deep Rural	Northern Ireland Rural/Deep Rural	Yes	No
Unweighted sample		971	971	393	208	206	164	618	237	116	100	102	82	69	40	931
Effective sample		239	971	189	87	90	64	161	62	35	54	49	33	26	27	231
Total		971	971	857	34	57	23	665	267	39	253	32	13	9	18	953
There are some things that my business will always need to send by post	Net -Agree	84%	88%	84%	86%	91%	84%	85%	82%	92%	82%	93%	88%	81%	95%	84%
I expect my business will use Royal Mail's competitors more in the future	Net Agree	25%	26%	24%	31%	29%	20%	25%	22%	35%	24%	24%	28%	24%	9%	25%

		Base	Premises		Internet connection		Monthly spend letters				Monthly spend parcels				
		Total	Business premises	Home	Yes	None	UP TO £25	£26 - £100	£101 - £500	£500+	None	Up to £25	£26 - £100	£101 - £500	£500+
Unweighted sample		971	828	143	971	65	478	232	133	51	400	275	125	91	66
Effective sample		239	163	77	239	24	143	49	17	6	106	75	27	21	9
Total		971	631	340	971	103	587	191	66	24	433	305	110	90	31
There are some things that my business will always need to send by post	Net -Agree	84%	86%	82%	84%	52%	86%	96%	84%	100%	80%	85%	90%	99%	81%
I expect my business will use Royal Mail's competitors more in the future	Net Agree	25%	26%	22%	25%	17%	23%	32%	23%	47%	26%	17%	17%	44%	66%

	Base			Internet connection	Use of Royal Mail letter services				Use of Royal Mail Parcel services				Parcel providers used			EBay/Online trader		Bulk Mail		Bulk Mail(2)	
	Total	Yes	No		First Class	Second Class	Special Delivery	Recorded/ Signed For	First Class	Second Class	Special Delivery	Recorded Signed For	Royal Mail and/or Parcelforce Only	Royal Mail or Parcel Force and another provider	Don't use Royal Mail or Parcel Force	Yes	No	Use Bulk Mail (at all) for letters	Use Bulk Mail (at all) for parcels	Use Royal Mail for Bulk Mail	Use Other providers for Bulk Mail
Unweighted sample	971	971	0		772	686	482	591	373	264	255	300	238	252	481	168	803	76	25	16	78
Effective sample	239	239	0		178	147	114	142	90	59	65	76	64	57	118	46	193	10	5	5	9
Total	971	971	0		720	578	460	579	369	240	264	314	264	231	476	190	781	39	15	23	31
There are some things that my business will always need to send by post — Net -Agree	84%	84%	0%		89%	91%	88%	88%	87%	89%	90%	92%	89%	89%	80%	83%	85%	97%	96%	97%	96%
I expect my business will use Royal Mail's competitors more in the future — Net Agree	25%	25%	0%		24%	25%	27%	24%	22%	25%	25%	21%	21%	23%	28%	31%	23%	52%	51%	30%	68%

E. Residential survey questionnaire

POSTAL USERS' NEEDS – RESIDENTIAL QUESTIONNAIRE

Good afternoon/evening, my name is ... from Lake Market Research. I am conducting a survey on behalf of Jigsaw Research. The survey is on your use of postal services. By this I mean letters, greetings cards and parcels that you send and receive. This research has been commissioned by the postal regulator Ofcom and the results of this study will help Ofcom better understand your current postal needs and how these might change in the future. Some of the questions include descriptions of future scenarios. These scenarios are purely hypothetical and they do not represent changes that are currently proposed by Ofcom or the Government. Certain features of the postal service can only be changed by the government

Your answers to the survey will remain completely confidential. They will never be reported on at an individual level or be used to identify you in any way. Once it has been anonymised, the information collected will remain the property of Ofcom and will not be passed on to any third parties.

Lake Market Research operates within the confines of the General Data Protection Regulation and the Market Research Society Code of Conduct. I may ask you for personal information such as your name, address and contact number, for the purposes of quality control, but you don't have to answer if you don't want to. All data will be stored securely in the UK and retained for a period of up to 1 year.

Do you agree to proceed with the survey on this basis?

1. Yes
2. No - **CLOSE**

ASK ALL CODING YES

First, we will ask you a few questions about yourself. This will only take a few minutes and will allow us to see whether you qualify to complete the full survey. The full survey will take around 25 minutes depending on your answers. If you would like to check that we are a genuine Market Research Agency you can contact the Market Research Society on 0800 975 9596.

READ OUT/SHOW TO RESPONDENTS IN WALES
If you would prefer to complete this survey in the Welsh language please contact [name removed]

SECTION S: SCREENING QUESTIONS

ASK ALL
S1) Sex of respondent
SINGLECODE
F2F: INTERVIEWER PLEASE CODE THIS UP
1. Male
2. Female
3. Other (TYPE IN)

ASK ALL
S2) What was your age last birthday?

   TEXT BOX (MINIMUM 16, NO MAX)
   Rather not say

ASK ALL RESPONDENTS WHO RATHER NOT SAY AGE ON LAST BIRTHDAY AT S2
S3) Which of the following age bands are you in?
SINGLECODE

F2F: SHOW SCREEN
1. 16-17
2. 18-24
3. 25-34
4. 35-44
5. 45-54
6. 55-64
7. 65-74
8. 75+

ASK ALL
S4) What is the occupation of the Chief Income Earner in your household, that is the person with the largest income whether from employment, pension, state benefits, investments, or any other source?

TEXT BOX

- IF RETIRED, ASK FOR PREVIOUS OCCUPATION IF PRIVATE PENSION RECEIVED
- IF SELF-EMPLOYED OR MANAGERIAL, ASK FOR # OF EMPLOYEES RESPONSIBLE FOR
- IF LOCAL AUTHORITY, CIVIL SERVICE OR ARMED FORCES, ASK GRADE/RANK
- ASK FOR DETAILS OF TRAINING/QUALIFICATIONS

SINGLECODE

1. A
2. B
3. C1
4. C2
5. D
6. E

ASK ALL
S5) What is your postcode? Please note: this question will only be used to assign you to a region of the UK and not to identify where you live.

   TEXT BOX
1. Don't know
2. Prefer not to say

SCRIPTER, AUTOCODE FROM POSTCODE INTO THE FOLLOWING REGIONS.
NOTE: POSTCODE NEEDS TO BE VALIDATED AS FULL POSTCODE

SCRIPTER, AUTOCODE FROM POSTCODE INTO THE FOLLOWING REGION CODES
S6) STANDARD REGION
SINGLECODE
1. North East
2. North West
3. Yorkshire
4. West Midlands
5. East Midlands
6. East of England
7. South West
8. South East
9. Greater London
10. Northern Ireland
11. Wales
12. Scotland

POSTCODE ALLOCATION TO URBANITY/RURALITY CODES AND ROYAL MAIL'S URBAN/ RURAL/ LONDON POSTCODE AREAS TO HAPPEN AFTER FIELDWORK

S7) Which of these best describes where you live?

URBAN:
1. Large city
2. Smaller city / large town
3. Medium town
4. Small town <10 miles of a large settlement
5. Small town >10 miles from a large settlement

RURAL:
6. <10 miles of a large settlement

REMOTE RURAL:
7. >10 miles from a large settlement

SECTION A: CURRENT USE OF SERVICE - RECEIVING POST

When answering these questions, please only think about the post that you and others in your household send and receive. Please exclude any post that you may send or receive on behalf of a business.

Firstly, I would like to talk briefly about the post that your household receives.

By this I mean all letters and parcels that are <u>addressed to you and others in your household</u>.

ASK ALL
A1a) First of all, approximately how many letters, bills, greetings cards, newspapers, magazines and brochures does your household receive in an average <u>week</u>?
NUMERICAL OPEN (RANGE 0 – 95)

A1b) And approximately how many parcels does your household receive in an average <u>week</u>? This includes parcels you may have picked up from another location / sent to a work address.

NUMERICAL OPEN (RANGE 0 – 95)

INTERVIEWER:
IF RESPONDENT IS UNSURE ASK FOR AN ESTIMATE OR HOW MANY RECEIVED LAST WEEK
NOTE AN AVERAGE WEEK DOES NOT INCLUDE THE RUN UP TO CHRISTMAS, WE WANT A TYPICAL WEEK
MAKE SURE RESPONDENT INCLUDES ITEMS SENT WITH OTHER COMPANIES AS WELL AS ROYAL MAIL

A2) Which of these types of mail would you say your household receives by post at least once a month?
F2F: SHOW SCREEN
RANDOMISE
MULTI CODE
1. Post from friends/ family (letters, cards, invitations, etc.)
2. Bills/ statements
3. Newspaper/ magazines/ other subscriptions
4. Catalogues/ brochures
5. Correspondence from businesses, organisations, government, etc (e.g. medical, legal, insurance, etc.)
6. Parcels from family and friends
7. Parcels from retailers, shops, etc.
8. Direct mail or junk mail
9. Other **TYPE IN**
10. None **– EXCLUSIVE [AND ONLY SHOW IF ZERO RESPONSE GIVEN AT BOTH A1A AND A1B]**
11. Don't know **– EXCLUSIVE**

A3a) What proportion of the letters you receive are important enough to open on the day of arrival. Would you say it was...?
READ OUT
SINGLE CODE, ROTATE THE ORDER OF THE SCALE
1. All or almost all
2. Most (around three-quarters)
3. About half
4. A small proportion
5. None
6. Don't know

A3b) What proportion of the parcels you receive are important enough to open on the day of arrival. Would you say it was...?
F2F: READ OUT
SINGLE CODE, ROTATE THE ORDER OF THE SCALE
1. All or almost all
2. Most (around three-quarters)
3. About half
4. A small proportion
5. None
6. Don't know

ASK ALL
SINGLE CODE

A4) When was the last time you moved home?
1. TYPE IN YEARS/MONTHS
2. Prefer not to say

ASK ALL THAT MOVED HOUSE IN THE LAST 3 YEARS

SINGLE CODE
A5) Did you use or consider using Royal Mail's redirection service? IF NECESSARY: This is a service that allows you to redirect your mail to any UK or overseas address for 3, 6 or 12 months?
1. Yes – I used the service
2. Yes – I considered the service, but didn't use it
3. No – I didn't consider using it
4. Can't remember

ASK ALL CODING 2 OR 3 AT A5
RANDOMISE

MULTI CODE

A6) Why didn't you use Royal Mail's redirection service?
1. I wasn't aware of the service
2. It was too expensive
3. I didn't need it
4. I didn't trust it/think it would work
5. Other **TYPE IN**

ASK ALL

F2F: SHOW SCREEN
A7) Royal Mail's redirection service is priced according to the number of people who need their mail redirected in a household. Current prices are as follows:

	UK destinations	
	Lead applicant fee	Extra person fee
3 months	£33.99	£8
6 months	£46.99	£9
12 months	£66.99	£10

(Under 16s are free)

To what extent do you agree that this service offers value for money:

IF NECESSARY: This is a service that allows you to redirect your mail to any UK for 3, 6 or 12 months?

SINGLE CODE

1. Strongly agree
2. Agree
3. Neither agree nor disagree
4. Disagree
5. Strongly disagree
6. DK – **EXCLUSIVE**

SECTION B: CURRENT USE OF SERVICE - SENDING POST

I am now going to ask you some questions about the post that you personally send, either for yourself or others in the household.

By this I mean all letters and parcels that you send with Royal Mail or other postal service operators.

ASK ALL
B1a) First of all, approximately how many letters (including large letters) and/or greeting cards do you personally send in an average month?
NUMERICAL OPEN (RANGE 0 – 95)
INCLUDE TICK BOXES FOR "LESS THAN ONE LETTER AND/OR CARD PER MONTH" AND "I NEVER SEND LETTERS AND/ OR GREETING CARDS"

B1b) And approximately how many parcels do you personally send in an average month (excluding retailer returns – i.e. goods you send back to retailers)?
NUMERICAL OPEN (range 0 – 95)
INCLUDE TICK BOXES FOR "LESS THAN ONE PARCEL PER MONTH" AND "I NEVER SEND PARCELS"

INTERVIEWER:
IF RESPONDENT IS UNSURE ASK FOR AN ESTIMATE – OR HOW MANY SENT LAST MONTH
NOTE AN AVERAGE MONTH DOES NOT INCLUDE CHRISTMAS, WE WANT A TYPICAL MONTH
MAKE SURE RESPONDENT INCLUDES ITEMS SENT WITH OTHER COMPANIES AS WELL AS ROYAL MAIL

ASK IF SEND MORE THAN 1 PARCEL PER MONTH

B1c) Do you sell items via any of the following websites/apps?
MULTI CODE AND RANDOMISE

F2F: SHOW SCREEN
1. Amazon Marketplace
2. Ebay
3. Etsy
4. Facebook marketplace
5. Gumtree
6. Other online marketplaces (e.g Shpock)
7. None of the above

ASK ALL
B2ai) Which, if any, of the following Royal Mail services have you used to send letters and/or cards in the last twelve months?

F2F: SHOW SCREEN. ROTATE ORDER OF THE SCALE

ASK ALL
B2aii) Which, if any, of the following Royal Mail services have you used to send parcels in the last twelve months?
F2F: SHOW SCREEN. ROTATE ORDER OF THE SCALE

INTERVIEWER IF RESPONDENT IS CONFUSED:
SPECIAL DELIVERY – GUARANTEED NEXT DAY DELIVERY AND YOU CAN RECEIVE COMPENSATION IF THE ITEM DOES NOT ARRIVE ON TIME
RECORDED – PROVIDES PROOF THAT MAIL HAS BEEN RECEIVED

MULTI CODE
1. 1st class
2. 2nd class
3. Recorded/Signed For
4. Special Delivery (Guaranteed)
5. None **– EXCLUSIVE**
6. Don't know **– EXCLUSIVE**

ASK ALL
F2F: SHOW SCREEN
B2b) Which, if any, of these companies have you used to send a parcel (excluding retailer returns) in the last twelve months?

MULTI CODE
1. Royal Mail
2. Citipost
3. Collect+ (Collect Plus)
4. DHL
5. DPD
6. DX
7. FedEx
8. Hermes
9. Parcelforce
10. TNT
11. UPS
12. Yodel
13. UK Mail
14. Whistl
15. Any other postal services company
16. None – I haven't sent a parcel in the last twelve months

ASK IF ONLY USED ROYAL MAIL OR PARCELFORCE (ONLY CODE 1 OR 9 AT B2b)
B2c) Why did you <u>only</u> use [Royal Mail / Parcelforce] to send your parcels in the last twelve months?
F2F: DO NOT PROMPT - MULTI CODE
ONLINE: ASK AS OPEN ENDED QUESTION
1. I've always used Royal Mail
2. It's the only provider that I'm aware of
3. I don't know how to use other providers
4. Cost (it's cheaper)
5. Convenient posting locations
6. To ensure it got there on the day I wanted
7. To be able to track delivery
8. It's more secure

9. I wanted the delivery at a specific time
10. I wanted an express service
11. Recommendation
12. It's more reliable
13. I trust it more
14. Convenient collection for recipient
15. Only provider who delivers to every address in the UK
16. Only provider who has the same price to every address in the UK
17. Other reasons (TYPE IN)
18. Don't know (SINGLE CODE)

ASK IF USED ANOTHER PROVIDER AT B2b (CODES 2-8,10-15)
B2d) Why did you use a provider other than [Royal Mail or Parcelforce] to send your parcels in the last twelve months?
F2F: DO NOT PROMPT - MULTI CODE
ONLINE: ASK AS OPEN ENDED QUESTION
1. Cost (it's cheaper)
2. Convenient posting locations
3. To ensure it got there on the day I wanted
4. To be able to track delivery
5. It's more secure
6. I wanted the delivery at a specific time
7. I wanted an express service
8. Recommendation
9. It's more reliable
10. I trust it more
11. Convenient collection for recipient
12. Other reasons TYPE IN
13. Don't know SINGLE CODE

ASK ALL
B3) Which of these types of mail would you say you personally send at least occasionally by post?
F2F: SHOW SCREEN
MULTI CODE
1. Personal communications to friends/family (letters, cards, invitations, etc.)
2. Payment for bills
3. General correspondence (with businesses, organisations, government, etc)
4. Parcels to family/friends
5. Returning ordered items
6. Other (please specify) **TYPE IN**
7. None **– EXCLUSIVE**
8. Don't know **– EXCLUSIVE**

ASK ALL
B4a) When sending <u>letters</u> do you use…
F2F: SHOW SCREEN
SINGLE CODE
1. First class all of the time
2. First class most of the time
3. First class and second class an equal amount
4. Second class most of the time
5. Second class all of the time
6. Don't know

ASK IF RESPONDENT ANSWERED "FIRST CLASS ALL OF THE TIME", "FIRST CLASS MOST OF THE TIME", "FIRST CLASS AND SECOND CLASS AN EQUAL AMOUNT" AT B4a
B6a) [Online version - Now from the list below,] Which of these reasons describe why you choose to use first class when sending <u>letters</u>?
F2F: SHOW SCREEN
RANDOMISE
MULTI CODE

1. Not much difference in cost between 1st and 2nd class post
2. Normally gets there the next day
3. Not wanting others to think that I am unwilling to use a 1st class stamp
4. Makes the letter look more important
5. Value of the item
6. Security/privacy
7. I've always used first class
8. It shows you care about the person you are sending to / you aren't a cheapskate
9. They are less likely to lose the mail / will treat it better
10. It's just what I have to hand
11. Other **– TYPE IN**
12. None **– EXCLUSIVE**
13. Don't know **– EXCLUSIVE**

ASK ALL THAT HAVE SENT A PARCEL IN THE LAST TWELVE MONTHS AT B2b (CODES 1-15)
B4b) When sending <u>parcels</u> do you use…
NOTE TO THE SCRIPTER: USE FOLLOWING PRE-CODES IF THEY HAVE TICKED "ROYAL MAIL" AND/OR "PARCELFORCE" AT B2B. IF NOT, CHANGE "FIRST CLASS" TO "NEXT DAY DELIVERY" AND SECOND CLASS TO 2-3 DAY DELIVERY
SINGLE CODE THE RESPONDENT WOULD BE FREE TO TICK ONE OF THE OPTIONS PROVIDED OR DON'T KNOW
1. First class all of the time
2. First class most of the time
3. First class and second class an equal amount
4. Second class most of the time
5. Second class all of the time
6. Don't know

ASK IF RESPONDENT ANSWERED "FIRST CLASS ALL OF THE TIME", "FIRST CLASS MOST OF THE TIME", "FIRST CLASS AND SECOND CLASS AN EQUAL AMOUNT" AT B4b
B6b) [Online version - Now from the list below,] Which of these reasons describe why you choose to use first class when sending <u>parcels</u>?
F2F: SHOW SCREEN
RANDOMISE
MULTI CODE
1. Not much difference in cost between 1st and 2nd class post
2. Normally gets there the next day
3. Not wanting others to think that I am unwilling to use a 1st class stamp
4. Makes the parcel look more important
5. Value of the item
6. Security/privacy
7. I've always used first class

8. It shows you care about the person you are sending to / you aren't a cheapskate
9. They are less likely to lose the mail / will treat it better
10. It's just what I have to hand
11. The retailer chose the class of service (I used their prestamped packaging)
12. Other **– TYPE IN**
13. None **– EXCLUSIVE**
14. Don't know **– EXCLUSIVE**

SECTION D: BEHAVIOURAL CHANGE

ASK ALL
D1) In three years time, do you think you will…

ROTATE ORDER OF LETTERS VS PARCELS (KEEP LETTERS AND PARCELS TOGETHER)
  A. receive more, fewer or about the same amount of letters?
  B. send more, fewer or about the same amount of letters?
  C. receive more, fewer or about the same amount of parcels?
  D. send more, fewer or about the same amount of parcels?

SINGLE CODE PER STATEMENT
  1. Much more
  2. Slightly more
  3. About the same
  4. Slightly fewer
  5. Much fewer
  6. Don't know **– EXCLUSIVE**

D2) How far do you agree or disagree with the following statements?
F2F: SHOW SCREEN

RANDOMISE
  A. There are some things that I will always need to send by post
  B. In three years time I think I will be ordering more goods that are sent by post
  C. I would feel cut off from society if I were not able to send or receive **letters** almost every day of the week
  D. I would feel cut off from society if I were not able to send or receive **parcels** almost every day of the week
  E. I expect to use Royal mail's competitors more in the future
  F. I would be willing to accept a delay to the delivery of items during busy times - e.g. a delay of an additional day or two around Black Friday and the run up to Christmas.

  SINGLE CODE

  1. Strongly agree
  2. Agree
  3. Neither agree nor disagree
  4. Disagree
  5. Strongly disagree
  6. DK – **EXCLUSIVE**

ASK IF AGREE (CODE 1 OR 2) WITH D2 STATEMENT A

D3a) What sort of items will you always need to send by post?
F2F: SHOW SCREEN
RANDOMISE

MULTICODE

  1. Personal communications to/from friends/ family (letters, cards, invitations, etc.)
  2. Invoices or payment for bills

3. General correspondence (with businesses, organisations, government, etc)
4. Parcels to/from family/friends
5. Returning ordered items
6. Other – **TYPE IN**
7. Don't know

ASK FOR EACH ITEM SELECTED AT D3A

D3b) Thinking about when you send [insert item from D3a], how quickly do they typically need to get to their destination?
F2F: SHOW SCREEN. SINGLE CODE
1. By the next day
2. Within 2-3 days
3. It doesn't matter when it gets there

SECTION E: CONJOINT

The next exercise aims to determine how important different aspects of the postal service are to you.

NEW SCREEN

F2F: SHOW SCREEN – EXAMPLE

Here is a table which compares two different postal services and shows you all of the information about both of them.

As part of this exercise you will be presented with two alternative postal services and you will have to select the service which you <u>prefer</u>

	Option A	**Option B**
Delivery days - <u>Letters</u>	6 days a week	3 days a week – including Saturday
Delivery days - <u>Parcels</u>	6 days a week	3 days a week – including Saturday
Level of service	1st class (that arrives the **next day 93%** of the time) 2nd class (that arrives within **3 days 98.5%** of the time)	Single class that arrives within **3 days 95%** of the time
Example prices of the service	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00	Single Class Letter 65p Single Class small parcel £3.30

ONLY READ OUT IF REQUIRED:
- **Delivery days - <u>letters</u>** - the number of days in the week you could receive letters (e.g. through your letterbox).
- **Delivery days - <u>parcels</u> will be delivered to you** - the number of days in the week you could receive parcels.
- **Level of service** – is the number of days it takes an item to be delivered to the receipients address from the day it is collected (e.g. from the postbox or post office) and the reliability of post being delivered within the specified number of days. A Special Delivery service is also available in all scenarios guaranteeing arrival next day at a premium price.
- **Example prices of the service** – Standard letters are classified as up to 24 cm long, 16.5cm wide and 0.5cm thick; Small parcels are up to 1kg, 45cm long, 35cm wide and 16cm think

E1a) Thinking about what you need from the postal service, if you could choose what was offered, which of these options would you prefer?

SINGLE CODE
1. Option A
2. Option B

NEW SCREEN

SHOW OPTION CHOSEN AT E1a

E1b) This is the service that you said you preferred. Does this meet your needs from the postal service?

SINGLE CODE
1. Yes this meets my needs
2. No it does not meet my needs

NEW SCREEN

READ OUT

In the next questions you are asked to repeat this exercise for different combinations of postal services. The options may look very similar but there will be minor changes between them.

OK, so I would now like you to make your first choice.

SCRIPTING – RANDOMISE WHICH VERSION IS USED. WE WILL NEED TO BE ABLE TO IDENTIFY WHICH VERSION WAS USED

HALF WAY THROUGH VERSIONS

You're half way through, please continue to read the screen carefully and select which option you would prefer.

ATTRIBUTES AND LEVELS:

Attributes		Levels	Comments
Delivery days - <u>Letters</u>	1	6 days a week	
	2	5 days a week – including Saturday	
	3	5 days a week – Monday- Friday	
	4	4 days a week – including Saturday	
	5	4 days a week – Between Monday- Friday	
	6	3 days a week – including Saturday	
	7	3 days a week – Between Monday - Friday	

Delivery days - <u>Parcels</u>	*1*	6 days a week	
	2	5 days a week – including Saturday	
	3	5 days a week – Monday- Friday	
	4	4 days a week – including Saturday	
	5	4 days a week – Between Monday- Friday	
	6	3 days a week – including Saturday	
	7	3 days a week – Between Monday - Friday	
Level of service	*1*	1st class (that arrives the **next day 93%** of the time) 2nd class (that arrives **within 3 days 98.5%** of the time)	
	2	1st class (that arrives the **next day 90%** of the time) 2nd class (that arrives **within 3 days 90%** of the time)	
	3	1st class (that arrives the **next day 80%** of the time) 2nd class (that arrives **within 3 days 80%** of the time)	
	4	Single class that arrives **within 2 days 95%** of the time	
	5	Single class that arrives **within 2 days 87.5%** of the time	
	6	Single class that arrives **within 2 days 80%** of the time	
	7	Single class that arrives **within 3 days 95%** of the time	
	8	Single class that arrives **within 3 days 87.5%** of the time	
	9	Single class that arrives **within 3 days 80%** of the time	
	10	Single class that arrives **within 4 days 95%** of the time	
	11	Single class that arrives **within 4 days 87.5%** of the time	
	12	Single class that arrives **within 4 days 80%** of the time	
	13	Single class that arrives **within 5 days 95%** of the time	
	14	Single class that arrives **within 5 days 87.5%** of the time	
	15	Single class that arrives **within 5 days 80%** of the time	
Example prices of the service	*1*	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00	Conditional on what's shown at service/class
	2	First class standard letter 77p Second class standard letter 67p First class small parcel £3.91 Second class small parcel £3.30	Conditional on what's shown at service/class
	3	First class standard letter 85p Second class standard letter 74p	Conditional on what's shown at service/class

		First class small parcel £4.30 Second class small parcel £3.63	
	4	First class standard letter 93p Second class standard letter 81p First class small parcel £4.73 Second class small parcel £3.99	Conditional on what's shown at service/class
	5	First class standard letter £1.02 Second class standard letter 89p First class small parcel £5.20 Second class small parcel £4.39	Conditional on what's shown at service/class
	1	Single Class Letter 65p Single Class small parcel £3.30	Conditional on what's shown at service/class
	2	Single Class Letter 72p Single Class small parcel £3.60	Conditional on what's shown at service/class
	3	Single Class Letter 79p Single Class small parcel £3.96	Conditional on what's shown at service/class
	4	Single Class Letter 87p Single Class small parcel £4.36	Conditional on what's shown at service/class
	5	Single Class Letter 95p Single Class small parcel £4.79	Conditional on what's shown at service/class

Next we would like to ask you what you would do if Royal Mail changed its service.

Below is a table of the current service provided by Royal Mail compared to a new potential service.

F2F: SHOW SCREEN. DO NOT READ OUT

	Current Service	**New Service**
Delivery days - <u>Letters</u>	6 days a week	[pipe in text]
Delivery days - <u>Parcels</u>	6 days a week	[pipe in text]
Level of service	1st class (that arrives the **next day**) 2nd class (that arrives within **3 days**)	[pipe in text]
Example prices of the service	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00	[pipe in text]

SHOW OPTIONS IN ORDER (LEFT-RIGHT) ASK E2A-C BEFORE MOVING TO NEXT CONCEPT

SCRIPTER – ONLY SHOW 'DELIVERY DAYS – LETTERS' <u>OR</u> 'DELIVERY DAYS – PARCELS'

AND <u>RELEVANT</u> LETTER OR PARCEL PRICE WHEN ASKING E2A / E2B.

COLUMN 3 IS ONLY NEEDED FOR PARCELS

	1	**2**	**3**
Delivery days - <u>Letters</u>	6 days a week	3 days a week – Between Monday - Friday	
Delivery days - <u>Parcels</u>	6 days a week	3 days a week – Between Monday - Friday	3 days a week – including Saturday
Level of service	Single class that arrives within **2 -3 days**	Single class that arrives within **2 – 3**	Single class that arrives within **2 – 3 days**
Example prices of the service	Single Class Letter 65p Single Class small parcel £3.30	Single Class Letter 65p Single Class small parcel £3.30	Single Class small parcel £3.30

F2F: SHOW SCREEN

E2a) If Royal Mail changed to this new service, how would that impact the amount of <u>letters </u>you send?

SINGLE CODE

1. Send more letters via Royal Mail

2. Send the same amount of letters via Royal Mail
3. Send the same amount of letters via Royal Mail, but send some by special or guaranteed delivery
4. Send a fewer letters via Royal Mail
5. Send no letters via Royal Mail
6. I don't send letters via Royal Mail

F2F: SHOW SCREEN

E2b) If Royal Mail changed to this new service, how would that impact the amount of <u>parcels</u> you send?

SINGLE CODE
1. Send more parcels via Royal Mail
2. Send the same amount of parcels via Royal Mail
3. Send the same amount of parcels via Royal Mail, but send some by special or guaranteed delivery
4. Send a fewer parcels via Royal Mail
5. Send no parcels via Royal Mail
6. I don't send parcels via Royal Mail

CODE 4-5 AT E2B

F2F: SHOW SCREEN

E2c) You said you would send [fewer/no parcels] via Royal Mail with this new service, what would you do instead?

SINGLE CODE
1. Send the same amount of parcels but via another post provider
2. Send some parcels via Royal but also use another post provider
3. Send fewer parcels regardless of provider
4. Send no parcels at all

ASK ALL

F2F: SHOW SCREEN

E4) If there were a single class service that took 2 days for items to be delivered, how important would it be to you to also have a guaranteed next day delivery service available for the letters/parcels that you send?

SINGLE CODE
1. Important for most of the letters or parcels I send;
2. Important for some of the letters or parcels I send, not important for others;
3. Important for a small number of the letters or parcels I send, not important for most;
4. Not important for any of the letters or parcels I send;
5. Don't know

E6) How important is it to you that…
RANDOMISE

A. Post is delivered to your home 6 days a week
B. Post is delivered to your home Monday to Friday
C. Post is delivered to your home on Saturdays
D. A next day delivery post service is available

E. I can be confident that at least 90% of sent post will be delivered on time
F. The price of sending post is kept affordable

SINGLE CODE
1. Very important
2. Important
3. Neither important nor unimportant
4. Not very important
5. Not at all important
6. Don't know

F2F: SHOW SCREEN

E7) When <u>sending</u> a parcel, how important is it to have end to end tracking - so you can look up and track the journey of the parcel online?

SINGLE CODE
1. Very important
2. Important
3. Neither important nor unimportant
4. Not very important
5. Not at all important
6. Don't know

F2F: SHOW SCREEN

E8) When <u>receiving</u> a parcel, how important is it to have end to end tracking - so you can look up and track the journey of the parcel online?

SINGLE CODE
1. Very important
2. Important
3. Neither important nor unimportant
4. Not very important
5. Not at all important
6. Don't know

SECTION F: FUTURE USE OF SERVICE - ACCESS POINTS

ASK ALL

F1a) Do parcel companies charge an additional rate for the delivery of parcels to your area?

1. Yes
2. No
3. Don't know

ASK ALL

F1b) What sort of items will you always need to receive by post?
F2F: SHOW SCREEN
RANDOMISE

MULTICODE
1. Personal communications to/from friends/ family (letters, cards, invitations, etc.)
2. Invoices or payment for bills
3. General correspondence (with businesses, organisations, government, etc)
4. Parcels to/from family/friends
5. Receiving/returning ordered items
6. Other – **TYPE IN**
7. Don't know

ASK ALL

F1b) For the following statements please give me a score out of 5, where 1 means you strongly favour the idea, 5 means you are strongly against the idea and 3 means you don't mind
F2F: SHOW SCREEN. DO NOT READ OUT
ROTATE

SINGLE CODE

How would you feel if...
A. **Instead of** <u>letters</u> **being delivered to your door, they would be delivered to a secure locker in a central location (such as a local post office, shop, petrol station or train station)** *This would not be a personal locker, but a central bank of lockers. If you needed to pick something up you would be sent a code via SMS or email which you could use to access the locker. The postman/woman would leave your letters in the locker for you to come and pick up at a convenient time.*
B. **Instead of** <u>parcels</u> **being delivered to your door, they would be delivered to a secure locker in a central location (such as a local post office, shop, petrol station or train station)** *This would not be a personal locker, but a central bank of lockers. If you needed to pick something up you would be sent a code via SMS or email which you could use to access the locker. The postman/woman would leave your parcels in the locker for you to come and pick up at a convenient time.*

1. Strongly favour idea
2.
3. Don't mind either way
4.
5. Strongly against idea
6. Don't know**– EXCLUSIVE**

ASK ALL

F3) Royal Mail is currently required to provide certain services and meet certain minimum standards for some of the services it provides. They currently provide these services <u>at the same price to all</u> – so, the cost of a stamp is the same regardless of where you send your letter or parcel to within the UK. An alternative to this, is that their prices could vary according to where you send your letter or parcel – so, the cost of a stamp would be cheaper if you were to send a letter or parcel locally and more expensive if you were to send it further away.

How strongly do you agree or disagree that Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel is sent within the UK?

SINGLE CODE
1. Agree strongly
2. Agree slightly
3. Neither agree nor disagree
4. Disagree slightly
5. Disagree strongly
6. Don't Know
7. Don't Know

SECTION G: IMPROVEMENTS

ASK ALL.
DO NOT SHOW THE SCREEN FOR THE NEXT QUESTION
G1) If you could choose one thing to improve about Royal Mail postal service, what would it be?
F2F: DO NOT SHOW SCREEN OR READ OUT CODES / ONLINE: ASK AS OPEN ENDED QUESTION
SINGLE CODE

1. Delivery of post seven days a week, including Sundays
2. Collection of post seven days a week, including Sundays
3. Deliver post earlier in the day
4. A later final collection of post from post boxes
5. Evening delivery of items that cannot fit through a letterbox
6. Weekend delivery of items that cannot fit through a letterbox
7. Post box closer to my home
8. Having a secure locker at edge of property where any post including parcels can be posted
9. Having your post, including parcels delivered to a secure locker in a central location rather than your home
10. Cheaper price
11. Tracking of parcels as an optional extra on all deliveries
12. Ensure post is not damaged
13. Ensure post does not get lost
14. Ensure post is received within specified delivery time
15. More flexible about delivery options
16. Great number of collection points
17. Being able to nominate an alternative delivery point for parcels
18. Other **- TYPE IN**
19. NOTHING **- EXCLUSIVE**
20. Don't Know **– EXCLUSIVE**

SECTION H: DEMOGRAPHICS AND CLASSIFICATION

Finally, we'd like to ask you a few questions about yourself and your household. These are just to help us interpret the information we're collecting and won't be used to identify you in any way. It's really helpful to get this information so that we can understand which groups of people across the UK have similar or different views to each other.

ASK ALL
SINGLE CODE
H1) What is your working status?
1. Full-time paid work (30+ hours per week)
2. Part-time paid work (8-29 hours per week)
3. Part-time paid work (under 8 hours per week)
4. Retired
5. Still at school
6. In full time higher education
7. Unemployed (seeking work)
8. Not in paid employment (not seeking work)

ASK ALL
SINGLE CODE
H2) Which of these applies to your home?
1. It is being bought on a mortgage
2. It is owned outright
3. It is rented from the local authority
4. It is rented from a private landlord
5. It is rented from a Housing Association/Trust
6. Other
7. Refused

ASK ALL
SINGLE CODE
H3) How many adults aged 16+ are there in your household altogether, including yourself?

ASK ALL
SINGLE CODE
H4) Do you have any children under 16 living in the household?
1. Yes
2. No

ASK IF YES AT H4
MULTI CODE
H5a) Into which of the following age groups do they fall?
1. 0 - 4
2. 5 - 9
3. 10 – 15

H5b) Which of the following statements best describes your internet usage? Please think of how you access the internet using any device, e.g. PC, mobile phone, tablet, TV, etc

1. I have internet access at home, and I personally use it
2. I have internet access at home, but I don't personally use it
3. I don't have internet access at home, but I use it elsewhere
4. I don't have access to the internet
5. I don't know

ASK ALL
SINGLE CODE
H6) Which of these best describes your ethnic origin?

F2F: SHOW SCREEN
A: White
1. English / Welsh / Scottish / Northern Irish / British Irish
2. Irish
3. Gypsy or Irish traveler
4. Any other White background
B: Mixed
5. White and Black Caribbean
6. White and Black African
7. White and Asian
8. Any other Mixed background
C: Black or Black British
9. Caribbean
10. African
11. Any other Black background
D: Asian or Asian British

12. Indian
13. Pakistani
14. Bangladeshi
15. Chinese
16. Any other Asian background

E: Other Ethnic Group

17. Any other ethnic group
18. Prefer not to say

F2F: SHOW SCREEN
ASK ALL
MULTICODE OK FOR CODES 1-10
H7a) Which of these, if any, limit your daily activities or the work you can do? Please just read out the letter or letters that apply to you?

1. Breathlessness or chest pains
2. Poor vision, partial sight or blindness
3. Difficulty in speaking or communicating
4. Poor hearing, partial hearing or deafness
5. Cannot walk at all/ use a wheelchair
6. Cannot walk very far or manage stairs or can only do so with difficulty
7. Limited ability to reach
8. Mental health problems or difficulties
9. Dyslexia
10. Other illnesses/ health problems which limit your daily activities/ work you can do (WRITE IN)
11. None

F2F: SHOW SCREEN
ASK ALL
SINGLE CODE
H7b) How often do you tend to leave your home?

1. At least once a day
2. Less often than once a day, but at least once a week
3. Less often than once a week, but at least once a month
4. Less often than once a month
5. Never
6. Refused

F2F: SHOW SCREEN
ASK ALL
SINGLE CODE
H8) Could you please give me the letter from the screen for the group in which you would place your total household income per year from all sources, before tax and other deductions?

INCLUDE TICK BOXES FOR DK AND PREFER NOT TO SAY

	WEEKLY INCOME		ANNUAL INCOME
	£		£
E.	Less than 86	E.	Up to 4,499
K.	87 - 124	K.	4,500 - 6,499
S.	125 - 144	S.	6,500 - 7,499
P.	145 - 182	P.	7,500 - 9,499
L.	183 – 221	L.	9,500 - 11,499

J.	222 - 259	J.	11,500 - 13,499
A.	260 – 298	A.	13,500 - 15,499
T.	299 – 336	T.	15,500 - 17,499
D.	337 – 480	D.	17,500 - 24,999
N.	481 – 576	N.	25,000 - 29,999
C.	577 – 769	C.	30,000 - 39,999
F.	770 – 961	F.	40,000 - 49,999
R.	962 - 1442	R.	50,000 - 74,999
H.	1443 – 1923	H.	75,000 - 99,999
M.	1924 or more	M.	100,000 or more

F2F: SHOW SCREEN
ASK ALL
SINGLE CODE PER STATEMENT
H9) Please use the scale below to indicate how much you agree or disagree with the following statements. Please be open and honest in your response.

ROWS
1. I am satisfied with my life
2. I feel very positive about my future
3. I don't like people to think badly of me
4. White lies are acceptable to avoid hurting people's feelings

COLUMNS
1. Strongly agree
2. Agree
3. Slightly agree
4. Neither agree nor disagree
5. Slightly disagree
6. Disagree
7. Strongly disagree

H10) Finally, would it be okay for us to contact you if we have any further questions relating to this study?
1. Yes
2. No

F. SME survey questionnaire

POSTAL USERS' NEEDS – SME QUESTIONNAIRE – FINAL (15 10 19)

READ OUT TO ALL
S1a) Hello. Can I just check that I have got through to <<INSERT COMPANY NAME FROM SAMPLE>>
SINGLE CODE

1. Yes – **CONTINUE**
2. No – **CLOSE**

IF <5 SHOW:
S1b) Can I please speak to the owner or manager of your business?

IF 5+ SHOW:
S1c) I would like to speak to the person in your business who is responsible for decisions made about the sending and receiving of post. Can you please put me through to them?

IF MORE THAN ONE PERSON IS RESPONSIBLE, ASK TO SPEAK TO THE MOST SENIOR.

IF ASKED FOR A JOB TITLE – ASK FOR POST MANAGER, IF NO POST MANAGER ASK FOR OFFICE MANAGER, LOGISTICS MANAGER OR PERSON IN ACCOUNTS THAT IS RESPONSIBLE

1. Put through to them – **GO TO S2a**
2. They are not currently there – **GO TO S3**
3. Refusal

S2a) Can I just check, are you the person responsible for the post for your organisation and that you have a good idea of the amount you spend on post and volumes of post sent and received.?
IF MORE THAN ONE PERSON IS RESPONSIBLE, ASK TO SPEAK TO THE MOST SENIOR.

1. Yes – **GO TO S4**
2. No – **GO TO S2B**

S2b) So who would be better to talk to?

INTERVIEWER: ASK FOR NAME AND JOB TITLE AND ASK TO BE PUT THROUGH

NOTE THAT WE WANT TO SPEAK TO THE PERSON RESPONSIBLE FOR DECISIONS MADE ABOUT THE SENDING AND RECEIVING OF POST BY YOUR BUSINESS INCLUDING ANY OTHER SITES YOU HAVE.

IF MORE THAN ONE PERSON IS RESPONSIBLE, ASK TO SPEAK TO THE MOST SENIOR.

1. Put through to them – **GO TO S2C**
2. They are not currently there - **GO TO S3**
3. Refusal

S2c) Can I just check, are you the person responsible for the post for your organisation and that you have a good idea of the amount you spend on post and volumes of post sent and received.?

IF MORE THAN ONE PERSON IS RESPONSIBLE, ASK TO SPEAK TO THE MOST SENIOR.

1. Yes – **GO TO S4**
2. No – **GO TO S3**

S3) Can you please give me their telephone number and let me know when a convenient time to call them back would be? MAKE APPOINTMENT, THEN CLOSE

S4) I'm ... from Lake Market Research. We're conducting a survey on behalf of Jigsaw Research.

The survey has been commissioned by the postal regulator Ofcom and the results will be used to better understand businesses' current postal needs and how these might change in the future. The research may contribute to Ofcom's development of new regulations that will shape the postal service, so it is important that we listen to the views of businesses like yours. Some of the questions include descriptions of future scenarios. These scenarios are purely hypothetical and they do not represent changes that are currently proposed by Ofcom, the Government or Royal Mail. Certain features of the postal service can only be changed by the government.

Your answers to the survey will remain completely confidential. They will never be reported on at an individual level or be used to identify you or your company in any way. Once it has been anonymised, the information collected will remain the property of Ofcom.

Lake Market Research operates within the confines of the General Data Protection Regulation and the Market Research Society Code of Conduct. I may ask you for personal information such as your name, business address and contact number, for the purposes of quality control and analysis, but you don't have to answer if you don't want to. All data will be stored securely in the UK and retained for a period of up to 1 year.

INTERVIEWER TO USE THE FOLLOWING REASSURANCES IF NECESSARY
Ofcom is the independent regulator of postal services. They are responsible for ensuring that Royal Mail provides a universal postal service across the UK at an affordable, uniform price.

It is important that we understand the needs for all sizes and types of businesses whether you send and/or receive little post.

The way we communicate is changing rapidly so it is important that Ofcom understands how use of the postal services has and will continue to change over the next few years.

The full survey will take 20-25 minutes depending on your answers.

If you would like to check that we are a genuine Market Research Agency you can contact the MRS on 0800 975 9596.

READ OUT TO RESPONDENTS IN WALES
If you would prefer to complete this survey in the Welsh language please contact [name removed]

S5) Do you agree to proceed with the survey on this basis?

3. Yes
4. No

S6) In order to take part in this survey, you will need to access the internet whilst I am on the phone to you, do you have access to the internet now?
1. Yes – **GO TO MAIN SURVEY**
2. No, not at this moment – **ASK S7**
3. No, I do not have access to the internet at all – **GO TO S8**

S7) Can I call you back at a time that is convenient when you will have access to the internet?
1. Yes – **MAKE APPOINTMENT**
2. No, I do not have internet access at all – **GO TO S8**
3. Refusal

S8) To help us with this study, I would like to send you some information materials that will help you to answer some of the questions. Can I have your full address, including postcode please?

Thank you for helping us with this study, the information will be sent to you in the next couple of days.

MAKE APPOINTMENT, THEN CLOSE.

SCRIPTER, AUTOCODE FROM POSTCODE INTO ROYAL MAIL'S URBAN/ RURAL/ LONDON POSTCODE CLASSIFICATIONS (TBC)

SECTION A: BUSINESS SCREENING QUESTIONS

READ OUT TO ALL
Firstly, I would just like to find out a few things about your business

A1) Approximately how many people work for your business in the UK?
INTERVIEWER: IF RESPONDENT IS UNSURE USE THE FOLLOWING PROMPT-
Is it <<INSERT NUMBER from sample>>?
SINGLE CODE
1. 1
2. 2-9
3. 10-49
4. 50-249
5. 250+ **– SCREEN OUT**
6. DK **– SCREEN OUT**

IF NUMBER OF EMPLOYEES IS <10 ASK

A2) And does your business operate from business premises or from your home?
SINGLE CODE
1. Business premises
2. Home

READ OUT TO ALL
If you have more than one site, when taking part in this survey can you please think about the post your business sends and receives at all of your sites in the UK.

A2b) Which of the following best describes the sector in which you operate?

READ OUT. SINGLE CODE
1. Private sector
2. Public sector, including central, regional and local government
3. Third sector, including charities, NGOs, quangos, not for profits etc

SECTOR TO BE AUTOMATICALLY PUNCHED FROM SIC IN SAMPLE

A3a) Approximately how much does your business spend on postage for letters in an average month?
By this I mean all letters that are sent with Royal Mail or other postal service operators for business purposes

SINGLE CODE

A3b) Approximately how much does your business spend on postage for parcels in an average month?

SINGLE CODE By this I mean all parcels that are sent with Royal Mail or other postal service operators for business purposes

INTERVIEWER: PROMPT AS NECESSARY USING RANGES
IF RESPONDENT IS UNSURE ASK FOR AN ESTIMATE; WHAT SPENT LAST MONTH
NOTE AN AVERAGE MONTH <u>DOES NOT</u> INCLUDE CHRISTMAS, WE WANT A TYPICAL MONTH
MAKE SURE RESPONDENT INCLUDES ITEMS SENT WITH OTHER COMPANIES (INCLUDING COURIERS)
AS WELL AS ROYAL MAIL
1. None
2. Less than £10
3. £10 – £25
4. £26 - £50
5. £51 - £100

6. £101 - £500
7. £501 - £999
8. £1,000 - £4,999
9. £5000 – £9,999
10. £10,000 to £29,999
11. £30,000 to £199,999
12. £200 to £500k
13. £500k+
14. DK
15. REFUSED **– CLOSE IF BOTH A3A & A3B IS REFUSED**

ASK ALL

A4) Of this, what proportion of your total letter and parcel spend is with Royal Mail and Parcelforce compared to other operators?
PROMPT AS NECESSARY
SINGLE CODE, ROTATE THE ORDER OF THE SCALE
1. All or almost all
2. Most (around three quarters)
3. About half
4. A small proportion (around a quarter or less)
5. None

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3A

A5a) Which of the following statements best describes the role of <u>letters</u> in your organisation?
SINGLE CODE
1. Letters are core to our business operations
2. Letters are critical for our customer communications and statements but not core to our business
3. Letters are used mainly for our administrative needs and is not core to our service delivery
4. Don't know

IF DK AT A5a SKIP A6a
A6a) And do you think that this will remain true over the next three years?
SINGLE CODE
1. Yes
2. No – I think they will become more important
3. No – I think they will become less important
4. DK – EXCLUSIVE

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3B
A5b) Which of the following statements best describes the role of receipt and/or delivery of <u>parcels</u> in your organisation?
SINGLE CODE
1. Parcels are core to our business operations
2. Parcels are critical for our customer communications and statements but not core to our business
3. Parcels are used mainly for our own administrative needs
4. Don't know

IF DK AT A5b SKIP A6b
A6b) And do you think that this will remain true over the next three years?
SINGLE CODE

1. Yes
2. No – I think they will become more important
3. No – I think they will become less important
4. **DK - EXCLUSIVE**

ASK ALL

A6c) Do parcel companies charge an additional rate for the delivery of parcels to your business location(s)?

4. Yes
5. No
6. Don't know

ASK ALL
A7 What is the turnover of your business overall in the UK?
INTERVIEWER: IF RESPONDENT IS NOT SURE, PLEASE ASK THEM TO ESTIMATE AND PROMPT WITH RANGES
SINGLE CODE
1. Under £50,000
2. £50,000 - £99,999
3. £100,000 - £249,999
4. £250,000 - £499,999
5. £500,000 - £999,999
6. £1,000,000 - £4,999,999
7. £5,000,000+
8. Don't know
9. Refused

ASK ALL

A8a) Do you have an internet connection in the location where your organisation is based?
SINGLE CODE
1. Yes
2. No

A8b) What role would you say communications and technology services play in your business overall?
READ OUT. SINGLE CODE

1. A tool for basic communication and research, both internally and externally
2. An important way of making the business more efficient by doing things better, faster, cheaper
3. A vital means to drive the business forward & ensure competitive differentiation through such things as new product development, innovation and marketing

A8c) Does your business sell items via any of the following websites/apps?
MULTI CODE AND RANDOMISE
8. Amazon Marketplace
9. Ebay
10. Etsy
11. Facebook marketplace
12. Gumtree
13. Other online marketplaces (e.g Shpock)
14. None of the above

ASK ALL

**I would now like to ask you some questions about your business and the current economic climate...
A9a) Firstly, how positive do you feel about the next 12 months in terms of your business's
performance? Do you feel… READ OUT. SINGLE CODE**

1. Very positive
2. Fairly positive
3. Not very positive
4. Not at all positive
5. Don't know

**A9b) And over the next 2-3 years, what are your business objectives in terms of growing the amount of
business (number of sales) you generate? LISTEN OUT, THEN PROBE TO MAKE SURE YOU HAVE
SELECTED THE CORRECT CODE. SINGLE CODE**

1. Grow significantly (i.e. more than 50% increase)
2. Grow steadily/medium growth (i.e. 11 to 50%)
3. Grow a little (i.e. 10% or less)
4. Stay the same
5. Respond to demand
6. Reduce / down size a little (i.e. a reduction of 10% or less)
7. Reduce / down size a medium amount (i.e. 11 to 50%)
8. Reduce / down size a significant amount (i.e. more than 50%)
9. Don't know
10. None – growth is not an objective of my organization

SECTION B: CURRENT USE OF SERVICE – RECEIVING POST

READ OUT TO ALL
I am now going to ask you some questions about the post that your business receives.
By this I mean all letters, parcels, bills, direct mail etc. that your business receives for business purposes.

B1) Which of these types of mail would you say your business receives at least once a month by post?
MULTI CODE AND RANDOMISE
1. Financial transactions (bills, payment for bills, receipt of cheques, invoices, etc)
2. General correspondence (with businesses, organisations, government, customers etc)
3. Goods ordered/e-commerce
4. Other parcels
5. Catalogues and brochures
6. Direct mail or junk mail
7. Forms (such as for membership, contact or payment details, etc)
8. Other - **TYPE IN**
9. DK
10. None

B2a) What proportion of the letters you receive are important enough to open on the day of arrival? Would you say it was...?
READ OUT. SINGLE CODE. ROTATE THE ORDER OF THE SCALE

1. All or almost all
2. Most (around three-quarters)
3. About half
4. A small proportion
5. None
6. Don't know

IF "DK" OR "NONE" AT B2A SKIP TO B2B

B3a) You said that <ANSWER FROM B2A> of the letters you receive are important enough to open on the day they arrive. What type of mail does this tend to be?
MULTI CODE.
SHOW CODES SELECTED AT B1
1. B1 CODES
2. Other - **TYPE IN**
3. It varies
4. DK
5. None

B2b) And what proportion of the parcels you receive are important enough to open on the day of arrival?   Would you say it was...?
READ OUT. SINGLE CODE. ROTATE THE ORDER OF THE SCALE

1. All or almost all
2. Most (around three-quarters)
3. About half

4. A small proportion
5. None
6. Don't know

IF "DK" OR "NONE" AT B2B SKIP TO B4

B3b) You said that <ANSWER FROM B2B> of the <u>parcels</u> **you receive are important enough to open on the day they arrive. What type of mail does this tend to be?**
MULTI CODE.
SHOW CODES SELECTED AT B1
1. B1 CODES
2. Other - **TYPE IN**
3. It varies
4. DK
5. None

ASK ALL
B4) When was the last time you moved premises?
SINGLE CODE
3. TYPE IN YEARS/MONTHS
4. Prefer not to say

ASK ALL THAT MOVED PREMISES IN THE LAST 3 YEARS

B5) Did you use or consider using Royal Mail redirection service? This is a service that allows you to redirect your mail to any UK or overseas address for 3, 6 or 12 months?
SINGLE CODE
5. Yes – I used the service
6. Yes – I considered the service, but didn't use it
7. No – I didn't consider using it
8. Can't remember

ASK ALL CODING 2 OR 3 AT B5

B6) Why didn't you use Royal Mail redirection service?
MULTI CODE
6. I wasn't aware of the service
7. It was too expensive
8. I didn't need it
9. I didn't trust it/think it would work
10. Other - **TYPE IN**

ASK ALL
B7) Royal Mail redirection service is priced as follows:

Destination	Duration	Price
UK address	Up to 3 months	£211
	Up to 6 months	£313

Destination	Duration	Price
	Up to 1 year	£506

IF NECESARY: This is the price per business name.

To what extent do you agree that this service offers value for money:
SINGLE CODE
7. Strongly agree
8. Agree
9. Neither agree nor disagree
10. Disagree
11. Strongly disagree
12. DK – **EXCLUSIVE**

SECTION C: CURRENT USE OF SERVICE – SENDING POST

READ OUT TO ALL
I am now going to ask you some questions about the post that your business sends. By this I mean all letters and parcels that are sent with Royal Mail or other postal service operators for business purposes.

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3A <u>AND</u> A3B
C1a) Which of these types of mail would you say your business sends at least once a month by post?
MULTI CODE AND RANDOMISE
1. Financial transactions (bills, payment for bills, cheques, invoices, etc)
2. General correspondence (with businesses, organisations, government, customers, etc)
3. Goods / physical products that customers have ordered
4. Other parcels
5. Catalogues and brochures
6. Direct mail/marketing
7. Forms (such as for membership, contact or payment details, etc)
8. Other **- TYPE IN**
9. Don't know
10. None

IF MORE THAN ONE ANSWER GIVEN AT C1A
C1b) Which of these types of mail would you say your business sends the most of by post?
SINGLE CODE
1. Show answer selected at c1
2. Don't know

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3A <u>AND</u> A3B
C2) Would you say that the mail your business sends in a typical month mostly goes to businesses or residential addresses?
READ OUT. SINGLE CODE
1. Only to businesses
2. Mostly to businesses, but some to residential addresses
3. A mixture of both
4. Mostly to residential addresses, but some to businesses
5. Only to residential addresses
6. DK

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3A
C3a) When sending letters with Royal Mail, which of the following methods does your business use?
READ OUT. MULTI CODE
INTERVIEWER IF RESPONDENT IS CONFUSED:

PPI: PRINTED POSTAGE IMPRESSIONS: TO HAVE THIS YOUR BUSINESS NEEDS TO OPEN AN ACCOUNT WITH ROYAL MAIL AND INSTEAD OF USING A STAMP OR FRANKING, YOU USE POST MARKED ENVELOPES OR LABELS, AND ROYAL MAIL INVOICES YOU FOR THE COST OF THE POST SENT MONTHLY
METERED/ FRANKED: A FRANKING MACHINE IS USED BY THE BUSINESS TO PUT PROOF OF POSTAGE ON THE MAIL PRIOR TO SENDING
BULK MAIL PRODUCTS: FOR SENDING A LARGE NUMBER OF MAIL ITEMS OF THE SAME FORMAT

INTERVIEWER IF RESPONDENT ONLY SAYS BULK MAIL PRODUCTS PROBE:
And what method do you use when sending single items of mail? AND CODE BELOW

1. Stamps - that you already have on the premises
2. Stamps - that are purchased from the post office, whenever an item is sent
3. Online postage – smartstamps, for example
4. Metered or franked
5. PPI
6. Bulk mail products
7. (Do not send ANY letters with Royal Mail) – ONLY SHOW CODE IF A3A = "NONE/DK/REFUSED"

ASK ALL WHO USE METERED/FRANKED MAIL (CODE 4 AT C3A)
C3AI) HOW IMPORTANT IS IT TO YOUR BUSINESS TO BE ABLE TO USED METERED OR FRANKED MAIL TO SEND POST?
READ OUT. SINGLE CODE

1. Very important
2. Important
3. Neither important nor unimportant
4. Not important
5. Not at all important
6. Don't know

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3A

C4a) And can I just check, does your business use bulk mail services from a provider other than Royal Mail?
1. Yes
2. No
3. Don't know

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) OR DK (CODE 14) AT A3A
IF "YES" AT C4A OR "BULK MAIL PRODUCTS" AT C3A

C5a) You said that your business spends <ANSWER FROM A3A> on postage for letters in an average month. What proportion of this is spent on bulk mail services (provided by Royal Mail or other operators and what proportion is spent on other services (including PPI metered, franked)?
SINGLE CODE
1. Over 90% spent on bulk services
2. Between half (50%) and 90% spent on bulk services
3. Half on bulk services and half on other services
4. Between half (50%) and 90% on other services
5. Over 90% on other services
6. DK

SCRIPTER: C6AI TO C10A TO BE ASKED OF ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3A

READ OUT TO ALL CODING 1-6 AT C3A

When answering the questions in the rest of this survey we would like you to only think about single item mail sent with Royal Mail [IF "YES" AT C4a OR "BULK MAIL PRODUCTS" AT C3: , not of any post you send by bulk mail].

ASK ALL CODING 1-6 AT C3A
C6ai) When sending letters what proportion does your business send using First Class?
OPEN NUMERIC (RANGE 0 -100)

DK

IF C6Ai = 100 SKIP C6aii
C6aii) When sending letters what proportion does your business send using Second Class?
OPEN NUMERIC (RANGE 0 -100)

DK
IF C6AI IS 50 OR MORE
C7a) Thinking about the letters your business sends first class, what proportion has to be at their destination the next working day after you post them?

READ OUT. SINGLE CODE. ROTATE THE ORDER OF THE SCALE

1. All or almost all
2. Most (around three-quarters)
3. About half
4. A small proportion (around a quarter or less)
5. None
6. DK

IF C6AI IS 50 OR MORE

C8a) Why do you choose to use first class when sending letters?
MULTI CODE. READ OUT.
1. Not much difference in cost between 1st and 2nd class post
2. Speed of delivery
3. Not wanting recipients to think that the business is unwilling to use a 1st class stamp
4. Makes the letter look more important
5. Provides a better service for clients/ customers
6. Value of the item
7. Security/privacy
8. Other **- TYPE IN**
9. NONE
10. DON'T KNOW

ASK ALL CODING 1-6 AT C3A
C9a) Which of these Royal Mail services has your business used in the last twelve months for sending letters? READ OUT
INTERVIEWER IF RESPONDENT IS CONFUSED:
SPECIAL DELIVERY – GUARANTEED NEXT DAY DELIVERY AND YOU RECEIVE COMPENSATION IF ITEM DOES NOT ARRIVE
RECORDED – PROVIDES PROOF MAIL HAS BEEN SENT AND RECEIVED
MULTI CODE
1. 1st Class
2. 2nd Class
3. Special Delivery (Guaranteed)
4. Recorded Signed For
5. DK – EXCLUSIVE
6. NONE – EXCLUSIVE

IF ONLY GIVEN ONE ANSWER AT C3A (EXCLUDING BULK MAIL), SKIP C10 AND WRITE DATA IN
C10a) You mentioned earlier that when sending letters with Royal Mail your business uses
<STAMPS/ONLINE POSTAGE SUCH AS SMART STAMPS/METERED POST /PPI>**, which method do you use most?**
INTERVIEWER: PLEASE ENCOURAGE RESPONDENT TO GIVE AN ANSWER AT THIS QUESTION AS FAR AS POSSIBLE
SINGLE CODE
1. Stamps - that you already have on the premises

2. Stamps - that are purchased from the post office, whenever an item is sent
3. Online postage – smartstamps, for example
4. Metered or franked
5. PPI

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3B

C11) Which, if any, of the following companies does your business use to send parcels?
MULTI CODE

17. Royal Mail
18. Citipost
19. Collect+ (Collect Plus)
20. DHL
21. DPD
22. DX
23. FedEx
24. Hermes
25. Parcelforce
26. TNT
27. UPS
28. Yodel
29. UK Mail
30. Whistl
31. Any other postal services company
32. None – We haven't sent a parcel in the last month (SINGLE CODE)

ASK IF ONLY USE ROYAL MAIL OR PARCELFORCE (ONLY CODE 1 OR 9 AT C11)
C12) Why do you <u>only</u> use [Royal Mail / Parcelforce] to send your parcels?
DO NOT PROMPT. MULTI CODE

19. I've always used Royal Mail
20. It's the only provider that I'm aware of
21. I don't know how to use other providers
22. Cost (it's cheaper)
23. Convenient posting locations
24. To ensure it got there on the day I wanted
25. To be able to track delivery
26. It's more secure
27. I wanted the delivery at a specific time
28. I wanted an express service
29. Recommendation
30. It's more reliable
31. I trust it more
32. Convenient collection for recipient
33. Only provider who delivers to every address in the UK
34. Only provider who has the same price to every address in the UK
35. Other reasons (TYPE IN)
36. Don't know (SINGLE CODE)

ASK IF USED ANOTHER PROVIDER AT C11 (CODES 2-8, 10-15)
C13) Why do you sometimes use a provider other than [Royal Mail or Parcelforce] to send your parcels?
DO NOT PROMPT. MULTI CODE
    14. Cost (it's cheaper)
    15. Convenient posting locations
    16. To ensure it got there on the day I wanted
    17. To be able to track delivery
    18. It's more secure
    19. I wanted the delivery at a specific time
    20. I wanted an express service
    21. Recommendation
    22. It's more reliable
    23. I trust it more
    24. Convenient collection for recipient
    25. I use the company that the retailer has given me a prepaid label for
    26. Other reasons (TYPE IN)
    27. Don't know (SINGLE CODE)

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3B

C14) Does your business use price comparison websites (e.g. Parcel Monkey, Parcel2Go, Interparcel) at all for sending parcels?
SINGLE CODE
    1. Yes – always
    2. Yes – regularly
    3. Yes – occasionally
    4. No
    5. Not sure

ASK ALL USING ROYAL MAIL TO SEND PARCELS (C11 CODE 1) – OTHERS SKIP TO D1
C3b) When sending parcels with Royal Mail, which of the following methods does your business use?
READ OUT. MULTI CODE
INTERVIEWER IF RESPONDENT IS CONFUSED:

PPI: PRINTED POSTAGE IMPRESSIONS: TO HAVE THIS YOUR BUSINESS NEEDS TO OPEN AN ACCOUNT WITH ROYAL MAIL AND INSTEAD OF USING A STAMP OR FRANKING, YOU USE POST MARKED ENVELOPES OR LABELS, AND ROYAL MAIL INVOICES YOU FOR THE COST OF THE POST SENT MONTHLY
METERED/ FRANKED: A FRANKING MACHINE IS USED BY THE BUSINESS TO PUT PROOF OF POSTAGE ON THE MAIL PRIOR TO SENDING
BULK MAIL PRODUCTS: FOR SENDING A LARGE NUMBER OF MAIL ITEMS OF THE SAME FORMAT

INTERVIEWER IF RESPONDENT ONLY SAYS BULK MAIL PRODUCTS PROBE:
And what method do you use when sending single items of mail? AND CODE BELOW
    1. Stamps - that you already have on the premises
    2. Stamps - that are purchased from the post office, whenever an item is sent
    3. Online postage – smartstamps, for example
    4. Metered or franked
    5. PPI
    6. Bulk mail products

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3B

C4b) And can I just check, does your business use bulk mail services from a provider other than Royal Mail?
1. Yes
2. No
3. Don't know

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) OR DK (CODE 14) AT A3B
IF "YES" AT C4B OR "BULK MAIL PRODUCTS" AT C3B

C5b) You said that your business spends <ANSWER FROM A3> on postage for parcels in an average month. What proportion of this is spent on bulk mail services provided by Royal Mail or other operators and what proportion is spent on other services?
SINGLE CODE
1. Over 90% spent on bulk services
2. Between half (50%) and 90% spent on bulk services
3. Half on bulk services and half on other services
4. Between half (50%) and 90% on other services
5. Over 90% on other services
6. DK

SCRIPTER: C6BI TO C9B TO BE ASKED OF ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3B

When answering the questions in the rest of this survey we would like you to only think about individual customers outside a bulk mail contract sent with Royal Mail.

C6bi) When sending parcels what proportion does your business send using First Class?
OPEN NUMERIC (RANGE 0 -100)

DK

IF C6bi = 100 SKIP C6bii
C6bii) When sending parcels what proportion does your business send using Second Class?
OPEN NUMERIC (RANGE 0 -100)

DK

IF C6BI IS 50 OR MORE
C7b) Thinking about the parcels your business sends first class, what proportion has to be at their destination the next working day after you post them?

READ OUT. SINGLE CODE. ROTATE THE ORDER OF THE SCALE

1. All or almost all
2. Most (around three-quarters)
3. About half
4. A small proportion (around a quarter or less)
5. None
6. DK

IF C6BI IS 50 OR MORE

C8b) Why do you choose to use first class when sending parcels?
MULTI CODE. READ OUT.
1. Not much difference in cost between 1st and 2nd class post'
2. Speed of delivery
3. Not wanting recipients to think that the business is unwilling to use a 1st class stamp
4. Makes the letter look more important
5. Provides a better service for clients/ customers
6. Value of the item
7. Security/privacy
8. To remain competitive
9. To differentiate vs other companies
10. Other **- TYPE IN**
11. NONE
12. DON'T KNOW

ASK ALL EXCEPT THOSE SAYING NONE (CODE 1) AT A3B
C9b) Which of these Royal Mail services has your business used in the last twelve months for sending parcels READ OUT?
INTERVIEWER IF RESPONDENT IS CONFUSED:
SPECIAL DELIVERY – GUARANTEED NEXT DAY DELIVERY AND YOU RECEIVE COMPENSATION IF ITEM DOES NOT ARRIVE
RECORDED – PROVIDES PROOF MAIL HAS BEEN SENT AND RECEIVED
MULTI CODE
1. 1st Class
2. 2nd Class
3. Special Delivery (Guaranteed)
4. Recorded Signed For

IF ONLY GIVEN ONE ANSWER AT C3b (EXCLUDING BULK MAIL), SKIP C10 AND WRITE DATA IN
C10b) You mentioned earlier that when sending post with Royal Mail your business uses
<STAMPS/ONLINE POSTAGE SUCH AS SMART STAMPS/METERED POST /PPI>**, which method do you use most?**

INTERVIEWER: PLEASE ENCOURAGE RESPONDENT TO GIVE AN ANSWER AT THIS QUESTION AS FAR AS POSSIBLE
SINGLE CODE
1. Stamps - that you already have on the premises
2. Stamps - that are purchased from the post office, whenever an item is sent
3. Online postage – smartstamps, for example
4. Metered or franked
5. PPI

SECTION D: BEHAVIOURAL CHANGE

READ OUT TO ALL

D1. How far do you agree or disagree with the following statement?

    A.   There are some things that my business will always need to send by post
    B.   I expect my business will use Royal Mail's competitors more in the future

Do you... READ OUT

SINGLE CODE
    1. Strongly agree
    2. Agree
    3. Neither agree nor disagree
    4. Disagree
    5. Strongly disagree
    6. DK – EXCLUSIVE

ASK IF AGREE (CODES 1 AND 2) WITH D1 STATEMENT A

D2) What kind of communications have you moved to or would you consider moving online (either via email or a website), rather than sending via post?
SHOW SCREEN

RANDOMISE
MULTICODE
    1. Financial transactions (bills, payment for bills, cheques, invoices, etc)
    2. General correspondence (with businesses, organisations, government, customers, etc)
    3. Catalogues and brochures
    4. Direct mail/marketing
    5. Forms (such as for membership, contact or payment details, etc)
    6. Other - **TYPE IN**
    7. Don't know
    8. None

SECTION E: CONJOINT

READ OUT TO ALL

Can you now please go on to the internet? Once you are on the internet can you please go to your web/internet browser and type in https://www.lake-research.com/postal_survey

Once this web page has loaded, you should see an introductory screen which welcomes you to the web element of the survey. Before we continue, can you please confirm that you are at this website?

At the bottom of the screen there is a button with two arrows pointing to the right on it "">>"" (the one on the right hand side) please click this to go to the next screen.

You should now be looking at a screen which is asking you to enter an ID number, can you please enter <<INSERT NUMBER FROM SAMPLE>>?
READ OUT THE NUMBER SLOWLY AND GET THE RESPONDENT TO READ IT BACK TO YOU TO ENSURE THEY HAVE INPUTTED IT CORRECTLY

Now, please continue to the next screen.

This screen should now be showing you the name of the business or organisation that you work for. If this is correct, please confirm that this is the case by clicking the "yes" option and then continuing.

INTERVIEWER: IF DETAILS ARE CORRECT CONTINUE

NB: IF THE DETAILS ARE INCORRECT THE ONLINE SCRIPT WILL MAKE THE RESPONDENT RETURN TO THE PREVIOUS SCREEN TO RE-ENTER THEIR ID, SO PLEASE READ OUT TO THEM AGAIN AND ENSURE THEY ENTER IT CORRECTLY THIS TIME. JUST TO REMIND YOU, THE ID NUMBER THE RESPONDENT NEEDS TO ENTER IS <INSERT NUMBER FROM SAMPLE>

Now there is a question on your screen asking you which method you use to send most of your mail. Earlier in this questionnaire you told me that you mainly used <<INSERT ANSWER FROM C3/C10>>, can you please select this and continue.

The next exercise aims to determine how important different aspects of the postal service are to you. I will show you an example before we do the exercise.

Please now go to the next screen.

On your screen now there is a table which compares two different postal services, and shows you all of the information about both of them.

As part of this exercise you will be presented with two alternative postal services and you will have to select the service which you prefer.

INTERVIEWER INSTRUCTIONS: I will now briefly talk through the table with you.

IF REQUIRED:
- **Delivery days - <u>letters</u>** - the number of days in the week you could receive letters (e.g. to your office or through your letterbox).
- **Delivery days - <u>parcels</u> will be delivered to you** - the number of days in the week you could receive parcels.
- **Level of service** – is the number of days it takes an item to be delivered to the receipients address from the day it is collected (e.g. from the postbox or post office) and the reliability of post being delivered within the specified number of days. A Special Delivery service is also available in all scenarios guaranteeing arrival next day at a premium price.
- **Example prices of the service** – Standard letters are classified as up to 24 cm long, 16.5cm wide and 0.5cm thick; Small parcels are up to 1kg, 45cm long, 35cm wide and 16cm think

	Option A	**Option B**
Delivery days - <u>Letters</u>	6 days a week	3 days a week – including Saturday
Delivery days - <u>Parcels</u>	6 days a week	3 days a week – including Saturday
Level of service	1st class (that arrives the **next day 93%** of the time) 2nd class (that arrives within **3 days 98.5%** of the time)	Single class that arrives within **3 days 95%** of the time
Example prices of the service	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00	Single Class Letter 65p Single Class small parcel £3.30

E1a) Thinking about what you need from the postal service, if you could choose what was offered, which of these options would you prefer?

SINGLE CODE
3. Option A
4. Option B

NEW SCREEN

SHOW OPTION CHOSEN AT E1a

E1b) This is the service that you said you preferred. Does this meet your needs from the postal service?

SINGLE CODE
3. Yes this meets my needs

4. No it does not meet my needs

Ok, so that's the end of the introductory example.

In the next questions you will be asked to repeat this exercise for different combinations of postal services. The options may look very similar but there will be minor changes between them.

OK, so I would now like you to make your first choice.

IF BULK USER ADD: Please answer these questions about individual customers outside a bulk mail contract.

If you require any help, please give me the question number which appears above the table and I will help you to answer the question.

Please tell me when you have answered all ten questions, but I will check how you are doing from time to time.

SCRIPTING – RANDOMISE WHICH VERSION IS USED. WE WILL NEED TO BE ABLE TO IDENTIFY WHICH VERSION WAS USED

ATTRIBUTES AND LEVELS:

Attributes		Levels	Comments
Delivery days - <u>Letters</u>	1	6 days a week	
	2	5 days a week – including Saturday	
	3	5 days a week – Monday- Friday	
	4	4 days a week – including Saturday	
	5	4 days a week – Between Monday- Friday	
	6	3 days a week – including Saturday	
	7	3 days a week – Between Monday - Friday	
Delivery days - <u>Parcels</u>	1	6 days a week	
	2	5 days a week – including Saturday	
	3	5 days a week – Monday- Friday	
	4	4 days a week – including Saturday	
	5	4 days a week – Between Monday- Friday	
	6	3 days a week – including Saturday	
	7	3 days a week – Between Monday - Friday	

Level of service	1	1st class (that arrives the **next day 93%** of the time) 2nd class (that arrives **within 3 days 98.5%** of the time)	
	2	1st class (that arrives the **next day 90%** of the time) 2nd class (that arrives **within 3 days 90%** of the time)	
	3	1st class (that arrives the **next day 80%** of the time) 2nd class (that arrives **within 3 days 80%** of the time)	
	4	Single class that arrives **within 2 days 95%** of the time	
	5	Single class that arrives **within 2 days 87.5%** of the time	
	6	Single class that arrives **within 2 days 80%** of the time	
	7	Single class that arrives **within 3 days 95%** of the time	
	8	Single class that arrives **within 3 days 87.5%** of the time	
	9	Single class that arrives **within 3 days 80%** of the time	
	10	Single class that arrives **within 4 days 95%** of the time	
	11	Single class that arrives **within 4 days 87.5%** of the time	
	12	Single class that arrives **within 4 days 80%** of the time	
	13	Single class that arrives **within 5 days 95%** of the time	
	14	Single class that arrives **within 5 days 87.5%** of the time	
	15	Single class that arrives **within 5 days 80%** of the time	
Example prices of the service	1	First class standard letter 70p Second class standard letter 61p First class small parcel £3.55 Second class small parcel £3.00	Conditional on what's shown at service/class
	2	First class standard letter 77p Second class standard letter 67p First class small parcel £3.91 Second class small parcel £3.30	Conditional on what's shown at service/class
	3	First class standard letter 85p Second class standard letter 74p First class small parcel £4.30 Second class small parcel £3.63	Conditional on what's shown at service/class
	4	First class standard letter 93p Second class standard letter 81p First class small parcel £4.73 Second class small parcel £3.99	Conditional on what's shown at service/class

	5	First class standard letter £1.02 Second class standard letter 89p First class small parcel £5.20 Second class small parcel £4.39	Conditional on what's shown at service/class
	1	Single Class Letter 65p Single Class small parcel £3.30	Conditional on what's shown at service/class
	2	Single Class Letter 72p Single Class small parcel £3.60	Conditional on what's shown at service/class
	3	Single Class Letter 79p Single Class small parcel £3.96	Conditional on what's shown at service/class
	4	Single Class Letter 87p Single Class small parcel £4.36	Conditional on what's shown at service/class
	5	Single Class Letter 95p Single Class small parcel £4.79	Conditional on what's shown at service/class

Next we would like to ask you what you would do if Royal Mail changed it's service.

Below is a table of the current service provided by Royal Mail compared to a new potential service.

SHOW SCREEN

	Current Service	**New Service**
Delivery days - Letters	6 days a week	[pipe in text]
Delivery days - Parcels	6 days a week	[pipe in text]
Level of service	1st class (that arrives the **next day**) 2nd class (that arrives within **3 days**)	[pipe in text]
Example prices of the service	First class standard letter 70p Second class standard letter 61p	[pipe in text]

	First class small parcel £3.55	
	Second class small parcel £3.00	

SHOW OPTIONS IN ORDER (LEFT-RIGHT) ASK E2A-C BEFORE MOVING TO NEXT CONCEPT

SCRIPTER – ONLY SHOW 'DELIVERY DAYS – LETTERS' <u>OR</u> 'DELIVERY DAYS – PARCELS'

AND <u>RELEVANT</u> LETTER OR PARCEL PRICE WHEN ASKING E2A / E2B.

	1	**2**	**3**
Delivery days - <u>Letters</u>	6 days a week	3 days a week – Between Monday - Friday	3 days a week – including Saturday
Delivery days - <u>Parcels</u>	6 days a week	3 days a week – Between Monday - Friday	3 days a week – including Saturday
Level of service	Single class that arrives within **2 days**	Single class that arrives within **2 days**	Single class that arrives within **2 days**
Example prices of the service	Single Class Letter 65p Single Class small parcel £3.30	Single Class Letter 65p Single Class small parcel £3.30	Single Class Letter 65p Single Class small parcel £3.30

E2a) If Royal Mail changed to this new service, how would that impact the amount of <u>letters</u> your business sends?

SINGLE CODE
7. Send more letters via Royal Mail
8. Send the same amount of letters via Royal Mail
9. Send the same amount of letters via Royal Mail, but send some by special or guaranteed delivery
10. Send a fewer letters via Royal Mail
11. Send no letters via Royal Mail
12. We don't send letters via Royal Mail

E2b) If Royal Mail changed to this new service, how would that impact the amount of <u>parcels</u> your business sends?

SINGLE CODE
7. Send more parcels via Royal Mail
8. Send the same amount of parcels via Royal Mail
9. Send the same amount of letters via Royal Mail, but send some by special or guaranteed delivery
10. Send a fewer parcels via Royal Mail
11. Send no parcels via Royal Mail
12. We don't send parcels via Royal Mail

CODE 4-5 AT E2B

E2c) You said you would send [fewer/no parcels] via Royal Mail with this new service, what would your business do instead?

SINGLE CODE
5. Send the same amount of parcels but via another post provider
6. Send some parcels via Royal but also use another post provider
7. Send fewer parcels regardless of provider
8. Send no parcels at all

ASK ALL

E4) If there were single class service that took 2 days for items to be delivered, how important would it be to you to also have a guaranteed next day delivery service available for the letters/parcels that your business sends?

SINGLE CODE
1. Important for most of the letters or parcels we send;
2. Important for some of the letters or parcels we send, not important for others;
3. Important for a small number of the letters or parcels we send, not important for most;
4. Not important for any of the letters or parcels we send;
5. Don't know

NUMERICAL OPEN (RANGE IN POUNDS AND PENCE)

E6) How important is it to your business that…
RANDOMISE

A. Post is delivered to your business 6 days a week
B. Post is delivered to your business Monday to Friday
C. Post is delivered to your business on Saturdays
D. A next day delivery post service is available
E. I can be confident that at least 90% of sent post will be delivered on time
F. The price of sending post is kept affordable

SINGLE CODE
1. Very important
2. Important
3. Neither important nor unimportant
4. Not very important
5. Not at all important
6. Don't know

E7) When <u>sending</u> a parcel , how important is it to have end to end tracking - so you can look up and track the journey of the parcel online?

SINGLE CODE
1. Very important
2. Important
3. Neither important nor unimportant
4. Not very important
5. Not at all important
6. Don't know

E8) When <u>receiving</u> a parcel how important is it to have end to end tracking - so you can look up and track the journey of the parcel online?

SINGLE CODE
1. Very important
2. Important
3. Neither important nor unimportant
4. Not very important
5. Not at all important
6. Don't know

SECTION F: FUTURE USE OF SERVICE - ACCESS POINTS

ASK ALL
F1) For the following statements please give me a score out of 5, where 1 means you strongly favour the idea, 5 means you are strongly against the idea and 3 means you don't mind
SHOW SCREEN
ROTATE

SINGLE CODE

How would you feel if...
A. **Instead of <u>letters</u> being delivered to your business, they would be delivered to a secure locker in a central location (such as a local post office, shop, petrol station or train station)** *This would not be a personal locker, but a central bank of lockers. If you needed to pick something up you would be sent a code via SMS or email which you could use to access the locker. The postman/woman would leave your letters in the locker for you to come and pick up at a convenient time.*
B. **Instead of <u>parcels</u> being delivered to your business, they would be delivered to a secure locker in a central location (such as a local post office, shop, petrol station or train station)** *This would not be a personal locker, but a central bank of lockers. If you needed to pick something up you would be sent a code via SMS or email which you could use to access the locker. The postman/woman would leave your parcels in the locker for you to come and pick up at a convenient time.*

1. Strongly favour idea
2.
3. Don't mind either way
4.
5. Strongly against idea
6. Don't know**– EXCLUSIVE**

Next we would like to ask you what you would do if Royal Mail changed its service

ASK ALL
F3) Royal Mail is currently required to provide certain services and meet certain minimum standards for some of the services it provides. They currently provide these services <u>at the same price</u> to all people and businesses – so, the cost of a stamp is the same regardless of where you send your letter or parcel to within the UK. An alternative to this, is that their prices could vary according to where you send your letter or parcel – so, the cost of a stamp would be cheaper if you were to send a letter or parcel locally and more expensive if you were to send it further away.

How strongly do you agree or disagree that Royal Mail should provide its services at the same price to all, regardless of where a letter or parcel is sent within the UK?

SINGLE CODE
1. Agree strongly
2. Agree slightly
3. Neither agree nor disagree
4. Disagree slightly
5. Disagree strongly
6. Don't Know
7. Don't Know

SECTION G: IMPROVEMENTS

READ OUT TO ALL

G1) If your business could choose one thing to improve about Royal Mail's postal service, what would it be?

DO NOT PROMPT. SINGLE CODE

21. Delivery of post on seven days a week, including Sundays
22. Collection of post on seven days a week, including Sundays
23. Deliver post earlier in the day
24. A later final collection of post from post boxes/business premises
25. Evening delivery
26. Weekend delivery
27. Post box closer to my business premises
28. Having a secure locker at edge of property where any post including parcels can be posted
29. Having your post, including parcels delivered to a secure locker in a central location rather than your home
30. Cheaper price
31. Tracking of parcels as an optional extra on all deliveries
32. Ensure post is not damaged
33. Ensure post does not get lost
34. Ensure parcels is received within specified delivery time
35. More flexible about delivery options
36. Great number of collection points
37. Being able to nominate an alternative delivery point for parcels
38. Other **- TYPE IN**
39. NOTHING **- EXCLUSIVE**
40. Don't Know **– EXCLUSIVE**

END OF QUESTIONNAIRE

READ OUT TO ALL
Finally just a few questions to wrap up the interview.

Can I please take down your name?

OPEN TEXT

REFUSED
Can you please also give me your job title?

OPEN TEXT

REFUSED

THANK AND CLOSE