



Ofcom Business Postal Tracker: Annual technical report: Q1 to Q4 2020

General survey description

The Business Postal Tracker Q1-Q4 2020 aimed to achieve 2,200 individual interviews, representative of the profile of small and medium sized businesses (SMEs) with 0-249 employees across the UK, across a fieldwork period of 12 months. This sample size generated a robust dataset with margins of error of +/- 2-3%.

The Business Postal Tracker was carried out primarily using a Computer Aided Telephone Interviewing (CATI) methodology. From Q1 2020 online (CAWI) interviewing was introduced to increase the representation of 0 employee businesses (sole traders), which pose some challenges to reach in sufficient numbers by telephone. The interview lasts 15-20 minutes and covers the following topic areas: volume and use of postal service, reported experience with Royal Mail and other providers, overall satisfaction, change in mail as a communication method.

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

Table 1: Interviews by quarter

| Quarter | Number of interviews | | | |
|--------------|----------------------|--------------------|-------|------------------------------|
| | % | Total | CATI | Online (0 employees only) |
| Q1/2020 | 20% | 452 | 402 | 50 |
| Q2/2020 | 30% | 679 ¹ | 420 | 259 |
| Q3/2020 | 26% | 578 | 433 | 145 |
| Q4/2020 | 24% | 528 | 430 | 98 |
| TOTAL | 100% | 2,237 ² | 1,685 | 552 |

Survey objectives

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

Specific objectives are:

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

Sampling approach and quotas

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

From Q1 2020 a more detailed profile of company size was used to set quotas than had been used previously. The SME market of businesses with 0-249 employees is dominated by those with just the

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

² 2,237 interviews achieved out of a target of 2,200. As evident in table 1, not all the quarters met the target of 550 precisely, which has been accounted for in the weighting.

owner as the only employee, with around three quarters of businesses with 0-249 employees being zero employee businesses. The more granular quota profile ensures the sample reflects the make-up of the UK SME market without requiring massive upweighting of the zero employee businesses.

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

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

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

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

Table 3: Yearly quota targets: region and nation

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

Using the quotas indicated above, quarterly targets were calculated for Q1 to Q4 2020.

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

Table 4: ONS urbanity definitions

| Category | Description | Population | Incidence (% 16+) |
|----------|--|-------------------|-------------------|
| A | Large City | 500,000+ | 14.71 |
| B | Smaller city or large town | 100,000 – 500,000 | 19.81 |
| C | Medium town | 15,000 – 100,000 | 32.12 |
| D | Small town (within 10 miles of A,B or C) | 2,000 – 15,000 | 17.38 |
| E | Small town (more than 10 miles of A,B or C) | 2,000 – 15,000 | 1.85 |
| F | Rural area (within 10 miles of A,B or C) | 500 – 2,000 | 11.70 |
| G | Rural area (more than 10 miles from A, B or C) | 500 – 2,000 | 2.42 |

Urbanity was taken into account in the selection of the final sample and used to set quotas on location to ensure a spread of urban and rural locations was interviewed³.

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

³ Soft targets were set on urbanity to allow a robust comparison, 75% urban and 25% rural.

Selection of respondents and fieldwork procedure

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

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

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

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

Profile of achieved sample

At the completion of fieldwork, 2,237 individual interviews were achieved. These are broken down by region and business size in table 5.

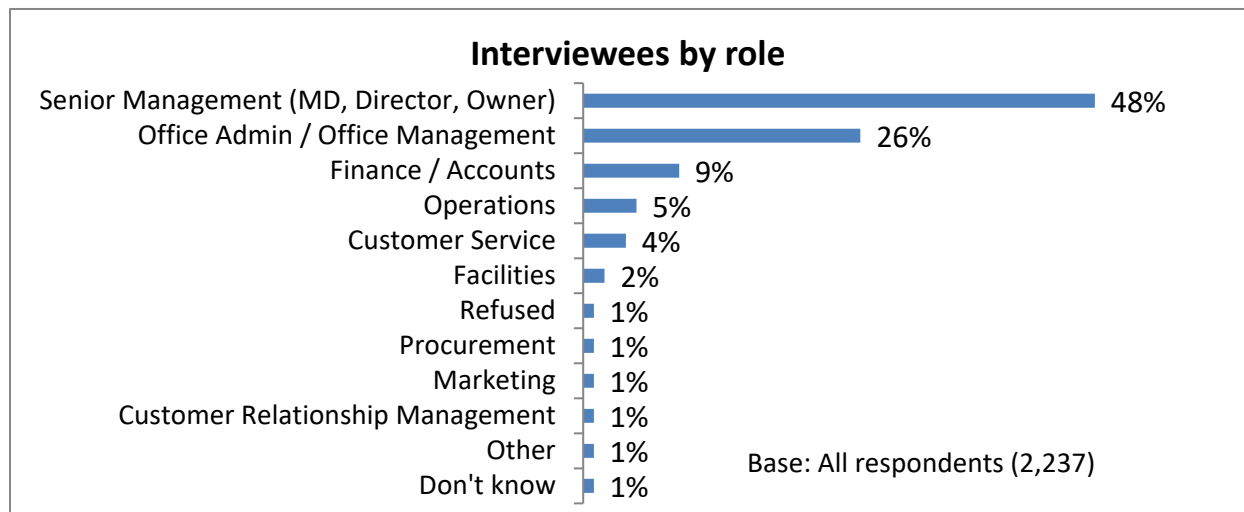
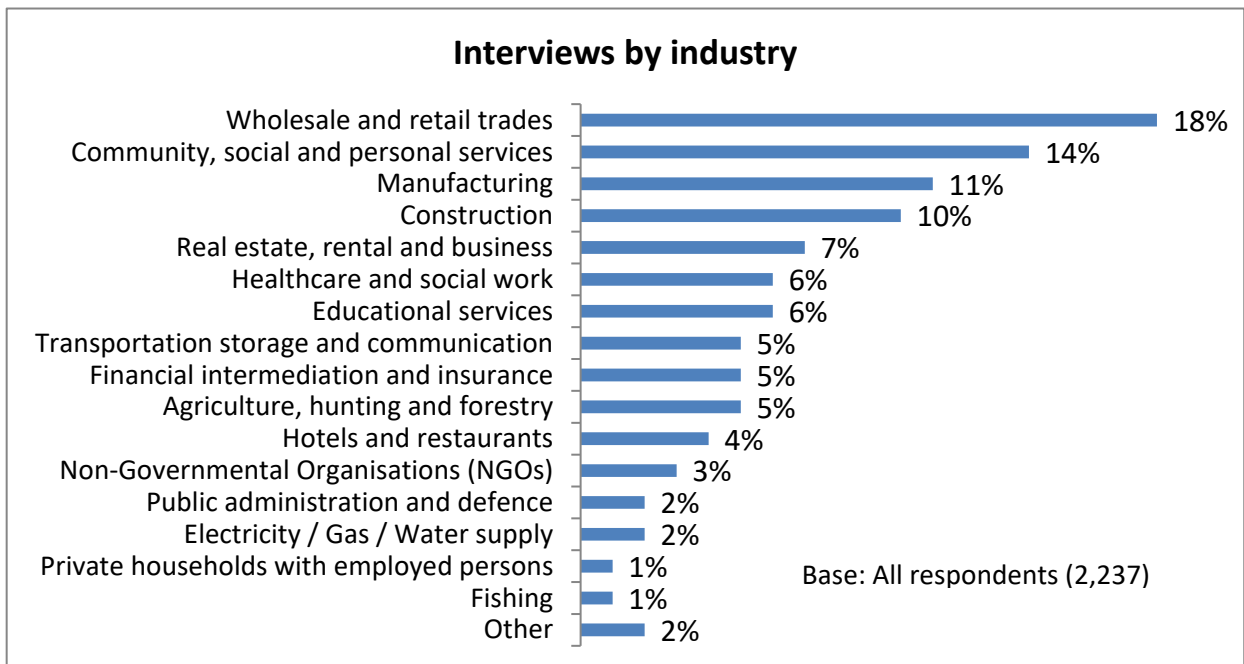
As is evident in table 5, the unweighted sample achieved under-represents smaller businesses and over-represents larger businesses. In addition, while quotas were set in line with table 4, some quotas were relaxed to ensure that the overall target number of interviews could be achieved. Weighting factors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

Table 5: Achieved unweighted sample by region and business size

| Region | N | Region - aggregated | Business size | | | | Total | |
|--------------------------|-------------|--------------------------------------|---------------|-------------|------------|-------------|-------------|------------|
| | | | 0-9 | | 10+ | | N | % |
| | | | N | % | N | % | | |
| East of England | 119 | Midlands | 262 | 11.7 | 133 | 5.95 | 395 | 17.7 |
| East Midlands | 132 | | | | | | | |
| West Midlands | 144 | | | | | | | |
| Greater London | 143 | South | 342 | 15.3 | 133 | 5.95 | 475 | 21.2 |
| South East | 196 | | | | | | | |
| South West | 136 | | | | | | | |
| Yorkshire and the Humber | 125 | North | 244 | 10.9 | 110 | 4.9 | 354 | 15.8 |
| North East | 105 | | | | | | | |
| North West | 124 | | | | | | | |
| Scotland | 434 | Scotland, Wales and Northern Ireland | 717 | 32.1 | 296 | 13.2 | 1013 | 45.3 |
| Wales | 328 | | | | | | | |
| Northern Ireland | 251 | | | | | | | |
| Total | 2237 | | 1565 | 70.0 | 672 | 30.0 | 2237 | 100 |

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

Interviews were achieved across a range of industry (as indicated in the chart below) and in terms of the personnel with whom interviews were undertaken, the majority were divided between those working in senior management/owners and office administration/management. The majority of interviews (89%) were undertaken at head offices and 95% of those interviewed have an internet connection in the office in which they are based.



Sample efficiency and weighting

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

It was considered whether any mode adjustments would be appropriate to address differences between methods with the inclusion of online sample for a proportion of 0 employee businesses in 2020. Analysis was done at the data processing stage to assess this and it was determined not to be required.

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

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

| | Population Profile | | Achieved Sample | | Weighting factor |
|---|--------------------|------|-----------------|------|------------------|
| | N | % | N | % | |
| Business Size | | | | | |
| 0-1 | 4,409,140 | 77.9 | 1060 | 47.4 | 1.64 |
| 2-9 | 996,160 | 17.6 | 505 | 22.6 | 0.78 |
| 10-49 | 215,080 | 3.8 | 386 | 17.3 | 0.22 |
| 50-99 | 25,470 | 0.45 | 64 | 2.9 | 0.16 |
| 100-249 | 14,150 | 0.25 | 222 | 9.9 | 0.03 |
| Region & Nation | | | | | |
| North | 1,108,170 | 20 | 354 | 15.8 | 1.27 |
| Midlands | 1,380,655 | 24 | 395 | 17.7 | 1.36 |
| South | 2,515,945 | 44 | 475 | 21.2 | 2.08 |
| Wales | 198,635 | 4 | 328 | 14.7 | 0.27 |
| Scotland | 331,365 | 6 | 434 | 19.4 | 0.31 |
| Northern Ireland | 132,730 | 2 | 251 | 11.2 | 0.18 |
| Macro Industry | | | | | |
| Agriculture, Manufacturing & Construction | | 25 | 637 | 28.5 | 0.88 |
| Retail/ Distribution/ Communication | | 21 | 498 | 22.3 | 0.94 |
| Hospitality/ Financial/ and Non-financial | | 54 | 1102 | 49.3 | 1.10 |
| Urbanity | | | | | |
| England – Urban | | 84 | 752 | 76.4 | 1.10 |
| England – Rural | | 16 | 232 | 23.6 | 0.68 |
| Wales – Urban | | 75 | 170 | 55.2 | 1.36 |
| Wales – Rural | | 25 | 138 | 44.8 | 0.56 |
| Scotland – Urban | | 82 | 197 | 49.4 | 1.66 |

| | | | | | |
|--------------------------|--|----|------|------|------|
| Scotland – Rural | | 18 | 202 | 50.6 | 0.36 |
| Northern Ireland – Urban | | 77 | 121 | 64.4 | 1.20 |
| Northern Ireland – Rural | | 23 | 5112 | 35.6 | 0.65 |

Each quarter is weighted to a base of 500 to ensure each contributes equally to combined results. This means the mean average weight is not generally 1 for any quarter. The modal weight by quarter (Q1/Q2/Q3/Q4 2020) is 1.613/1.294/2.947/0.460 respectively, and the weights range from 0.002 for larger businesses to 8.75 for those that are smaller. The design effect for these weights is 2.86/1.57/2.42/4.58 respectively, giving an effective base of 158/431/239/115 which provides quarterly results accurate to +/- 9%.

Table 7: Weighting details

| Quarter | Modal Weight | Lowest Weight | Highest Weight | Design Effect | Effective Base | Results Accuracy |
|----------------|---------------------|----------------------|-----------------------|----------------------|-----------------------|-------------------------|
| Q1/2020 | 1.613 | 0.002 | 6.60 | 2.86 | 158 | +/- 8% |
| Q2/2020 | 1.294 | 0.002 | 2.23 | 1.57 | 431 | +/- 5% |
| Q3/2020 | 2.947 | 0.003 | 5.46 | 2.42 | 239 | +/- 6% |
| Q4/2020 | 0.460 | 0.001 | 8.75 | 4.58 | 115 | +/- 9% |