

Figure 6.1

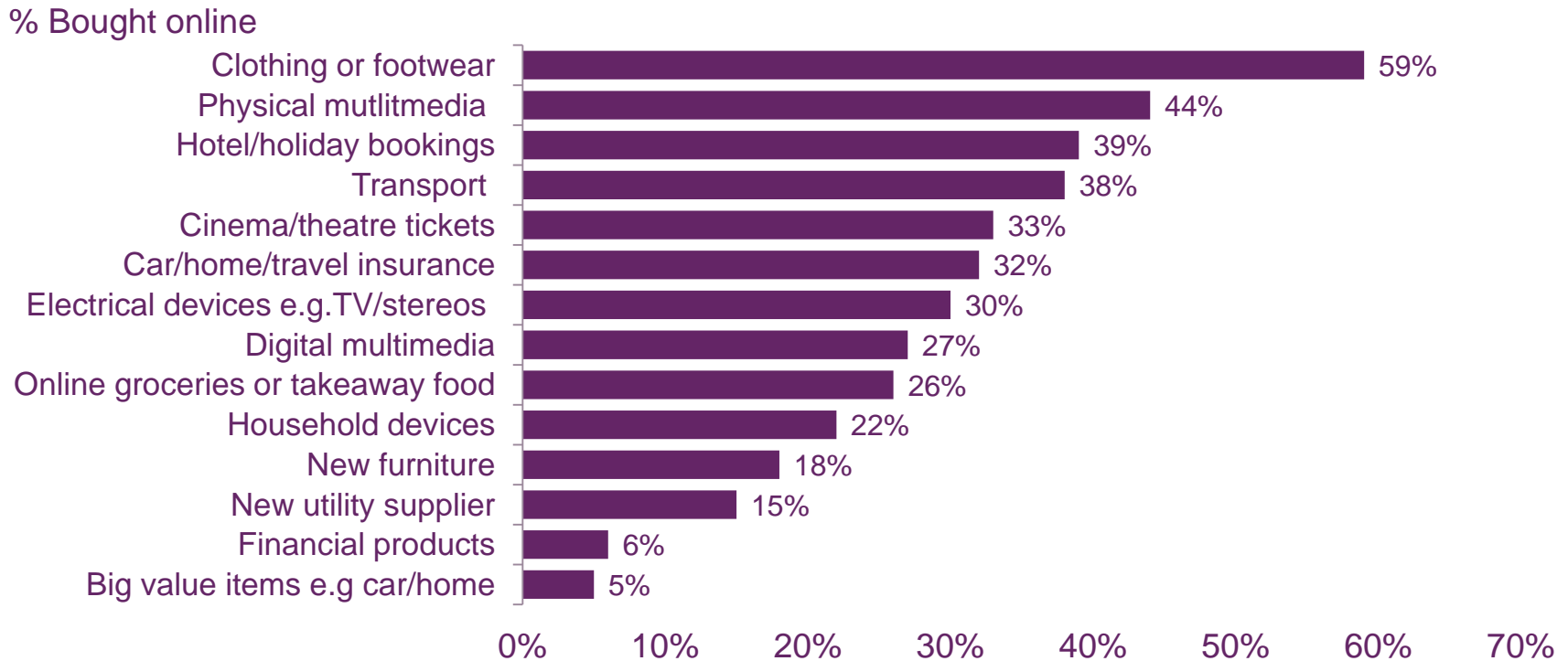
UK postal industry key metrics

UK postal services industry	2006	2007	2008	2009	2010	2011	2012
Addressed mail volumes	22.0bn	21.6bn	20.6bn	18.6bn	17.5bn	16.6bn	15.7bn
Addressed mail revenues	£6.8bn	£6.8bn	£6.8bn	£6.6bn	£6.5bn	£6.7bn	£7.2bn
Proportion of access mail in total mail	9.6%	16.9%	24.6%	32.7%	39.9%	43.6%	46.0%
Value of UK e-retail market	£30.2bn	£35.2bn	£43.8bn	£49.8bn	£58.8bn	£68.0bn	£78.2bn

Source: Royal Mail Regulatory Financial Statements, Royal Mail Wholesale, Royal Mail Group Annual Reports. Revenue figures are nominal. Note: Addressed mail volumes and revenues include Royal Mail total mails (excluding Parcelforce and unaddressed), access revenues and end-to-end delivered addressed letter mail. This does not include courier or express volumes and revenues. Royal Mail calendar year volume and revenue figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and estimates of 2011-12 performance informed by Royal Mail's Report and Accounts and are therefore not directly comparable with Royal Mail's published accounts.

Figure 6.2

Products or services bought online in the past six months



Source: Kantar Media Omnibus , March 2013

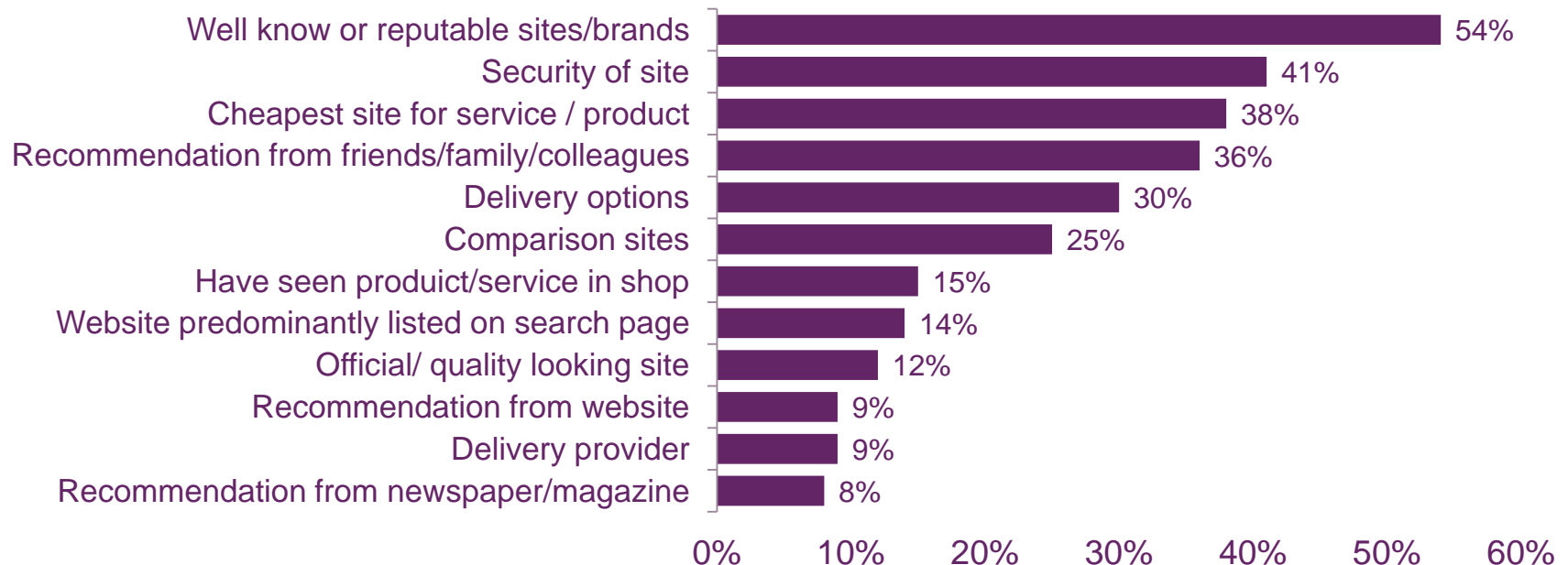
Base: All who use online shopping in the UK (N=1221)

Q.10A: Which products or services have you bought online in the last 6 months?

Figure 6.3

Factors that influence choice of online vendor

% influenced by factor



Source: Kantar Media Omnibus

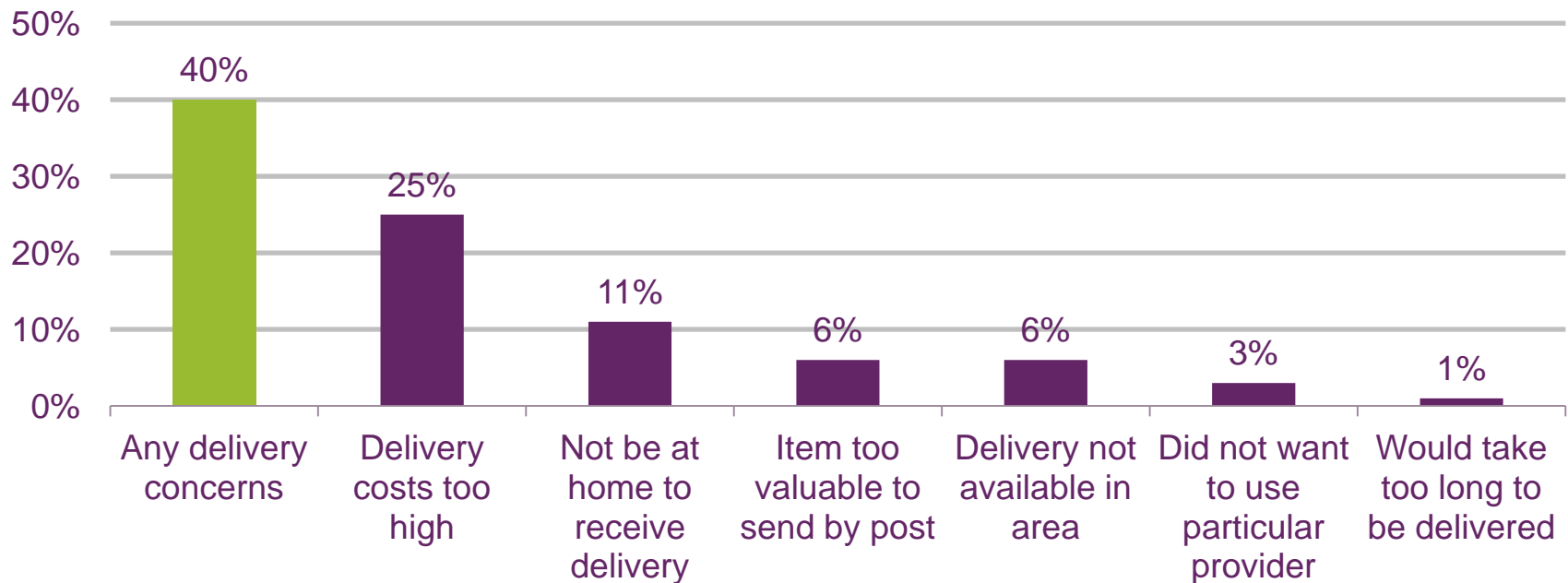
Base: All who use online shopping in the UK (N=1221)

Q.10B: And when buying these products online, which factors influence your decision of which website to buy these from?

Figure 6.4

Delivery concerns preventing online purchasing

% Reason concerned by delivery



Source: Kantar Media Omnibus

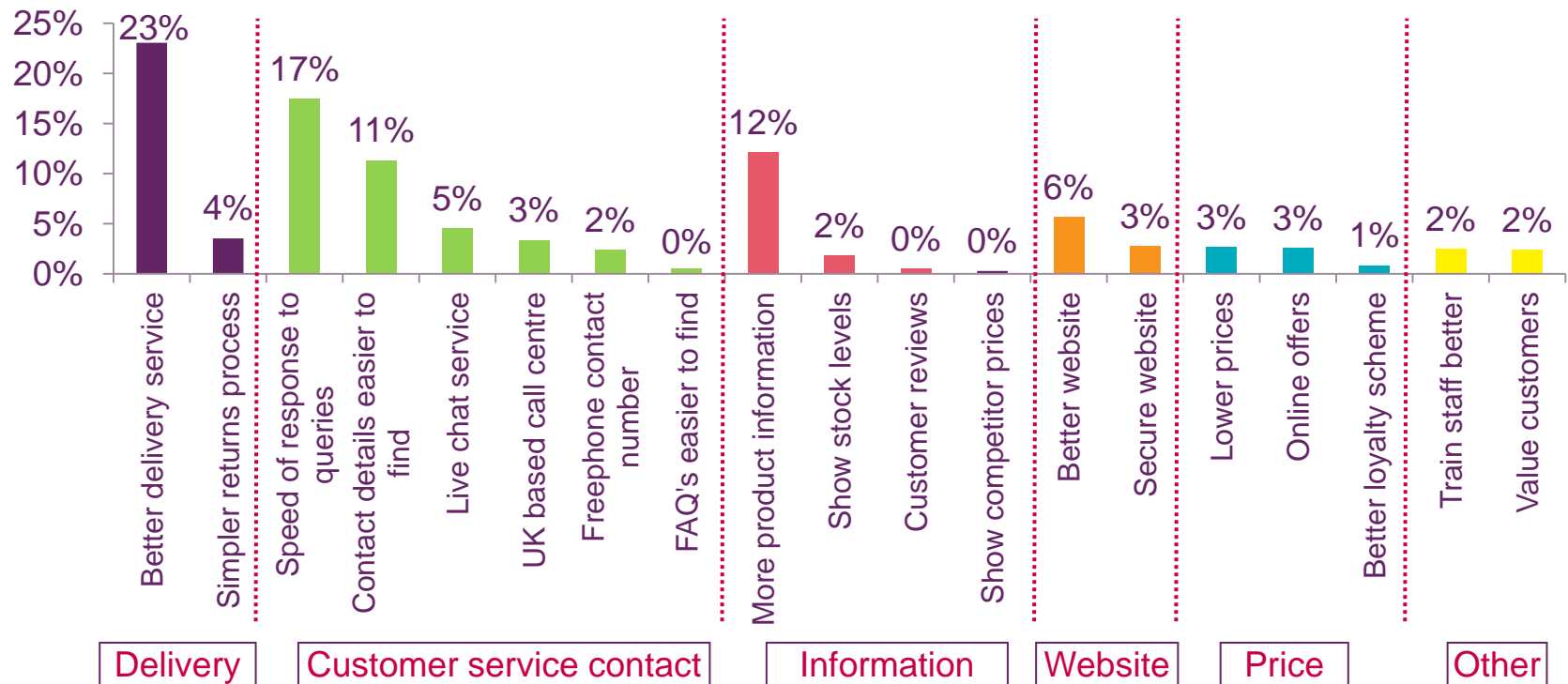
Base: All who use online shopping in the UK (N=1221)

Q.14: Have delivery concerns ever prevented you from buying items online? If yes, which of the following reasons prevented you from shopping?

Figure 6.5

Key improvement areas for online customers

Proportion of respondents (%)



Source: "Keeping your customers satisfied: The rise of online satisfaction" IMRG/eDigitalResearch, June 2013

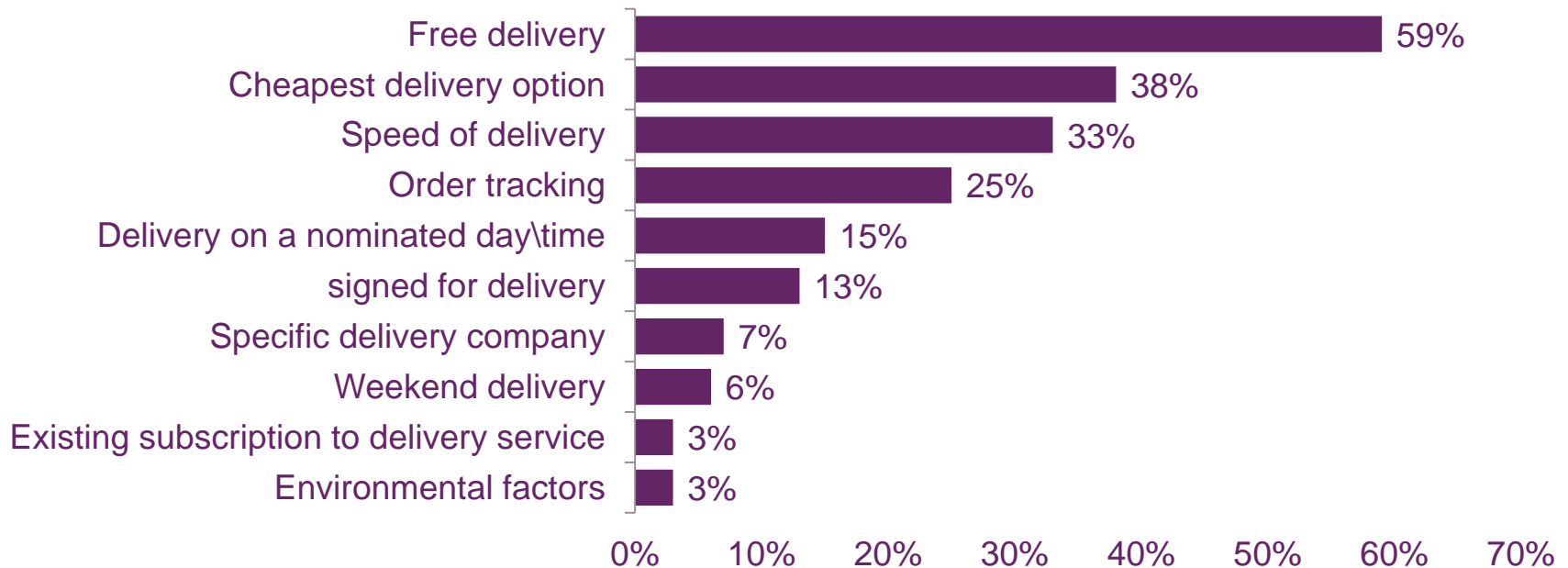
Base: Online customers aged 16+ (n=1,660)

Question: What one thing could retailers do to most improve their customer service?

Figure 6.6

Factors influencing choice of delivery method

% Influenced by factor



Source: Kantar Media Omnibus

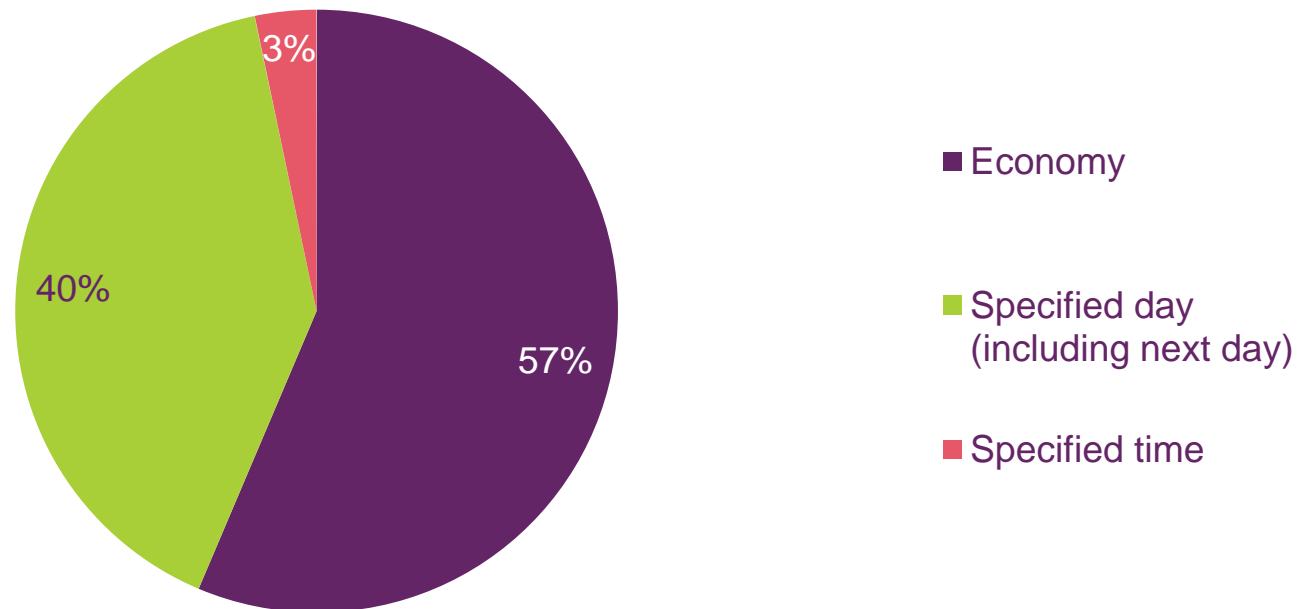
Base: All who use online shopping in the UK (N=1221)

Q.13: And which of the following factors influence your decision on which delivery method you choose?

PROBE: Any others?

Figure 6.7

Service types used for the fulfilment of e-retail, by proportion: 2012



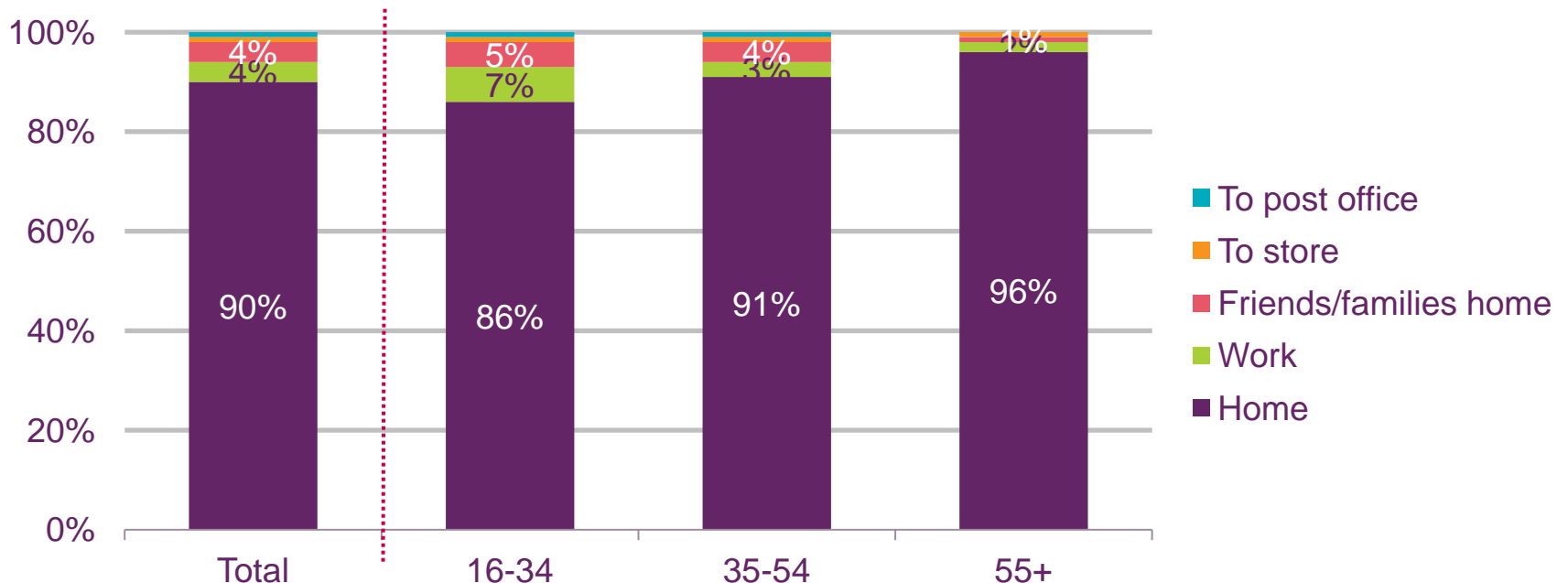
Source: Ofcom analysis of IMRG/Metapack Delivery Index, January – December 2012

Note: Specified time includes, AM, PM, Before 10am, Evening and School run; Specified day includes Same day and Next day. Proportions rebased to exclude International

Figure 6.8

Where items bought online are 'usually' delivered

% Delivered to



Source: Kantar Media Omnibus

Base: All who use online shopping in the UK (N=1221)

Q.12: When shopping online where do you usually get the items delivered to?

Figure 6.9

Consumer delivery decisions in online shopping

Delivery decision tree after choosing to buy an item online

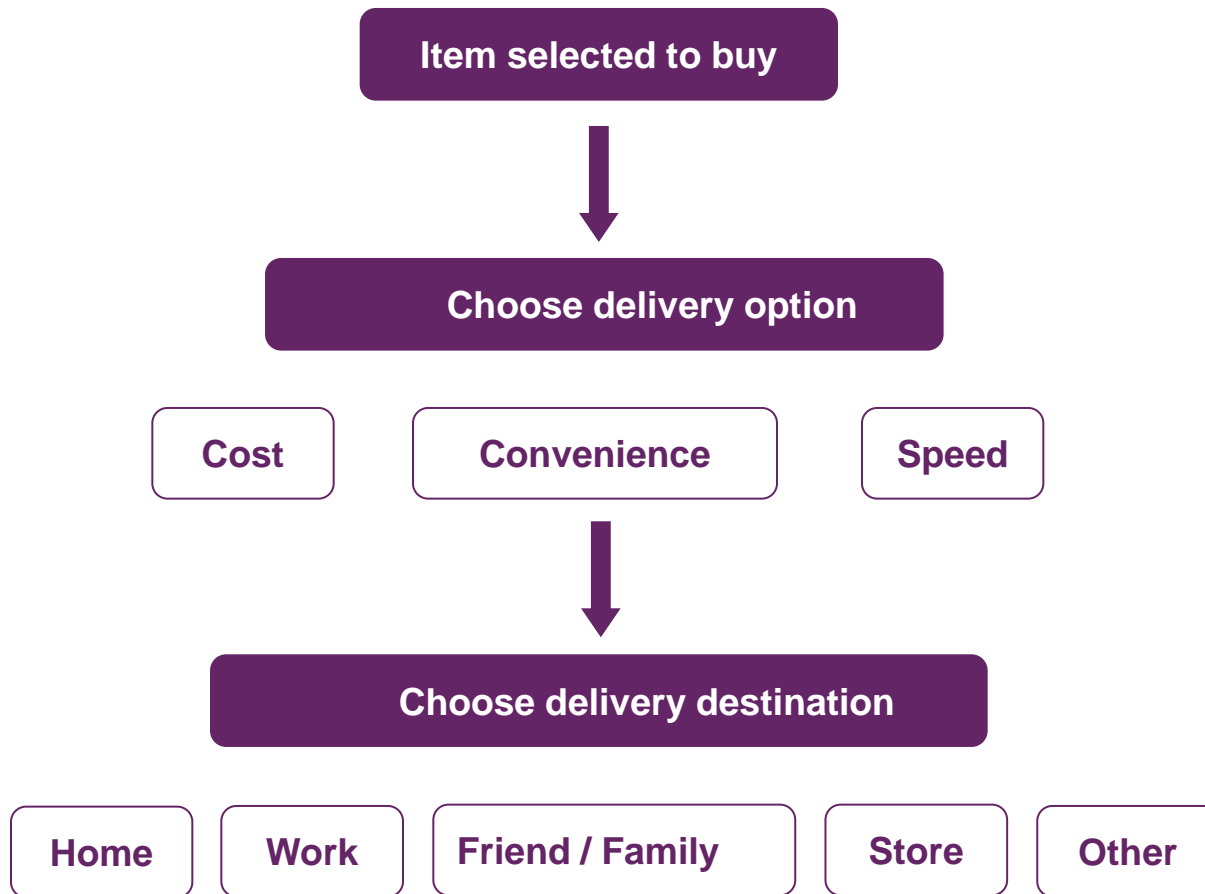
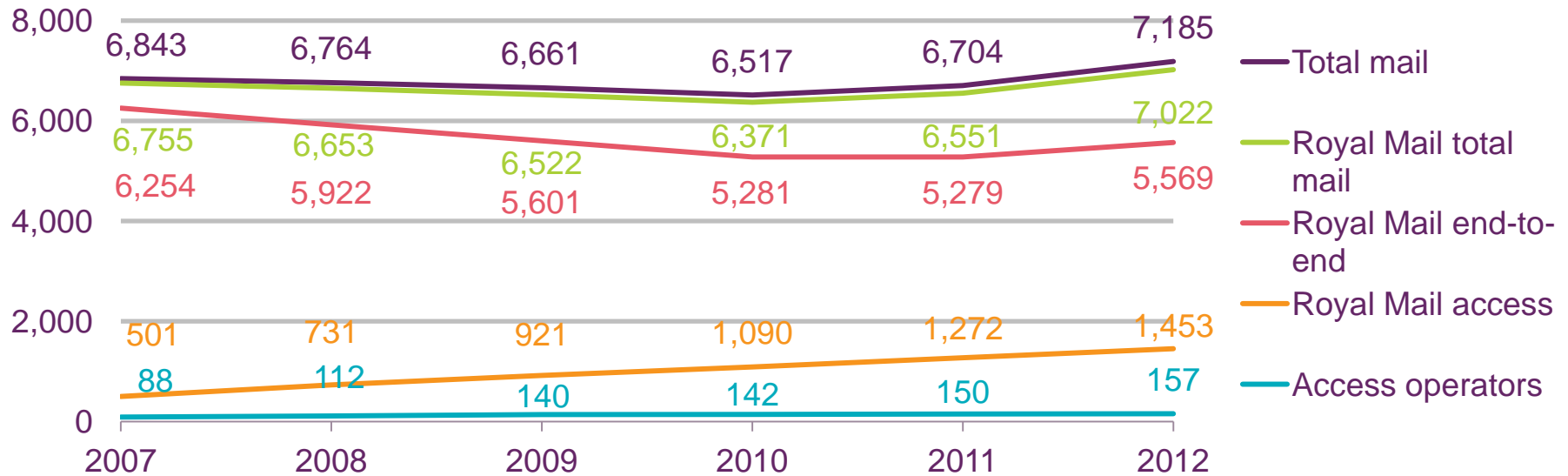


Figure 6.10

Mail revenue: 2007 to 2012

Revenue (£m)

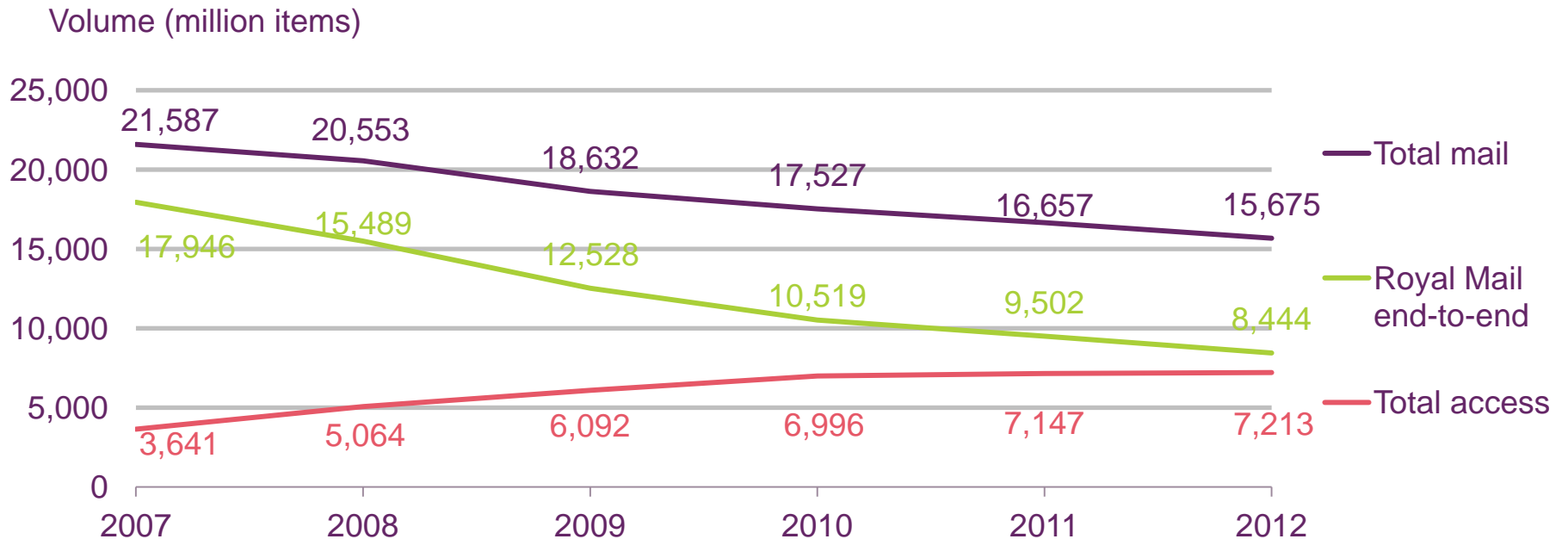


Source: Royal Mail Regulatory Financial Statements, operator returns to Ofcom, Ofcom estimates.

Note: Royal Mail end-to-end refers to Royal Mail total mail revenues excepting access. Royal Mail calendar year revenue figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and estimates of 2012-13 performance informed by Royal Mail's Report and Accounts and are therefore not directly comparable with Royal Mail's published accounts. Addressed mail only. Figures are nominal.

Figure 6.11

Mail volumes: 2007 to 2012

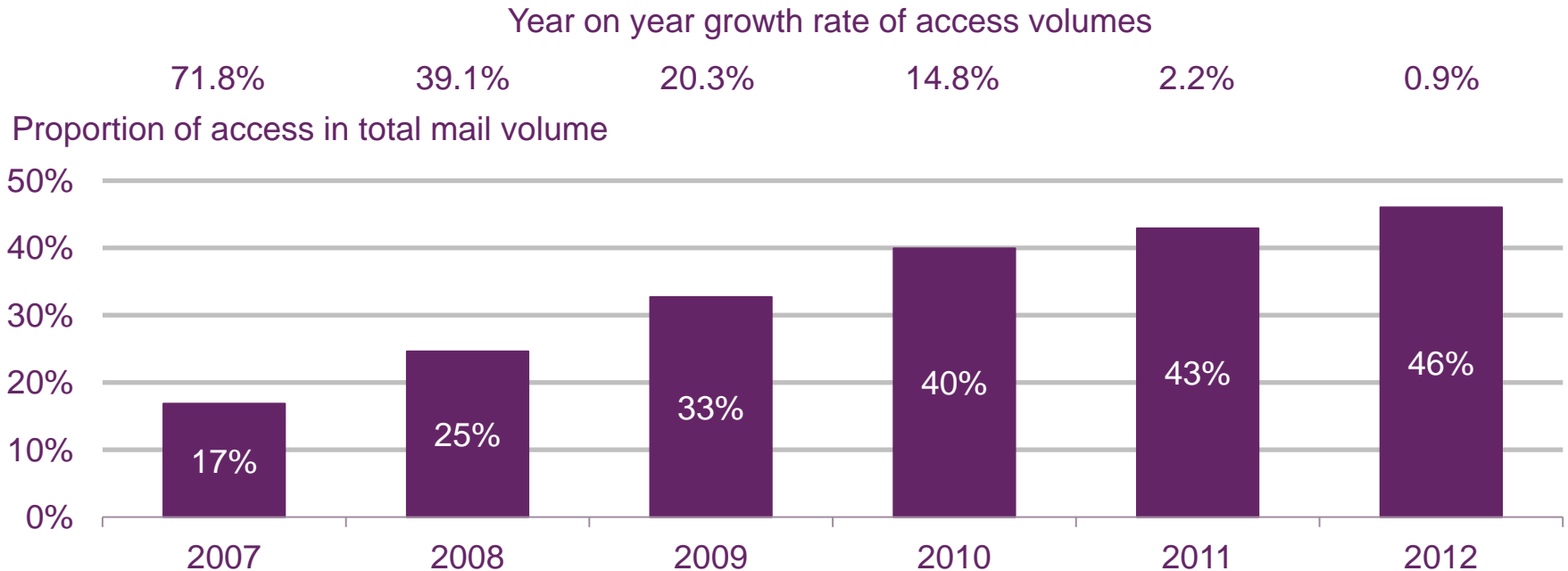


Source: Royal Mail Wholesale, Royal Mail Regulatory Financial Statements, Operators' returns, Ofcom estimates

Note: Royal Mail end-to-end refers to Royal Mail total mail volumes excepting access. Royal Mail calendar year volume figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and estimates of 2012-13 performance informed by Royal Mail's Report and Accounts and are therefore not directly comparable with Royal Mail's published accounts. Addressed mail only.

Figure 6.12

Proportion of access mail in total mail: 2007 to 2012

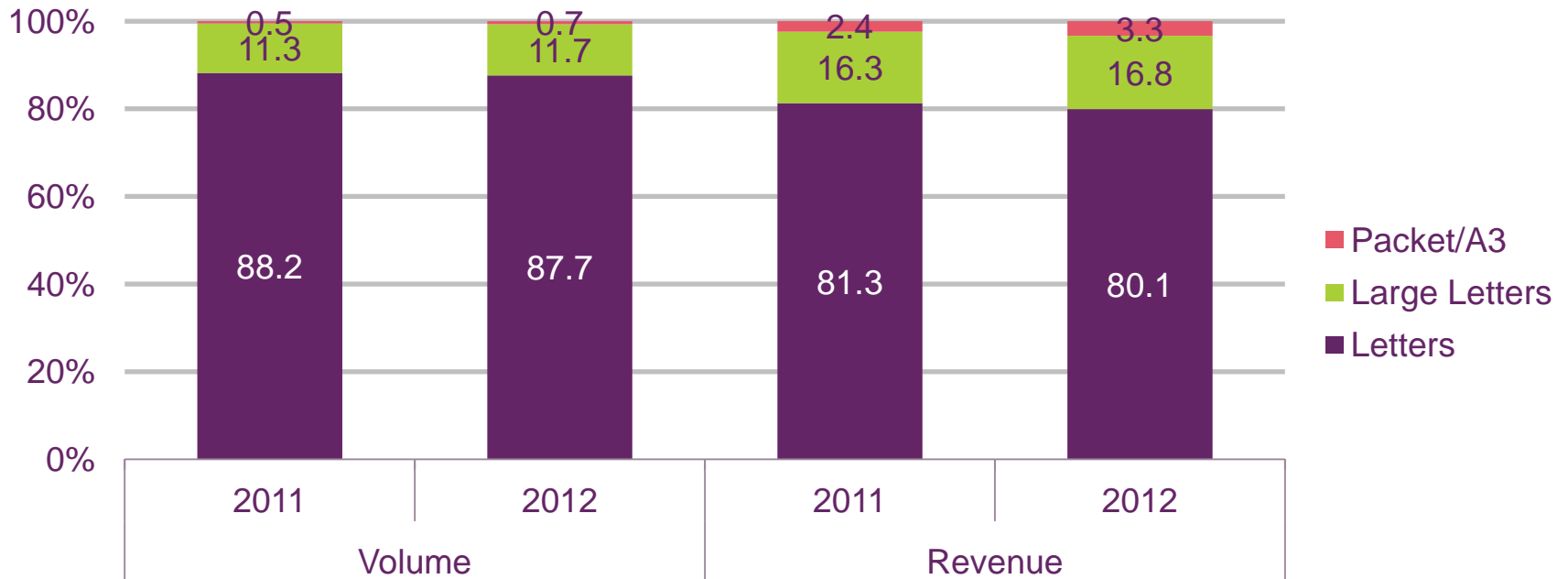


Source: Royal Mail Wholesale, Royal Mail Regulatory Financial Statements, Operators' returns, Ofcom estimates

Figure 6.13

Access volumes and Royal Mail's access revenue, by format: 2011 to 2012

Proportion of format in total access mail (%)

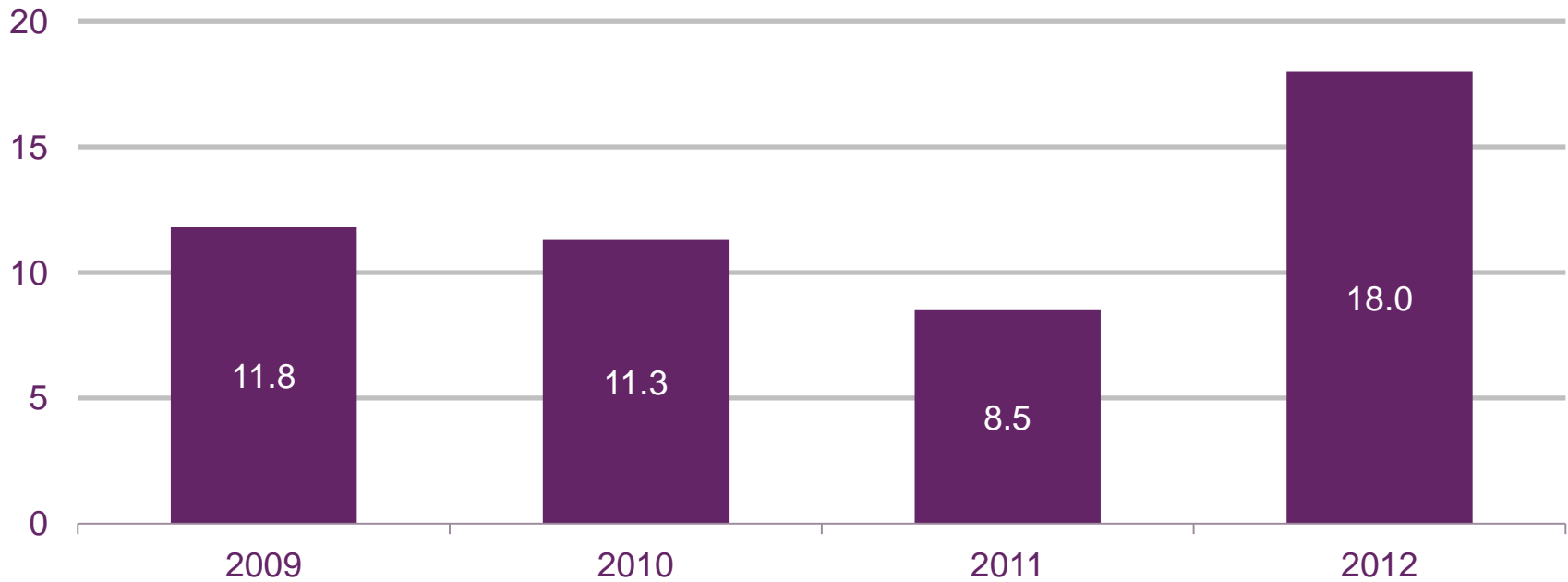


Source: Royal Mail Wholesale, 2011-12 to 2012-13

Figure 6.14

Other operators' end-to-end delivered volumes: 2009 to 2012

Volume (million items)

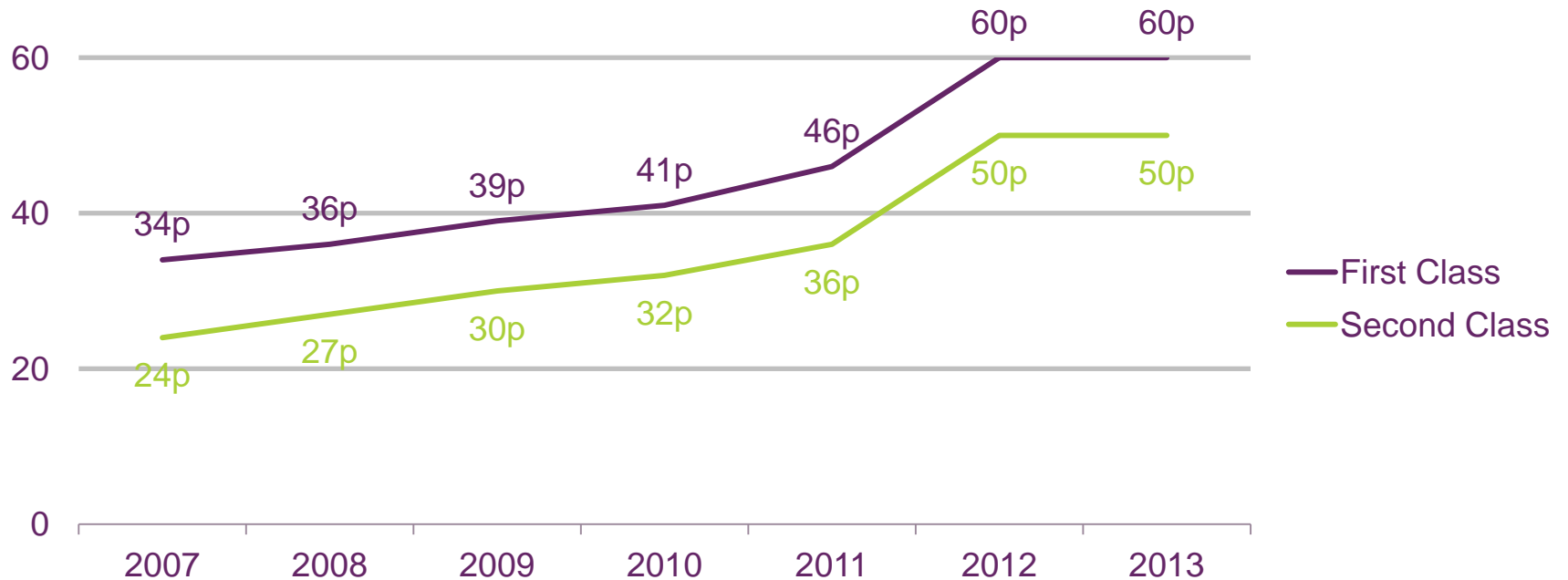


Source: Operators' returns

Figure 6.15

First and Second Class stamp prices

Price (p)



Source: Royal Mail. Figures are nominal.

Figure 6.16



Attitudes to sending / receiving post

Proportion of all respondents agreeing with each statement %
Ranked by adults 16+

	Adults 16+	16-34	35-54	55+
I prefer to send letters or emails to companies rather than make a phone call so I have a written record	61%	62%	65%	56%
I trust second class post to get there in reasonable timeframe	59%	55%	56%	66%
I love to send and receive letters and cards	58%	52%	57%	67%
I prefer to send emails rather than letters whenever possible	53%	68%	57%	33%
I would feel cut off from society if I can't send/don't receive post	51%	41%	48%	63%
I only send mail first class if it needs to get there next day	50%	45%	48%	56%
I only use post if there is no alternative	44%	54%	41%	36%
I send fewer letters due to cost	29%	25%	29%	33%

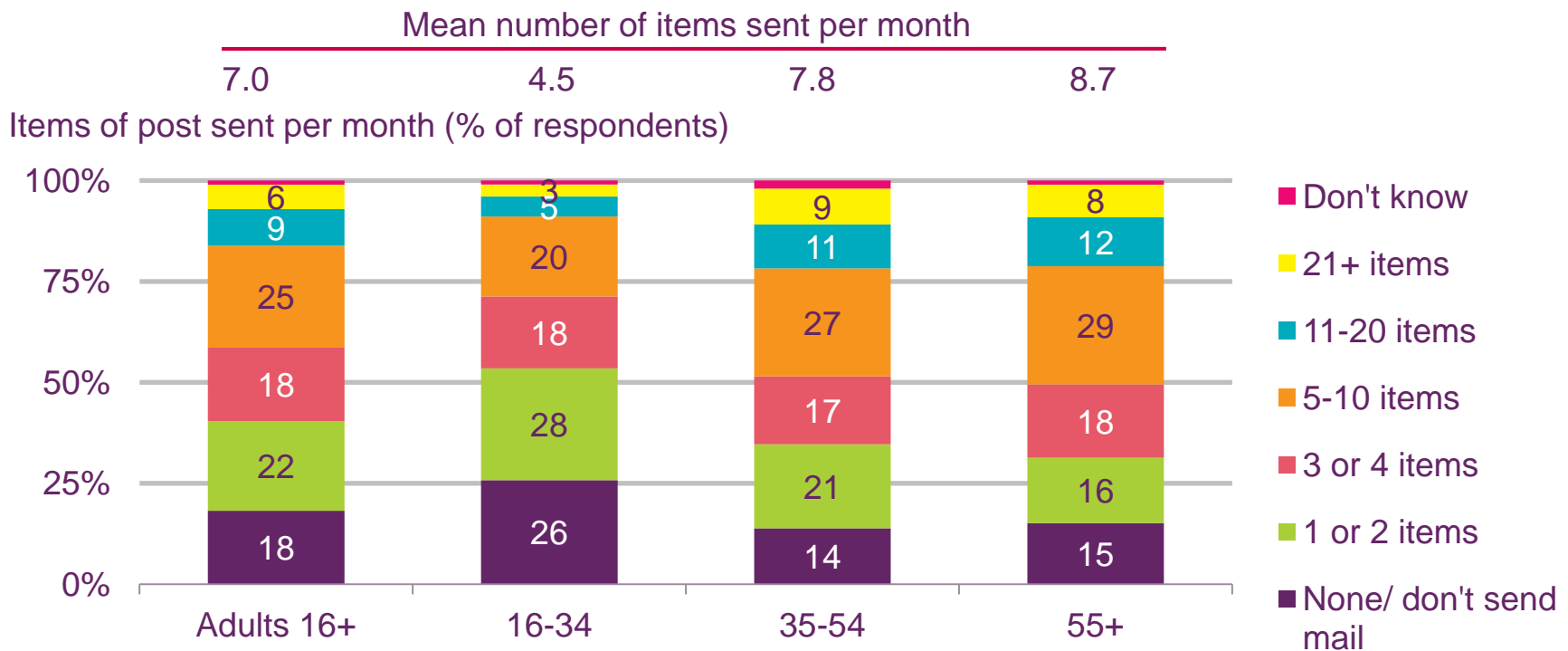
Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 4844 16+, 1338 16-34, 1582 35-54, 1924 55+)

QH2A-H. SHOWCARD - AGREEMENT WITH STATEMENTS ABOUT SENDING/ RECEIVING POST

Figure 6.17

Approximate number of items of post sent per month (including letters, cards and parcels)



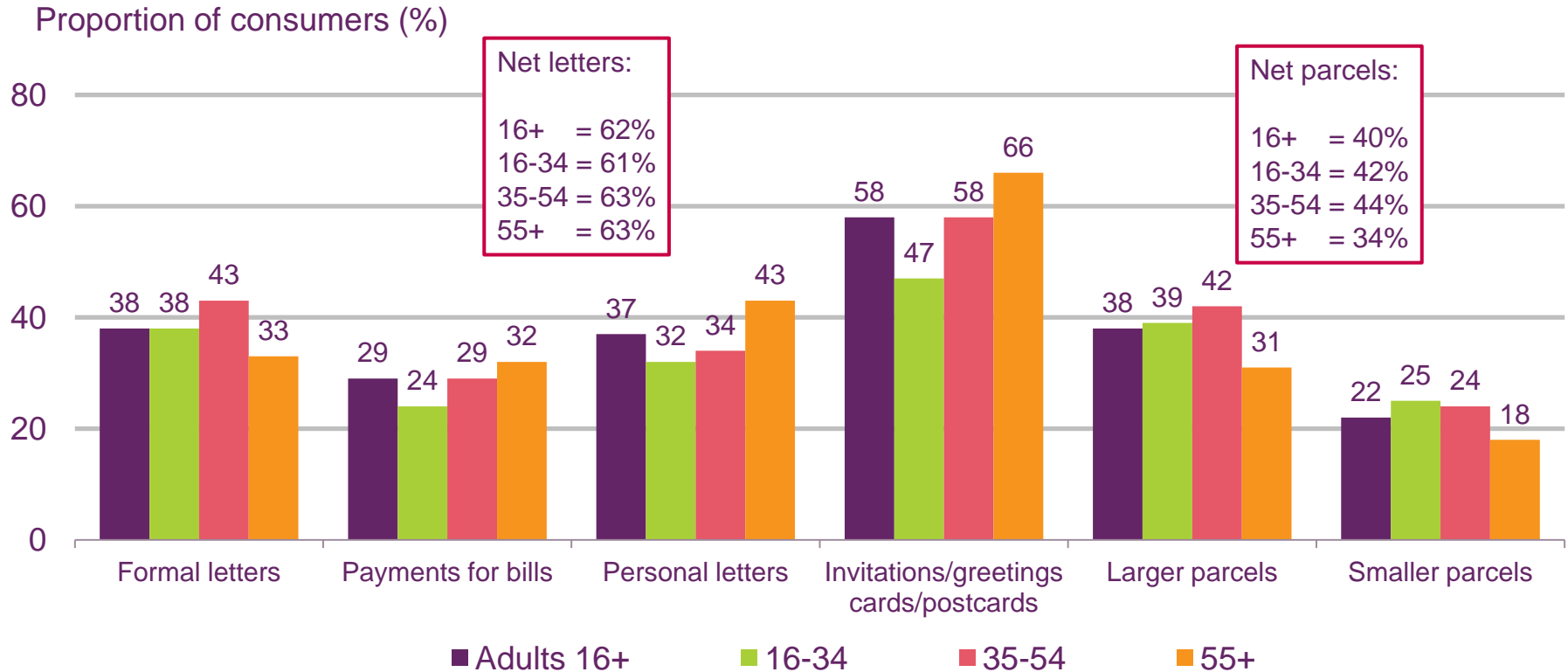
Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 4844 16+, 1338 16-34, 1582 35-54, 1924 55+)

QC1. Approximately how many items of post - including letters, cards and parcels - have you personally sent in the last month?

Figure 6.18

Type of post sent in the past month



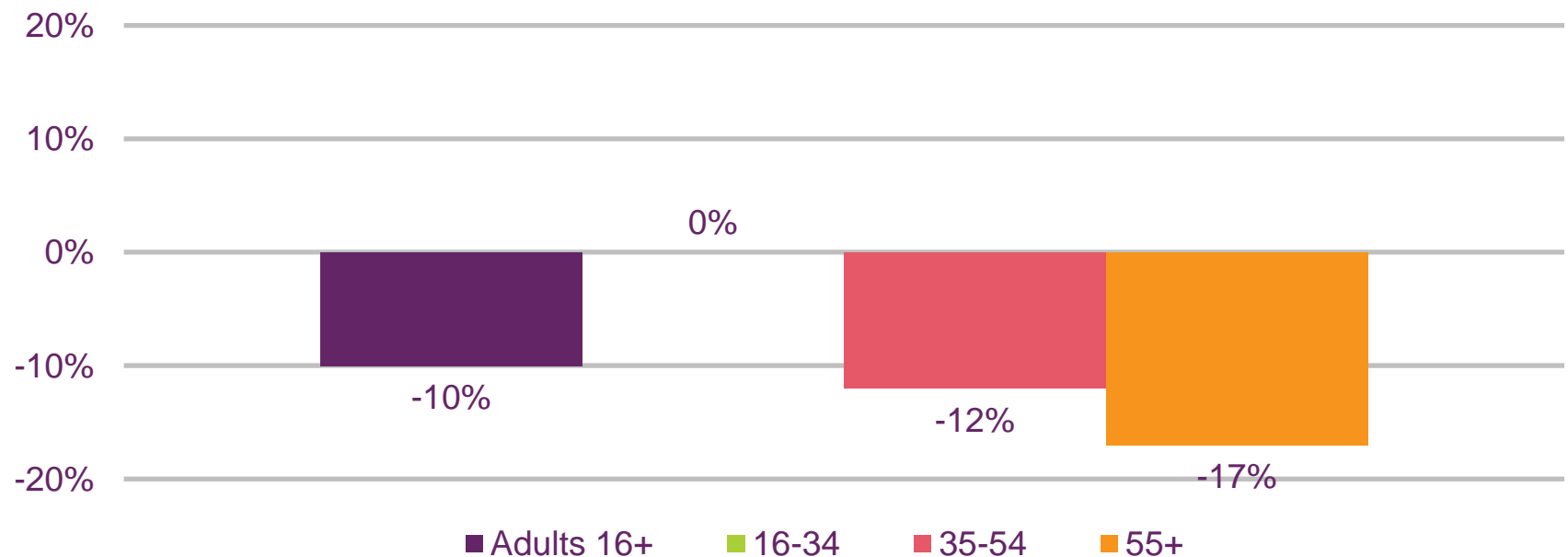
Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All who have personally sent any items of post in the last week (n = 3889 16+, 956 16-34, 1330 35-54, 1603 55+)

QC5. Which of these types of mail would you say you have personally sent in the last month by post? (MULTICODE)

Figure 6.19

Net percentage of respondents reporting increasing or decreasing amount of post sent in the past two years



Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 4844 16+, 1338 16-34, 1582 35-54, 1924 55+)

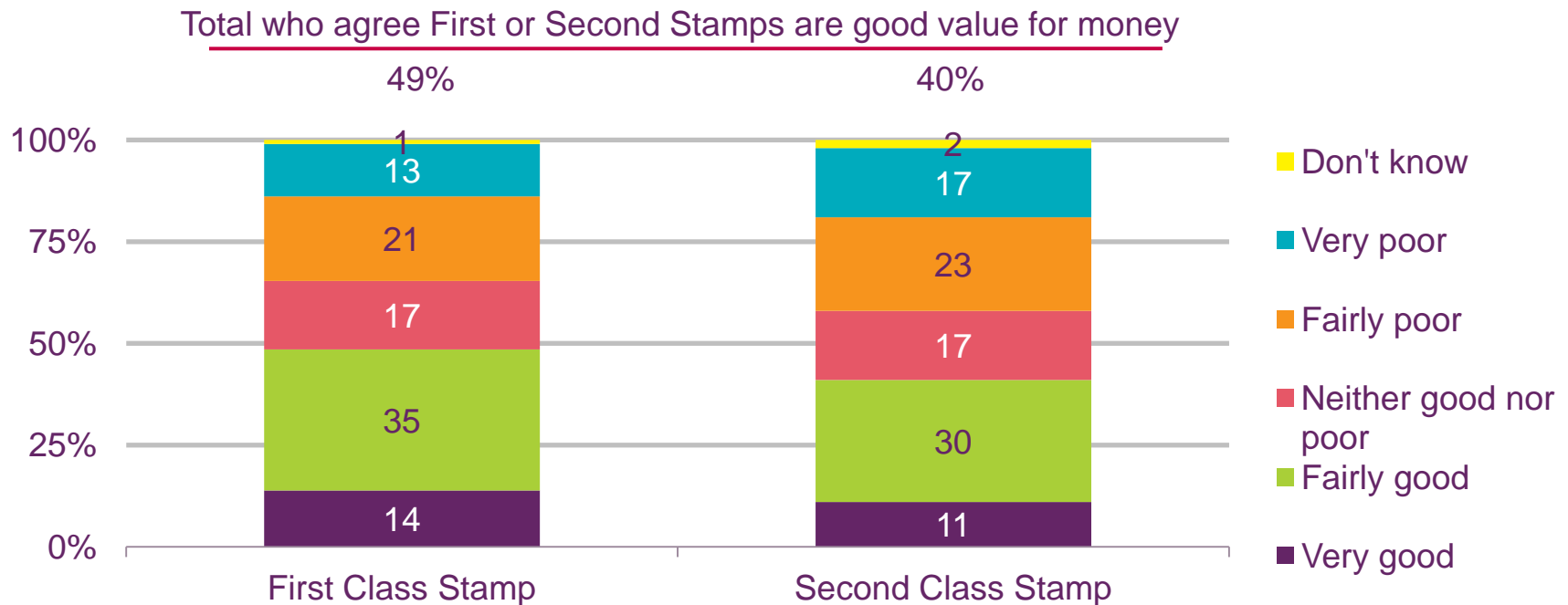
QC10: Compared with two years ago, would you say that the number of items you send through the post has...increased greatly, increased slightly, stayed the same, decreased slightly, decreased greatly?

Note: chart shows net percentage (% who claim their use has increased - % those who claim their use has decreased)

Figure 6.20

Perceived value for money of First and Second Class stamps

Value for money of First and Second Class stamps (% of respondents)



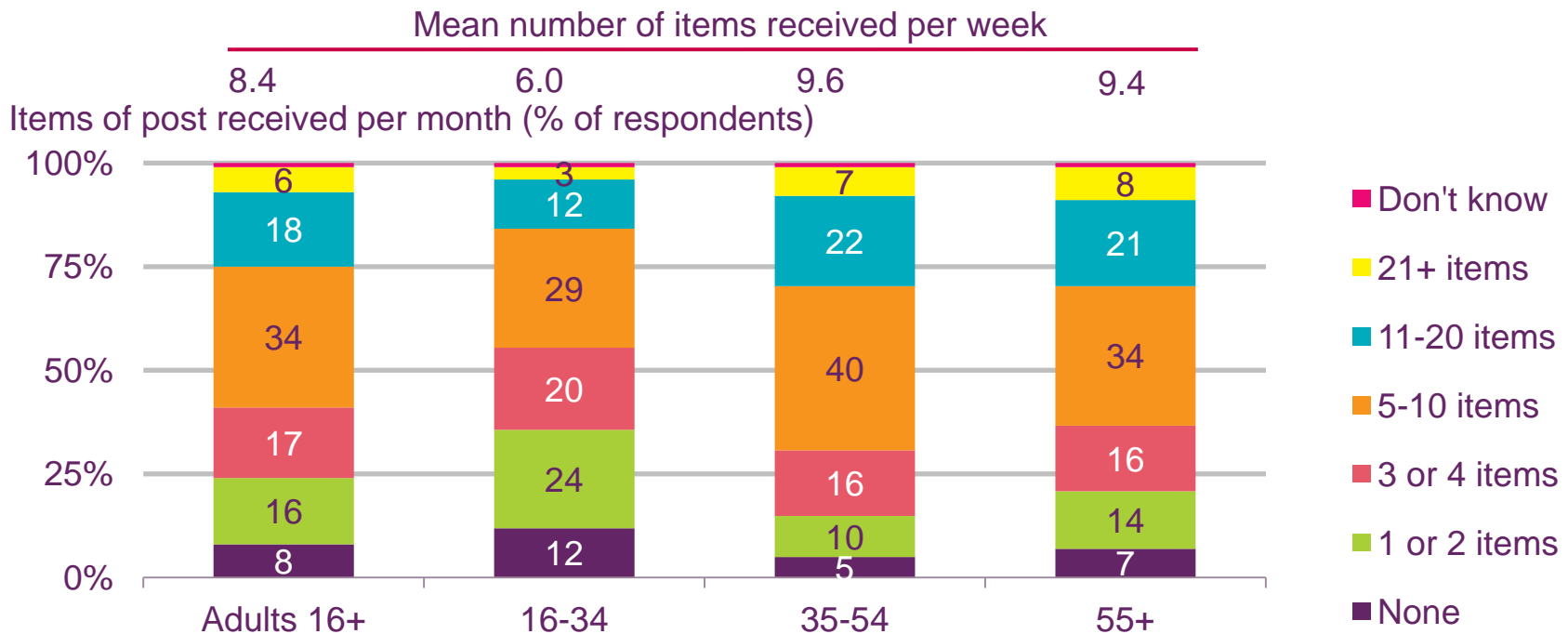
Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 484416+)

QF3/4. It currently costs 60p/50p to send a standard letter first /second class within the UK. How would you rate the Royal Mail's first/second class service in terms of value for money

Figure 6.21

Approximate number of items of post received per month (including letters, cards and parcels)



Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

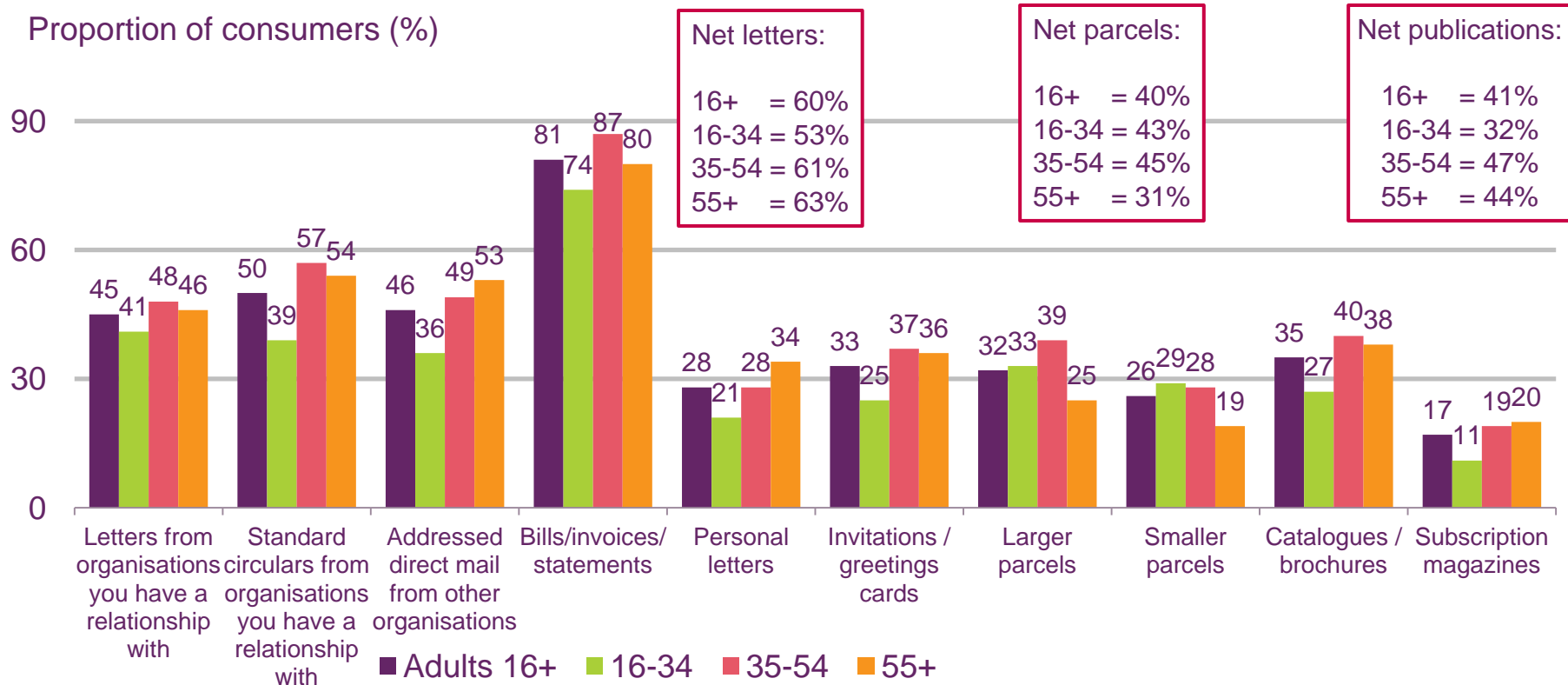
Base: All respondents (n = 4844 UK, 1338 16-34, 1582 35-54, 1924 55+)

QD1. Approximately how many items of post - including letters, cards and parcels - have you personally received in the last week?

Figure 6.22



Type of post received in the past month



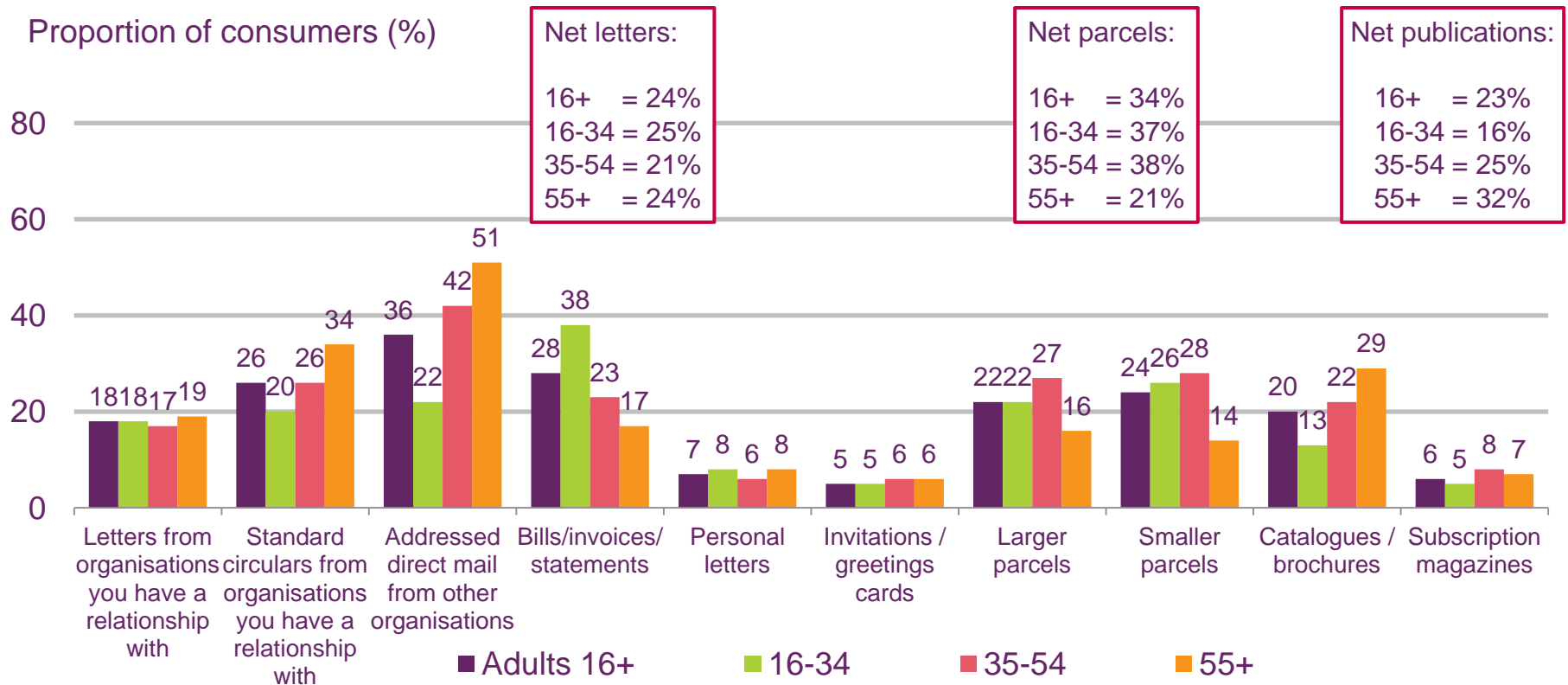
Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 4844 UK, 1338 16-34, 1582 35-54, 1924 55+)

QD4. SHOWCARD Please think about items that are addressed to you personally rather than leaflets or charity collection envelopes or bags that may come through your letterbox. Which of these types of items would you say you have personally received through the post in the last month? (MULTI CODE)

Figure 6.23

Type of post being received more often



Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

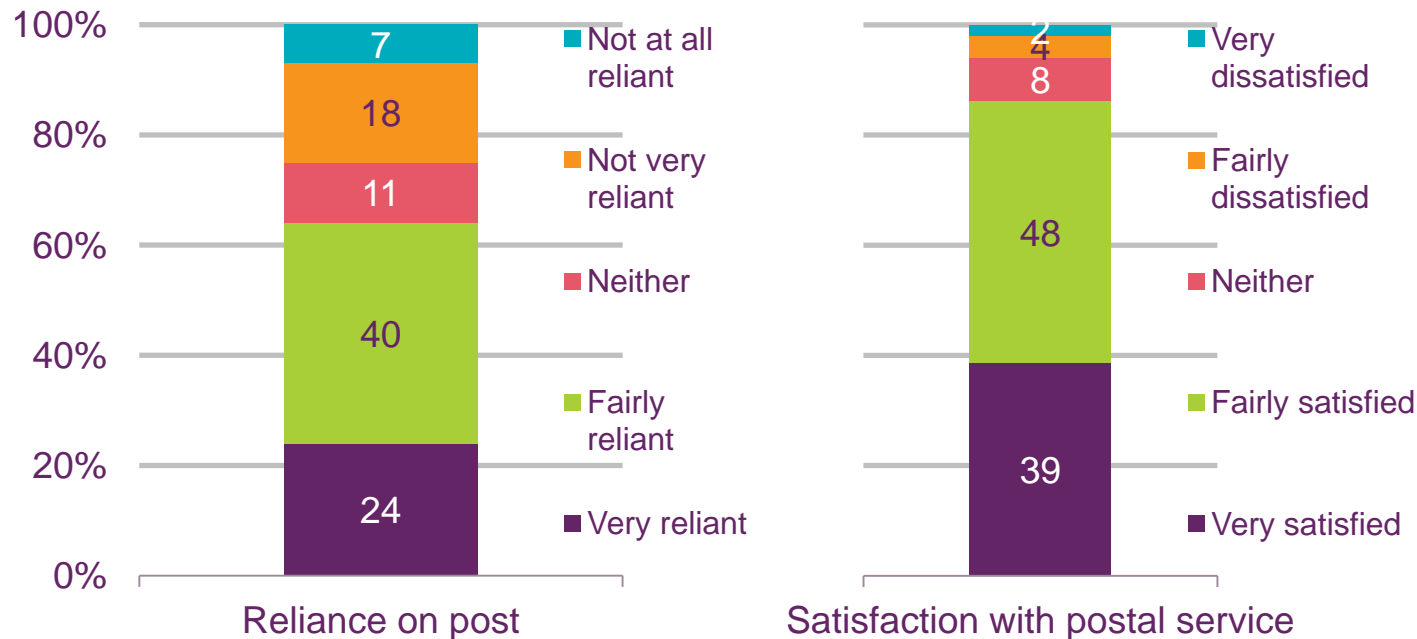
Base: All who say the number of items received by post has increased compared to two years ago (n = 1181 16+, 466 16-34, 371 35-54, 344 55+)

QD6. Which of these types of addressed items are you personally receiving more often through the post now? (MULTICODE)

Figure 6.24

Reliance on, and satisfaction with, postal service

Proportion of all respondents %



Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 4844 UK, 1338 16-34, 1582 35-54, 1924 55+)

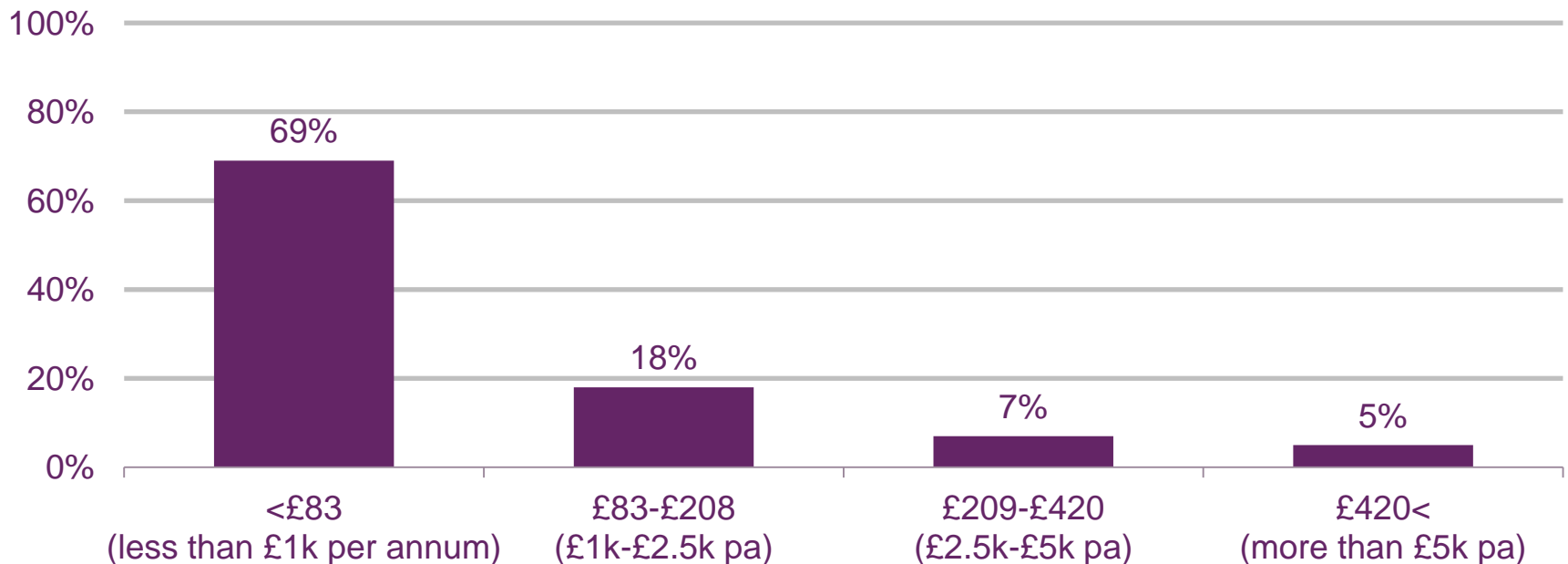
QE1. How reliant would you say you are on post as a way of communicating? (SINGLE CODE)

QE2. Thinking about your experience of using the postal service to send and receive mail, how would you rate your overall satisfaction with the postal service? (SINGLE CODE)

Figure 6.25

Monthly spend on sending postal items

Monthly spend (% of respondents)



Source: Ofcom Business Postal Tracker, Q3 2012-Q2 2013

Base : All respondents (n = 1604 UK)

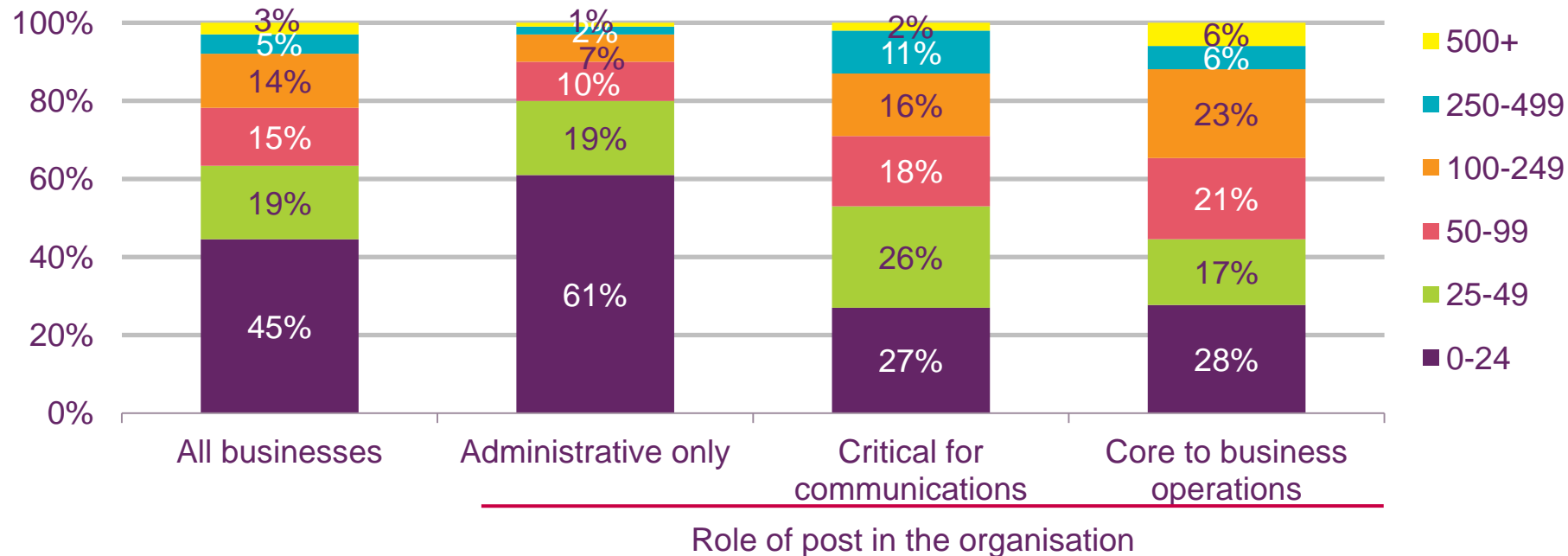
QV1. On average, how much money does your organisation spend per month on sending mail items?

Please think about all the letters, packets and parcels you may send as an organisation.

Figure 6.26

Volume of letters sent each month

Proportion of respondents (%)



Source: Ofcom Business Postal Tracker, Q3 2012-Q2 2013

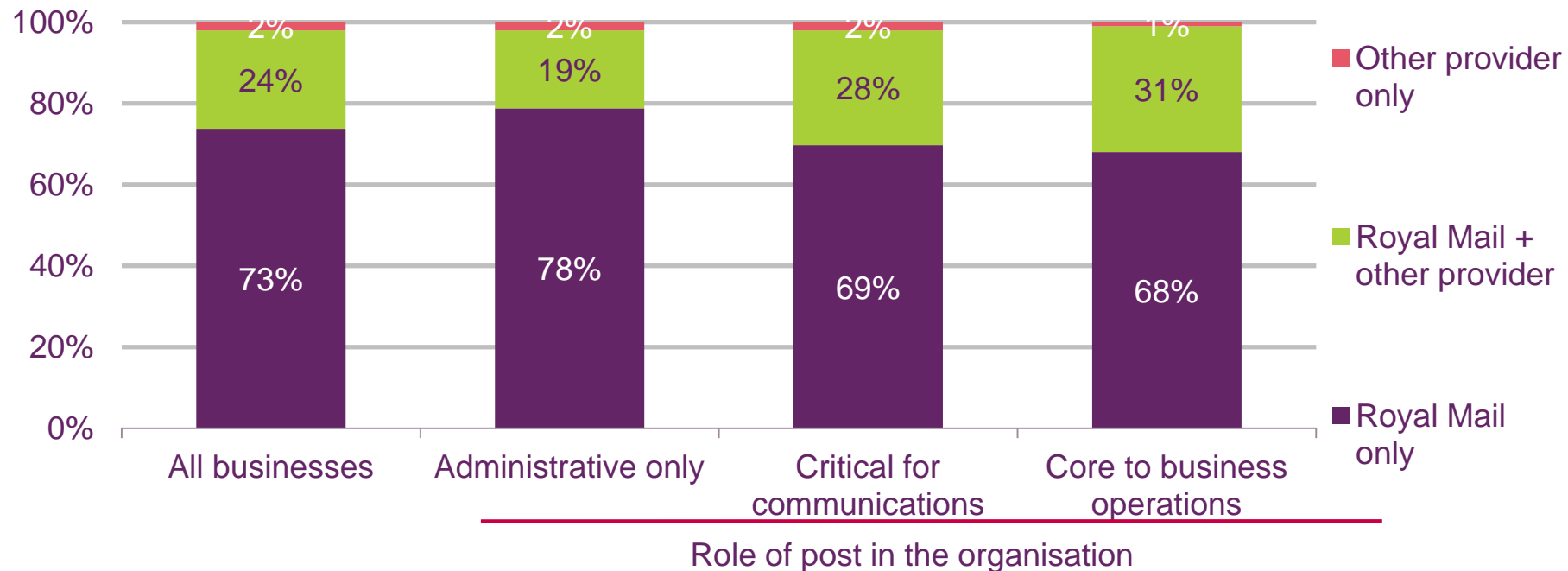
Base: All respondents (n = 1604)

QV2a. On average, how many letter items does your organisation send per month? Please think ONLY about all the letters and large letters you may send as an organisation.

Figure 6.27

Postal operators used

Proportion of respondents (%)



Source: Ofcom Business Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 1604)

QV4. And who does your organisation use for its mail service?

Figure 6.28

Royal Mail services used to send standard mail

Proportion of respondents (%)



Source: Ofcom Business Postal Tracker, Q3 2012-Q2 2013

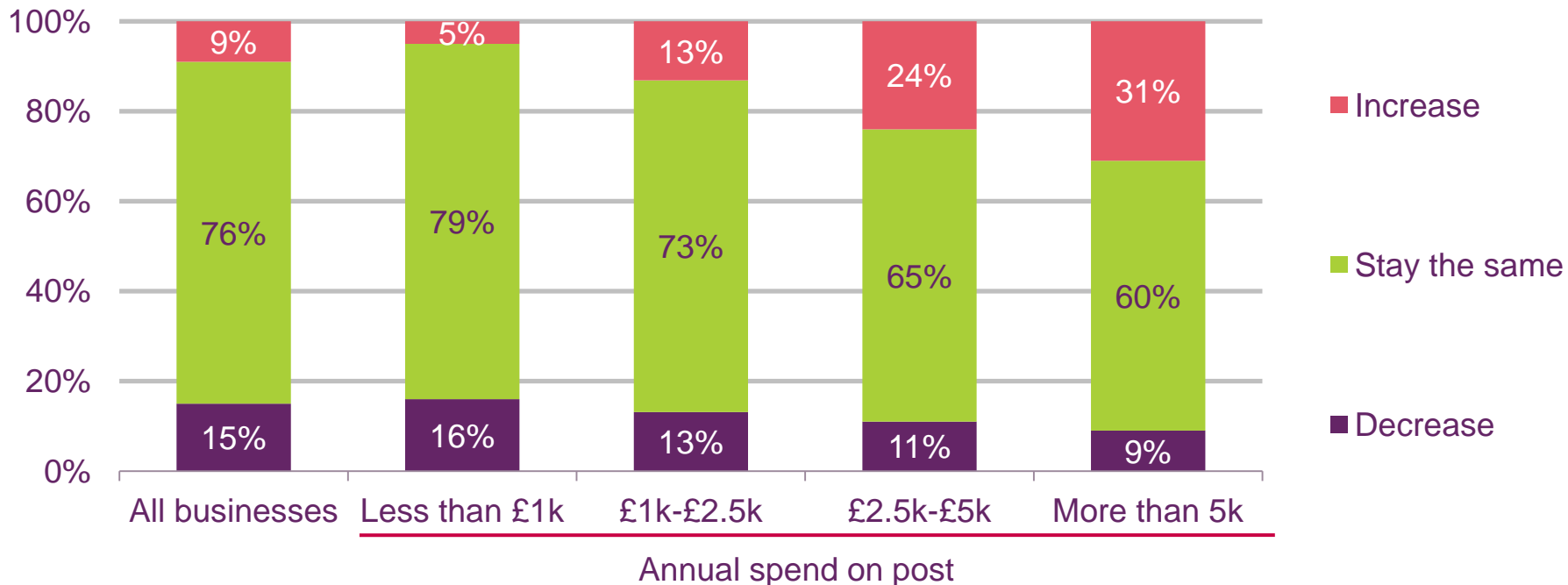
Base : All respondents using RM standard delivery services (n = 1460)

QV6d. Which, if any, of the following Royal Mail services does your organisation use to send your standard mail?

Figure 6.29

Predicted change in volume of sent mail by businesses over the next year

Proportion of respondents (%)



Source: Ofcom Business Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 1604, less than £1k = 1016, £1k-£2.5k = 311, £2.5k-£5k = 127, more than £5k = 150)

QS1. In the next 12 months, do you anticipate the volume of mail your organisation sends to increase, decrease or stay about the same?