Figure 6.1

UK postal services: industry key metrics

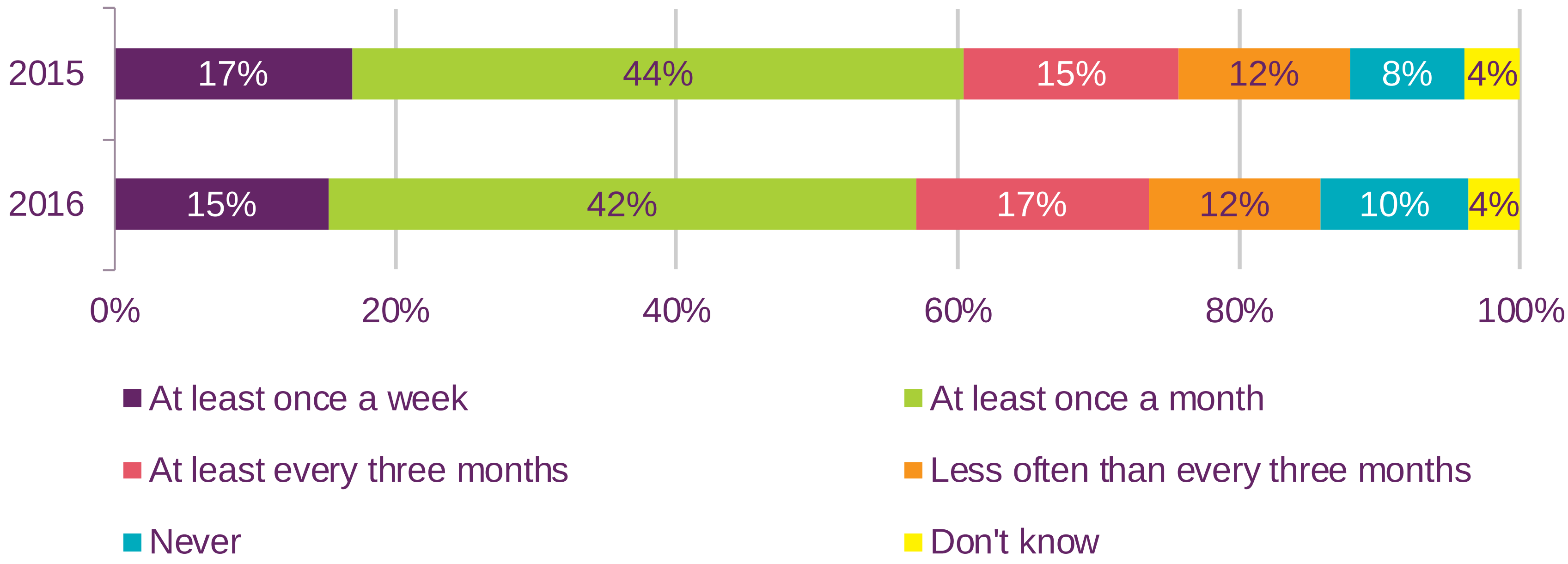
UK postal services industry	2010	2011	2012	2013	2014	2015
Addressed letter volumes	15.6bn	14.6bn	13.5bn	12.9bn	12.7bn	12.2bn
Addressed letter revenues	£4.1bn	£4.1bn	£4.2bn	£4.2bn	£4.3bn	£4.2bn
Proportion of access in total mail	44%	49%	54%	56%	56%	58%
Letter volumes delivered by operators other than Royal Mail	11.3m	8.5m	18.0m	56.1m	158.5m	67.6m
Direct mail share of total advertising spend	15.9%	14.9%	14.5%	14.1%	13.9%	14.1%

Source: Royal Mail Regulatory Financial Statements, Royal Mail Wholesale, Royal Mail Group Annual Reports, AA/Warc, Nielsen. Note: Royal Mail calendar year volume figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and unaudited submissions to Ofcom and are therefore not directly comparable with Royal Mail's published accounts. Royal Mail figures relate to the 'Reported Business'. Prior data are not comparable. Figures are nominal.

Figure 6.2

Frequency of online shopping

Proportion of respondents (%)



Source: YouGov Reports, Innovations in Retailing 2016, fieldwork March 2016.
Base: nationally representative adults aged 16+ 2016: 2003, 2015: 2114
Q5: How often do you purchase products online (including via your mobile)?

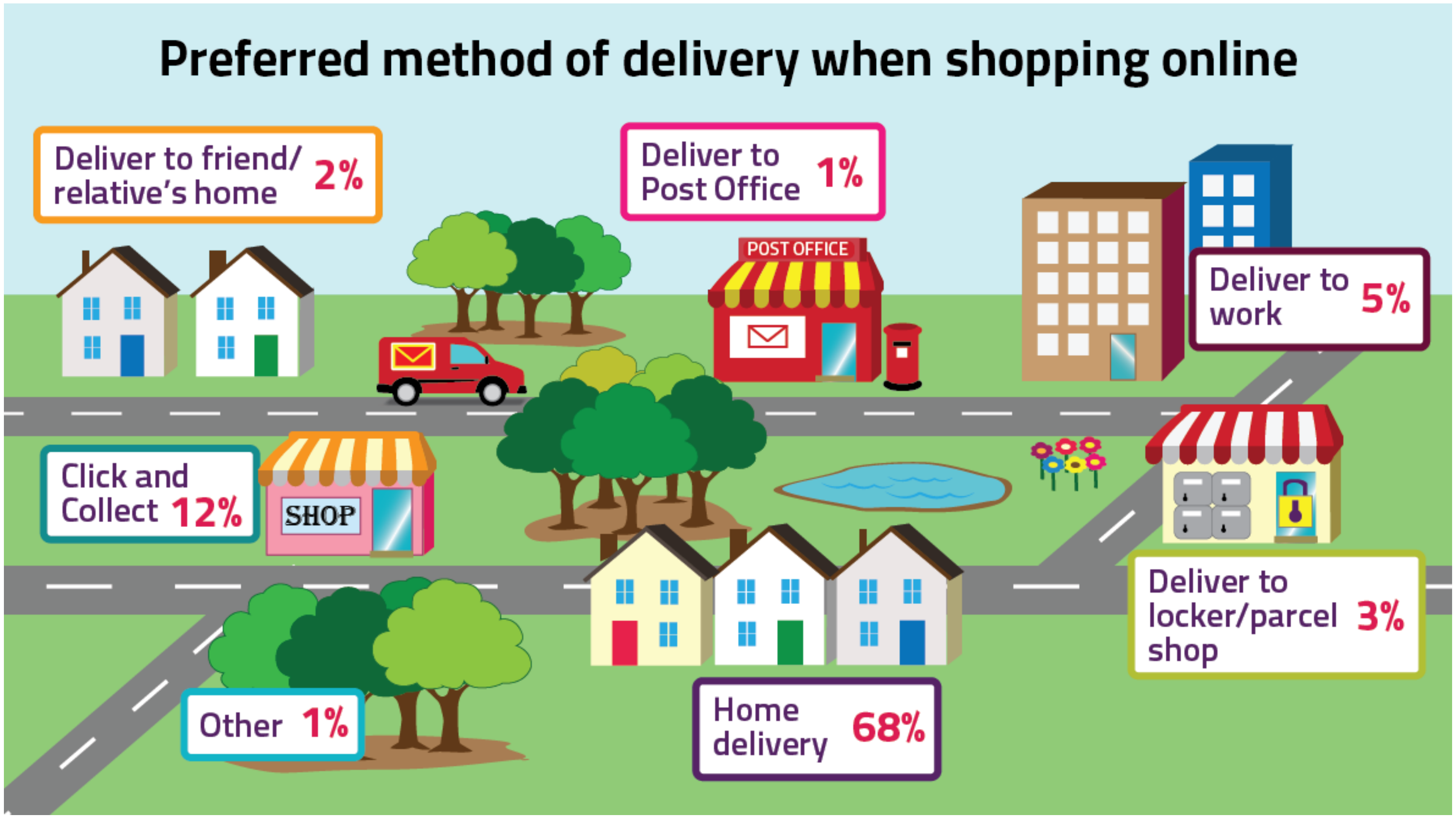
Figure 6.3

Reasons for stopping an online order

Proportion of respondents (%)

Note: Three options were asked in 2016 for the first time and have no 2015 comparison.
Source: YouGov Reports, Innovations in Retailing, fieldwork March 2016.
Base: All adults aged 16+ who have not ordered a product due to delivery concerns, 2016: 842, 2015: 937
Q19: Why did your concerns regarding delivery stop you from ordering the product? Please choose all that apply.

Figure 6.4

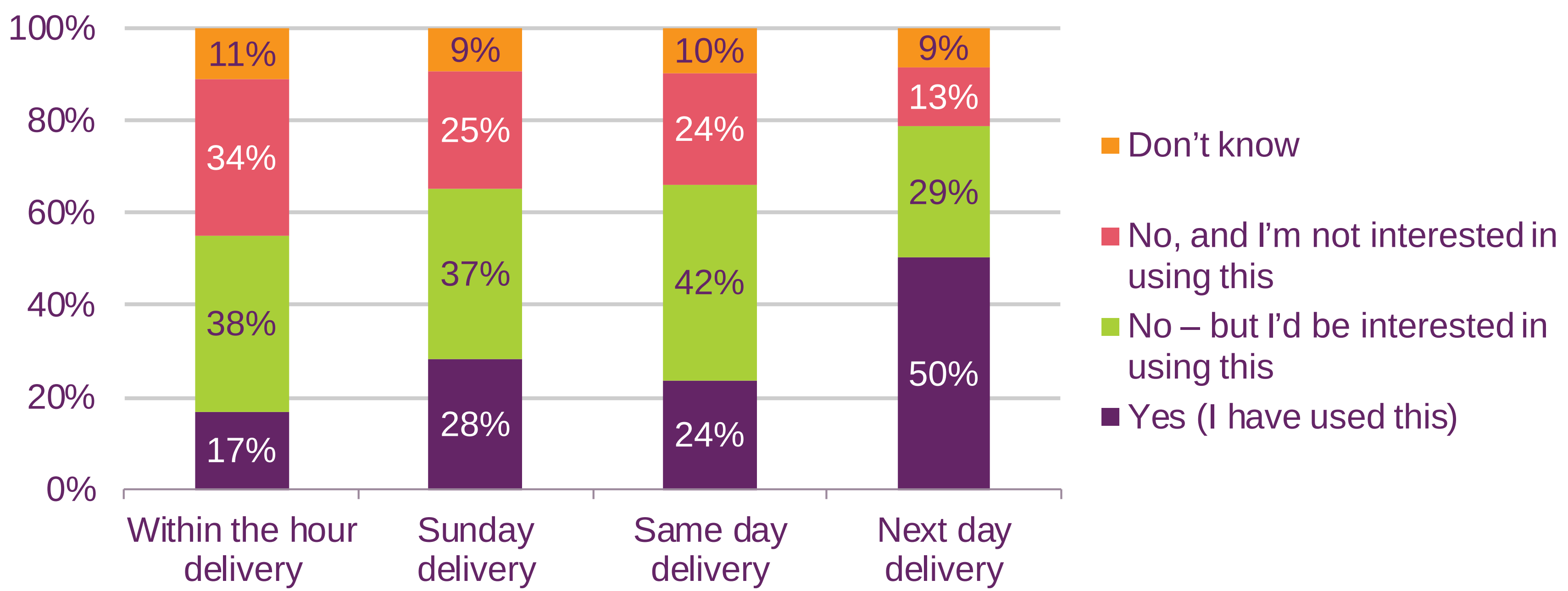


Source: YouGov Reports, Innovations in Retailing 2016, fieldwork March 2016.
Base: nationally representative adults aged 16+, 2016: 2003. 'Don't know' (7%) responses not shown
Q15: Now thinking about shopping online (including via your mobile) and the delivery of your purchases, in general which of the following do you prefer?.

Figure 6.5

Use of faster or Sunday delivery options

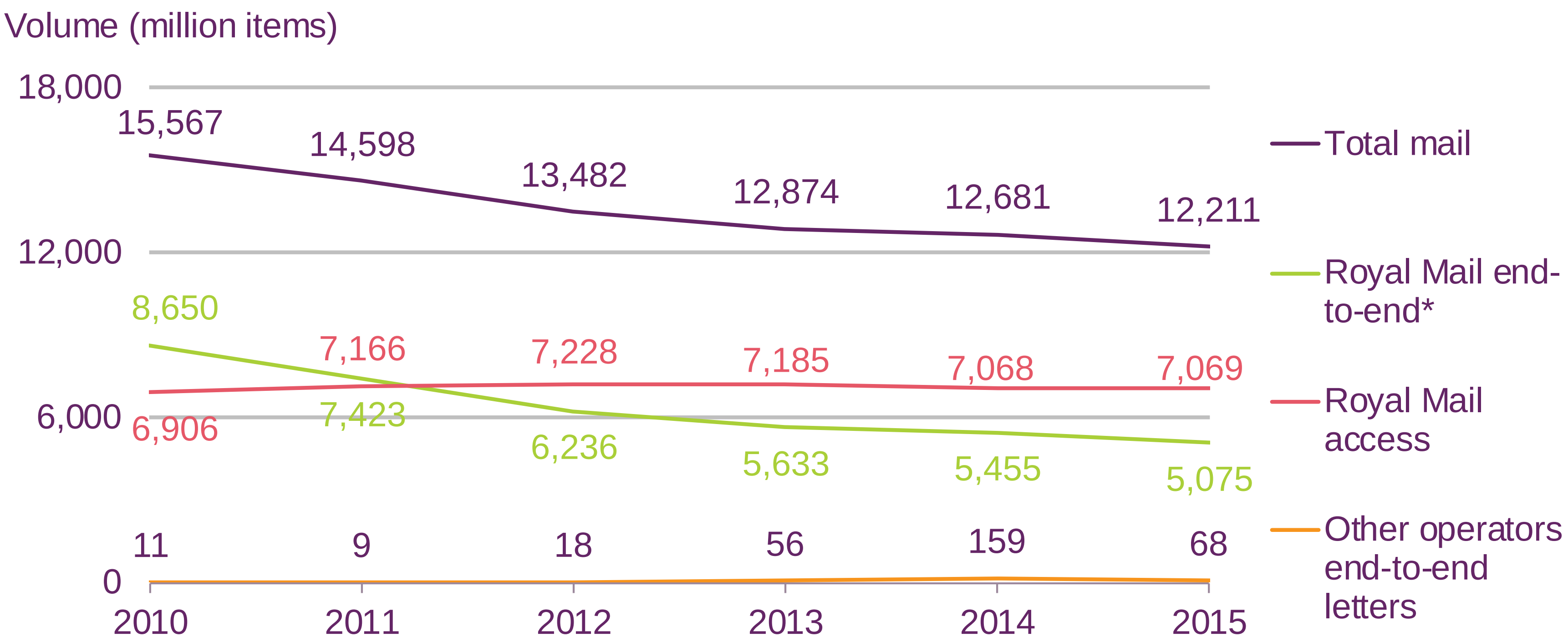
Proportion of respondents (%)



Source: YouGov Repots, Innovations in Retailing 2016, fieldwork March 2016.
Base: nationally representative adults aged 16+, 2016: 2003.
Q24: Have you ever used, or would you be interested in using same day delivery, within the hour delivery, Sunday delivery, and/or next day delivery?

Figure 6.6

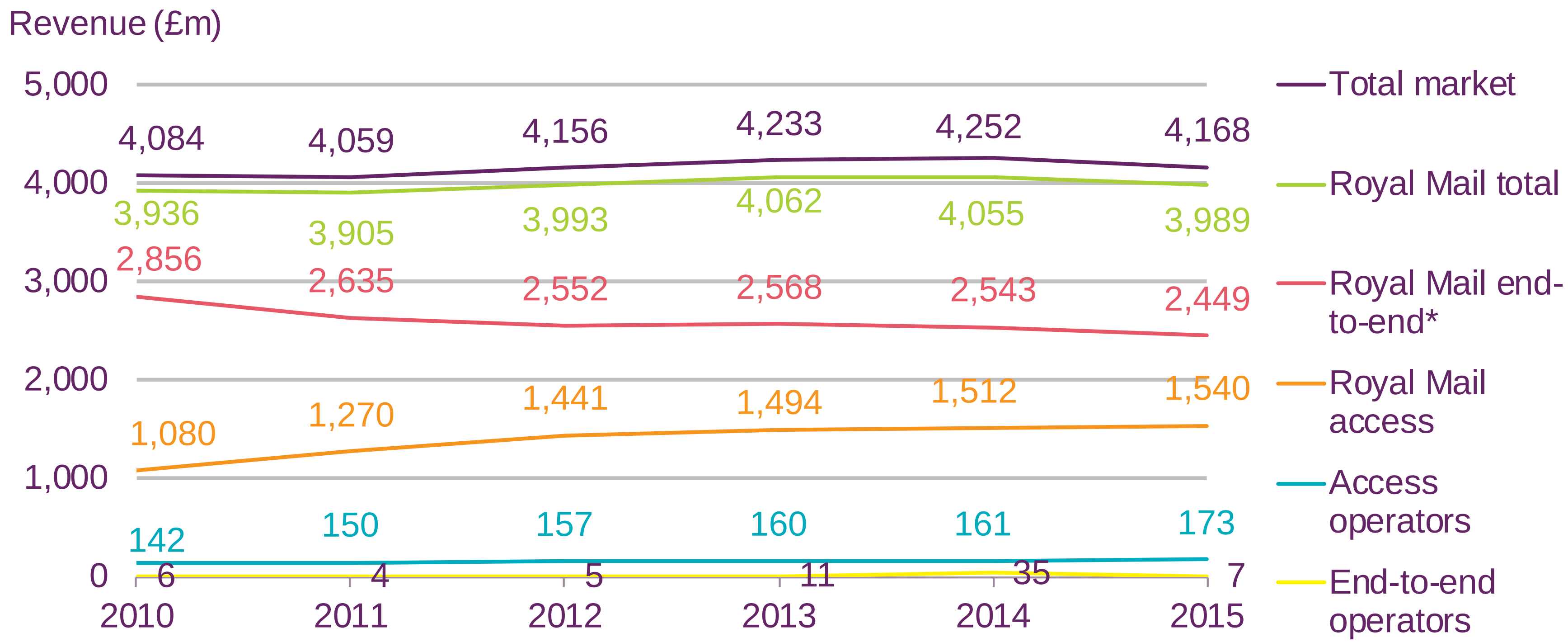
Addressed letter volumes: 2010-2015



Source: Royal Mail Regulatory Financial Statements, operator returns to Ofcom, Ofcom estimates. Royal Mail calendar year volume figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and unaudited submissions to Ofcom and are therefore not directly comparable with Royal Mail's published accounts. Royal Mail figures relate to the 'Reported Business'. *Royal Mail end-to-end is an Ofcom calculation and refers to Royal Mail total letters volumes excepting access. Royal Mail access volumes are as per its Regulatory Financial Statements and include a small amount of parcels. The effect of this is that Royal Mail's access volumes are slightly overstated and its end-to-end volumes are slightly understated. Prior data are not comparable.

Figure 6.7

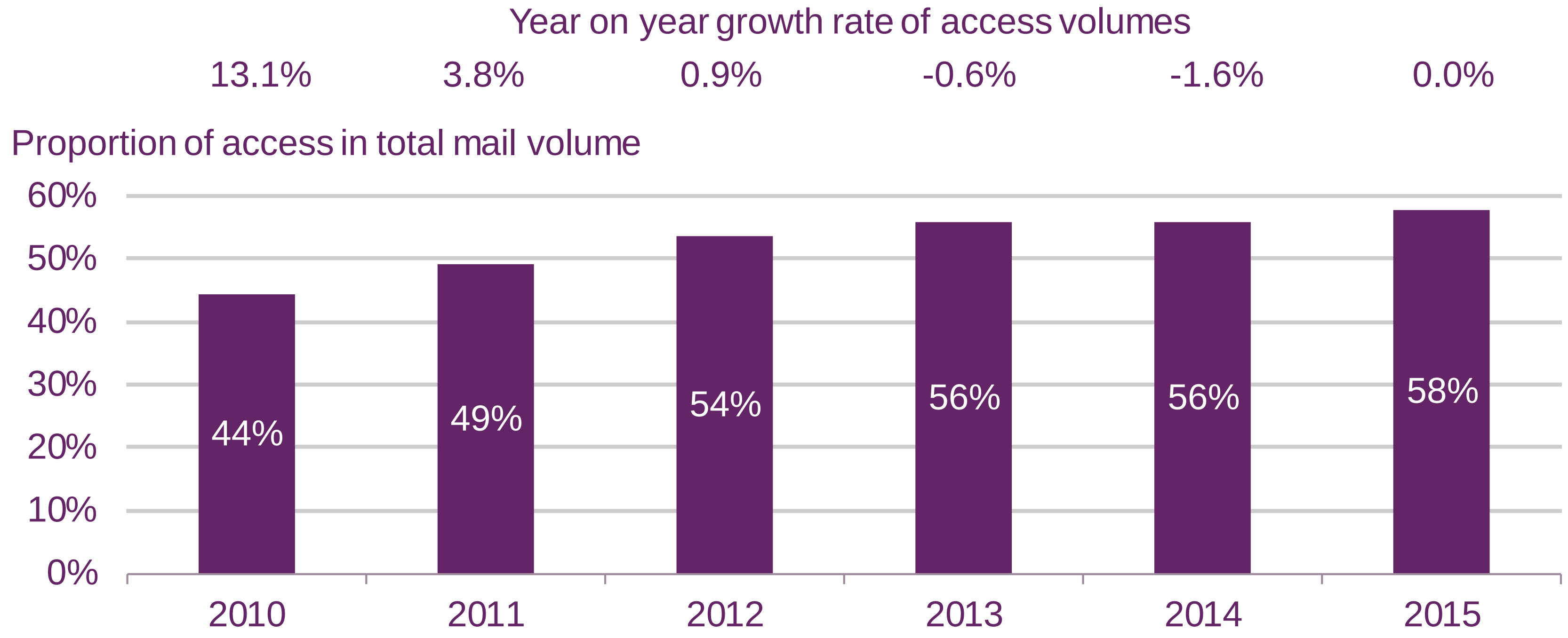
Addressed letter revenues: 2010-2015



Source: Royal Mail Regulatory Financial Statements, operator returns to Ofcom, Ofcom estimates. Royal Mail calendar year revenue figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and unaudited submissions to Ofcom and are therefore not directly comparable with Royal Mail's published accounts. Royal Mail figures relate to the 'Reported Business'. *Royal Mail end-to-end is an Ofcom calculation and refers to Royal Mail total letters revenues excepting access. Royal Mail access revenues are as per its Regulatory Financial Statements and include a small amount of parcels. The effect of this is that Royal Mail's access revenues are slightly overstated and its end-to-end revenues are slightly understated. Prior data are not comparable. Figures are nominal.

Figure 6.8

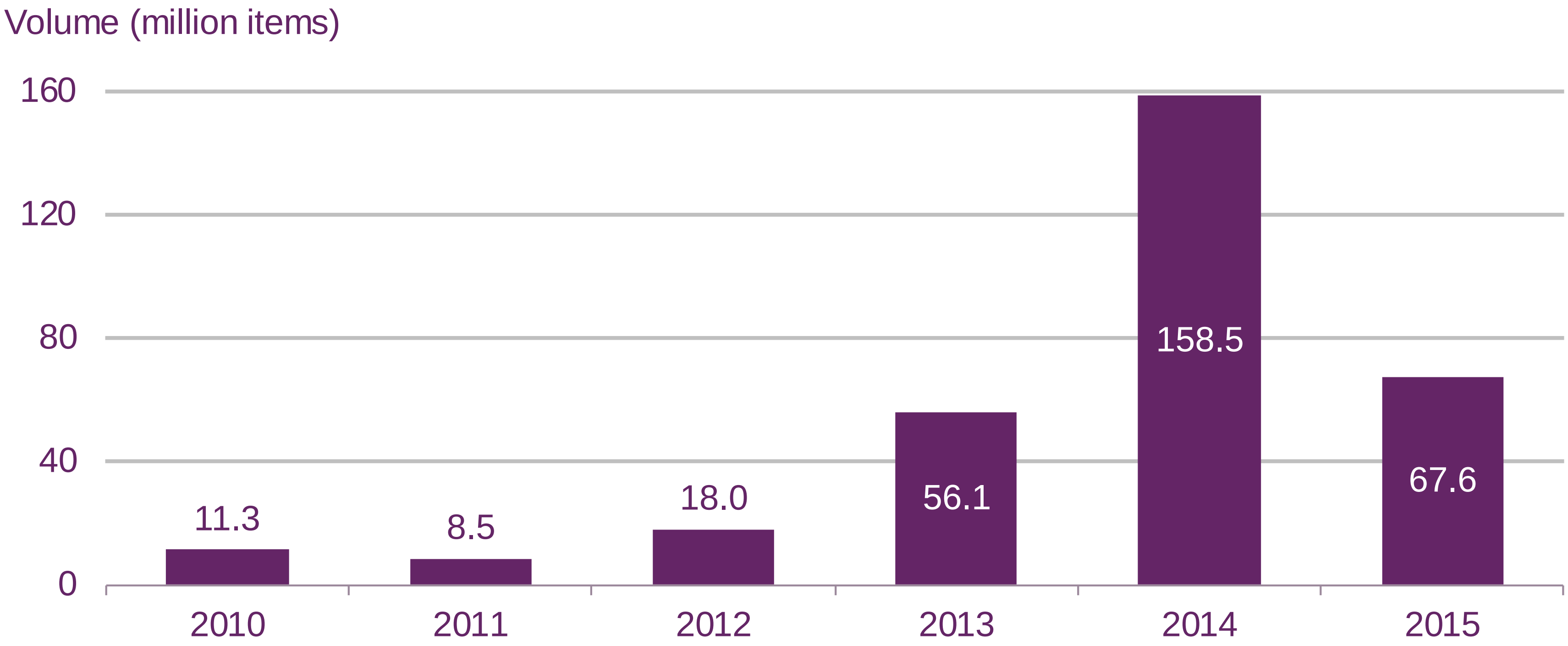
Proportion of access in total letters mail: 2010-2015



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

Figure 6.9

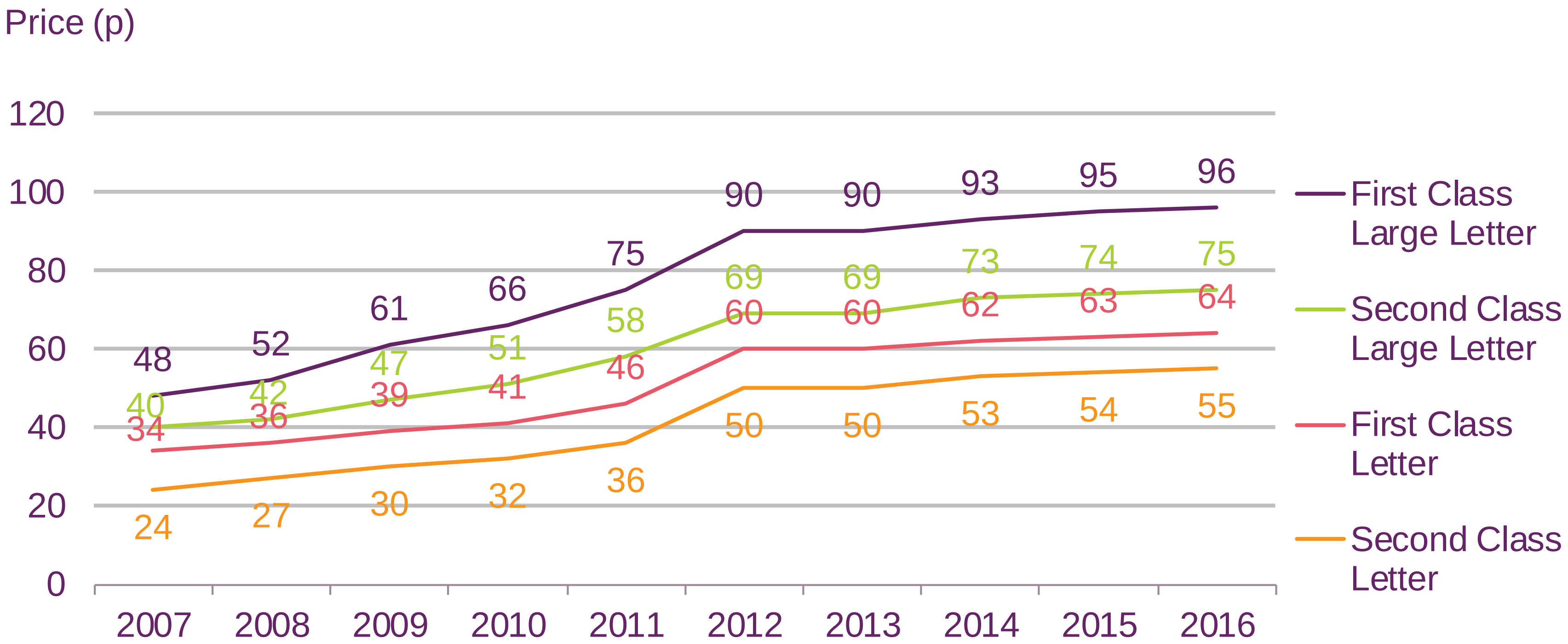
Other operators’ end-to-end delivered volumes: 2010-2015



Source: Ofcom analysis of operators’ returns

Figure 6.10

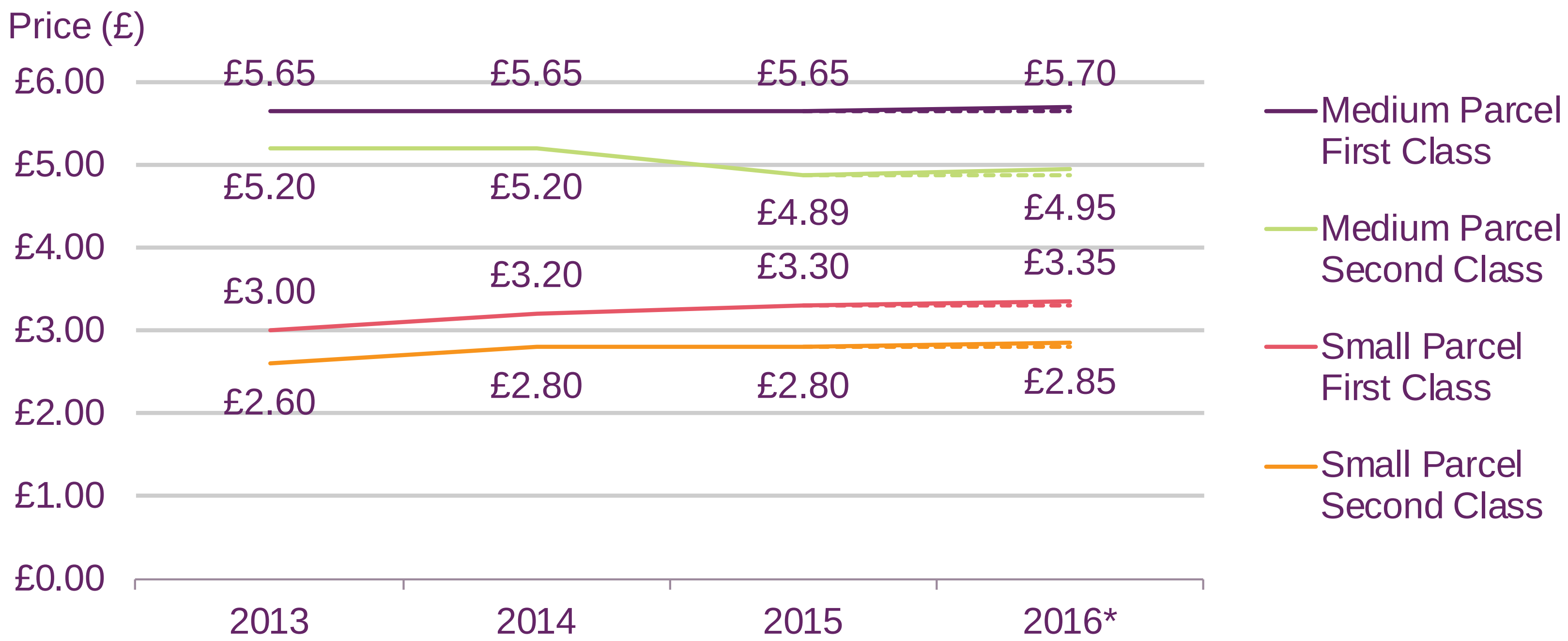
Royal Mail First and Second Class single-piece stamp prices: 2007-2016



Source: Royal Mail. Figures are nominal. Prices refer to Royal Mail First and Second Class Standard and Large Letter list prices for letters up to 100g.

Figure 6.11

Royal Mail First and Second Class small and medium parcel prices: 2013-2016

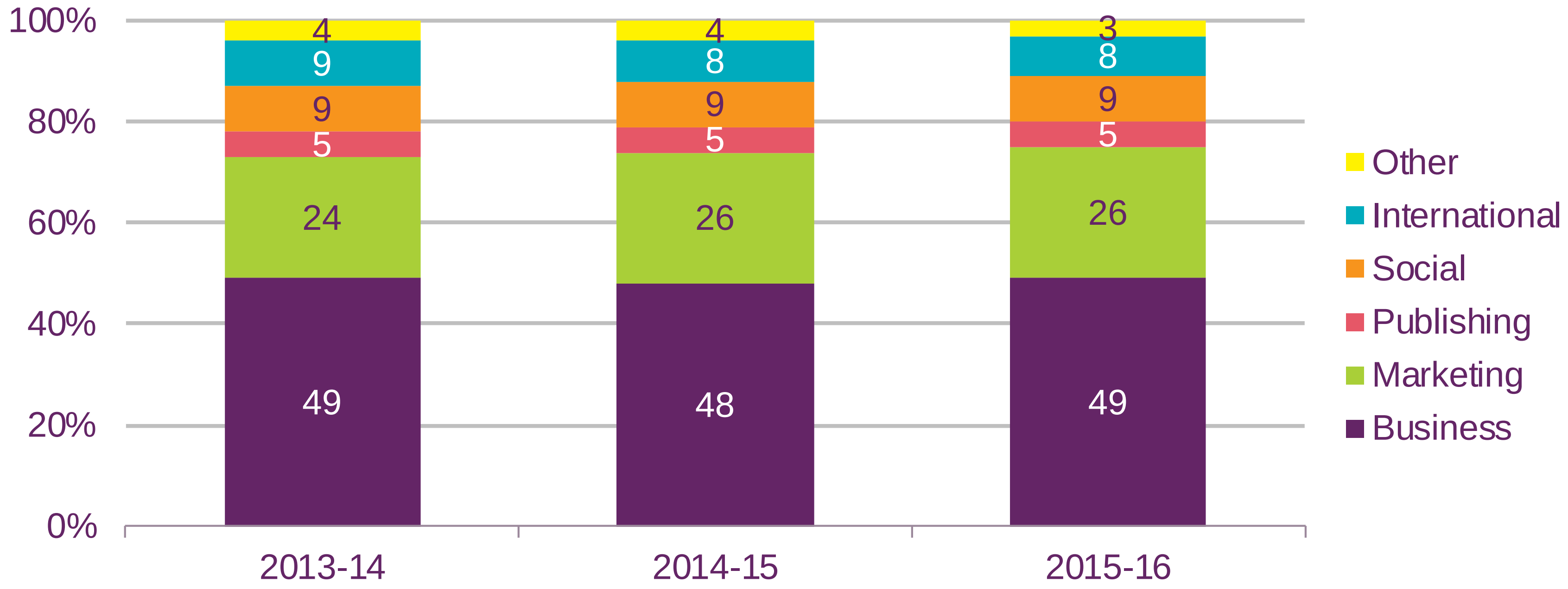


Source: Royal Mail. Figures are nominal. Prices refer to Small Parcels (up to 45cm x 35cm x16cm) weighing up to 1kg and Medium Parcels(up to 61cmx46cmx46cm) weighing up to 1kg.
Note: In 2016, Royal Mail introduced a different price for parcel postage bought online rather than in-store. Dashed line shows online price.

Figure 6.12

Letter revenue, by type of mail: 2013-14-2015-16

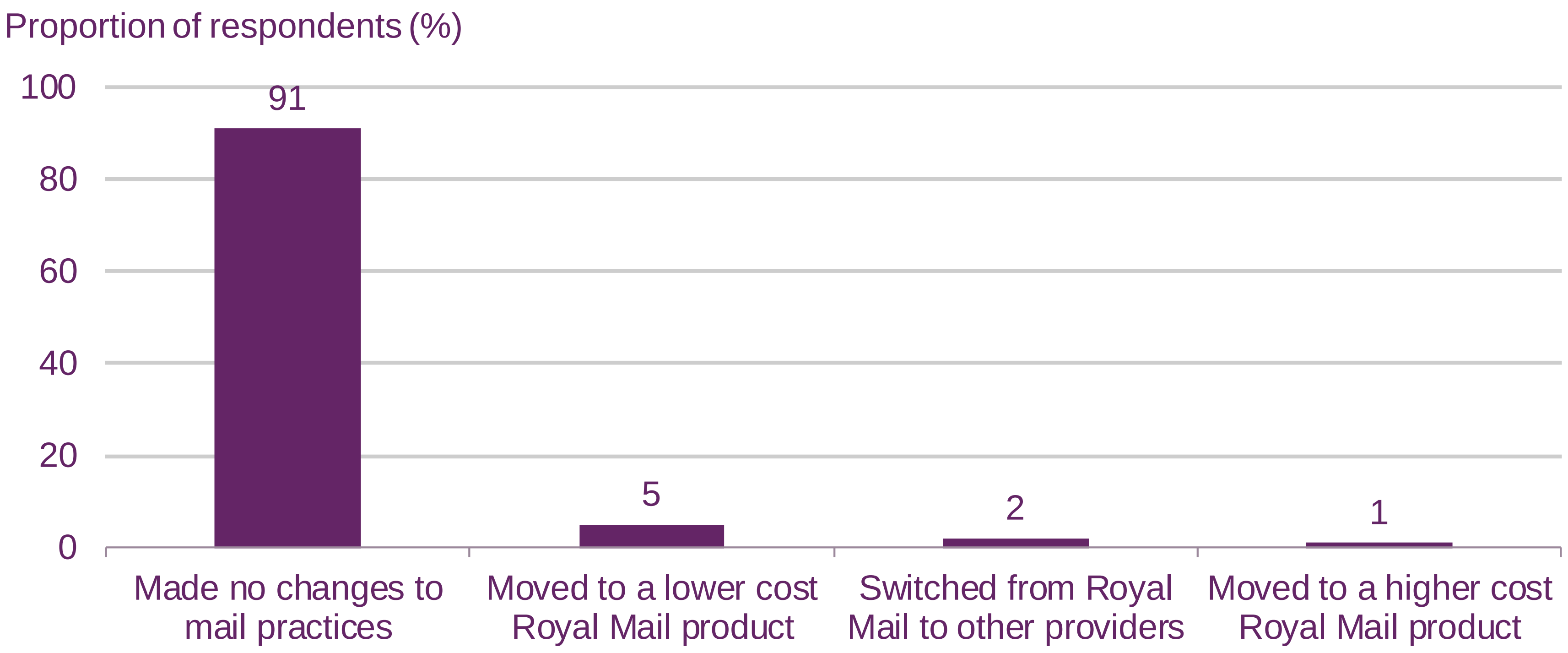
Proportion of letters revenue generated by each type (%)



Source: Royal Mail plc, full year 2015-16 results, Royal Mail plc, full year 2014-15 results, and Royal Mail plc, full year 2013-14 results
Note: relates to Royal Mail revenue and not the total market, so accounts for c.95% of total revenue

Figure 6.13

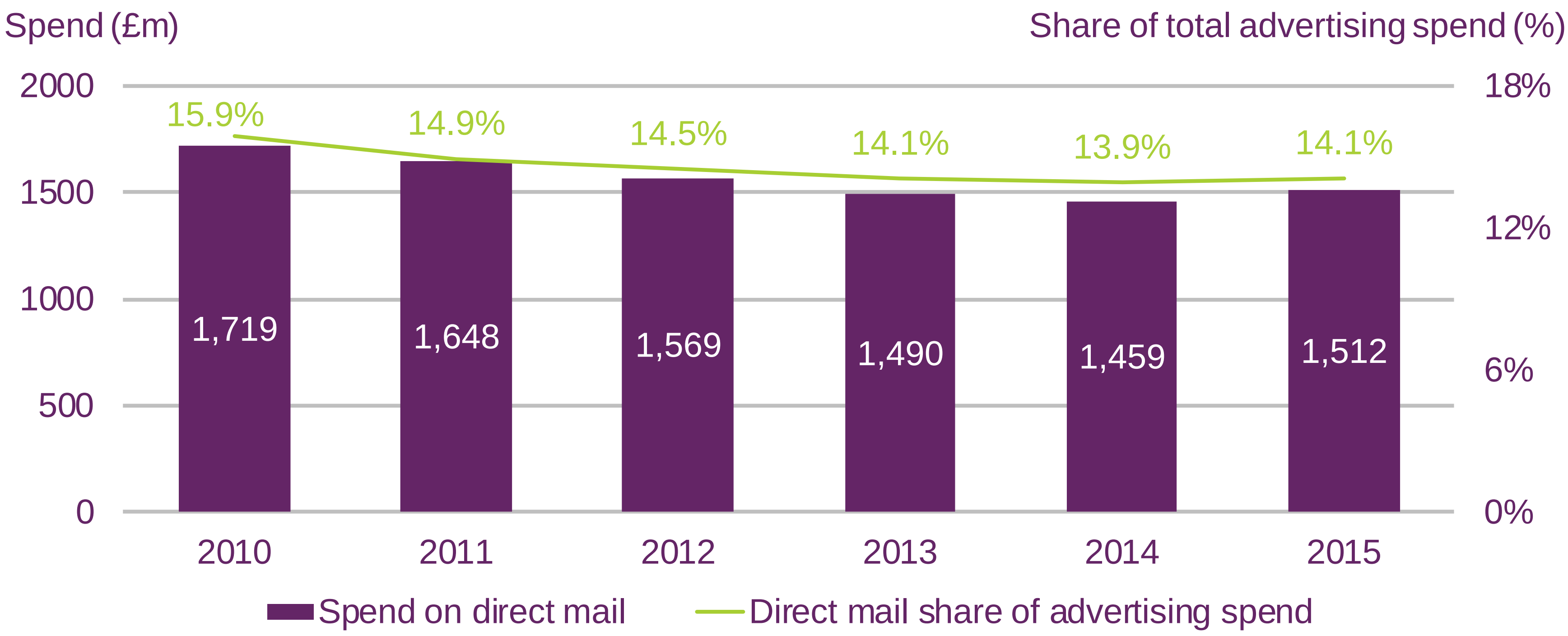
Businesses' changes in mail practices over the past year



Source: Ofcom Business Postal Tracker 2015
Base: All respondents using Royal Mail services (n=1185)
QV7a: In the last twelve months, has your organisation…

Figure 6.14

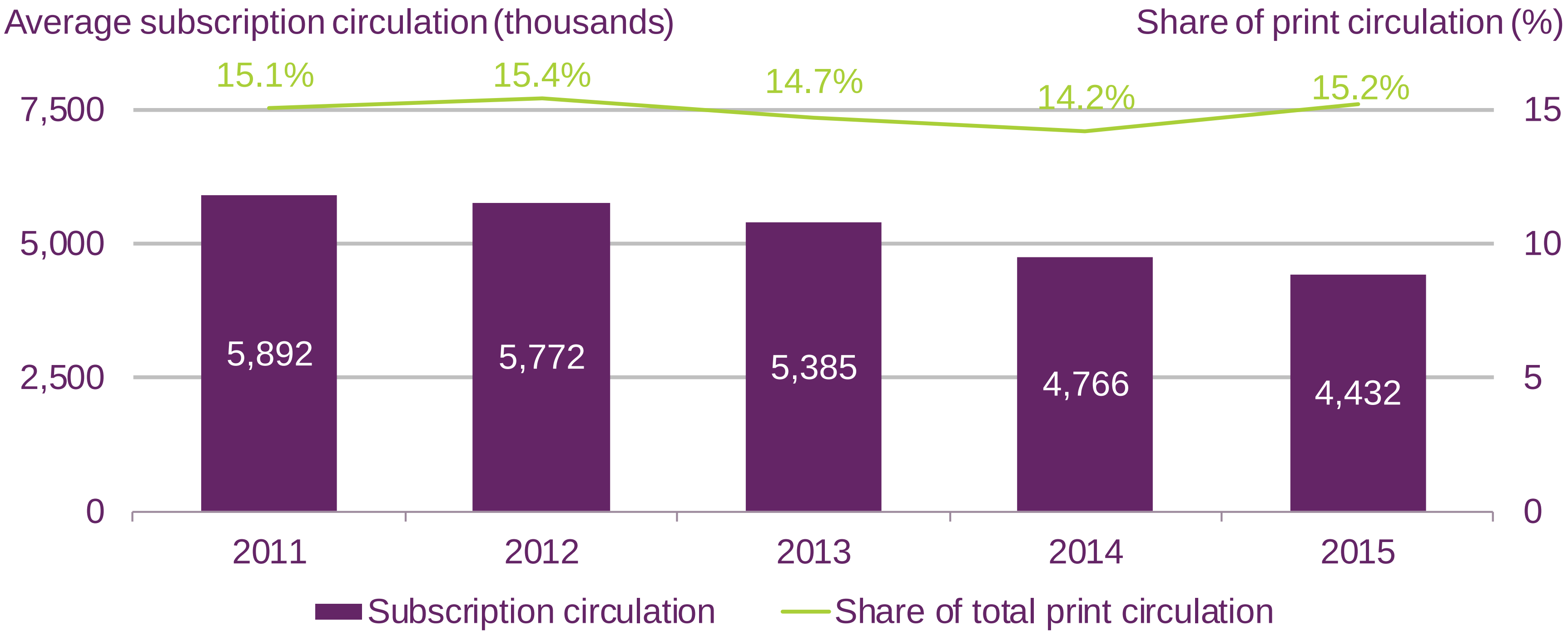
UK direct mail advertising spend and share of total advertising: 2010-2015



Source: AA/Warc Advertising Expenditure report . Figures are nominal.

Figure 6.15

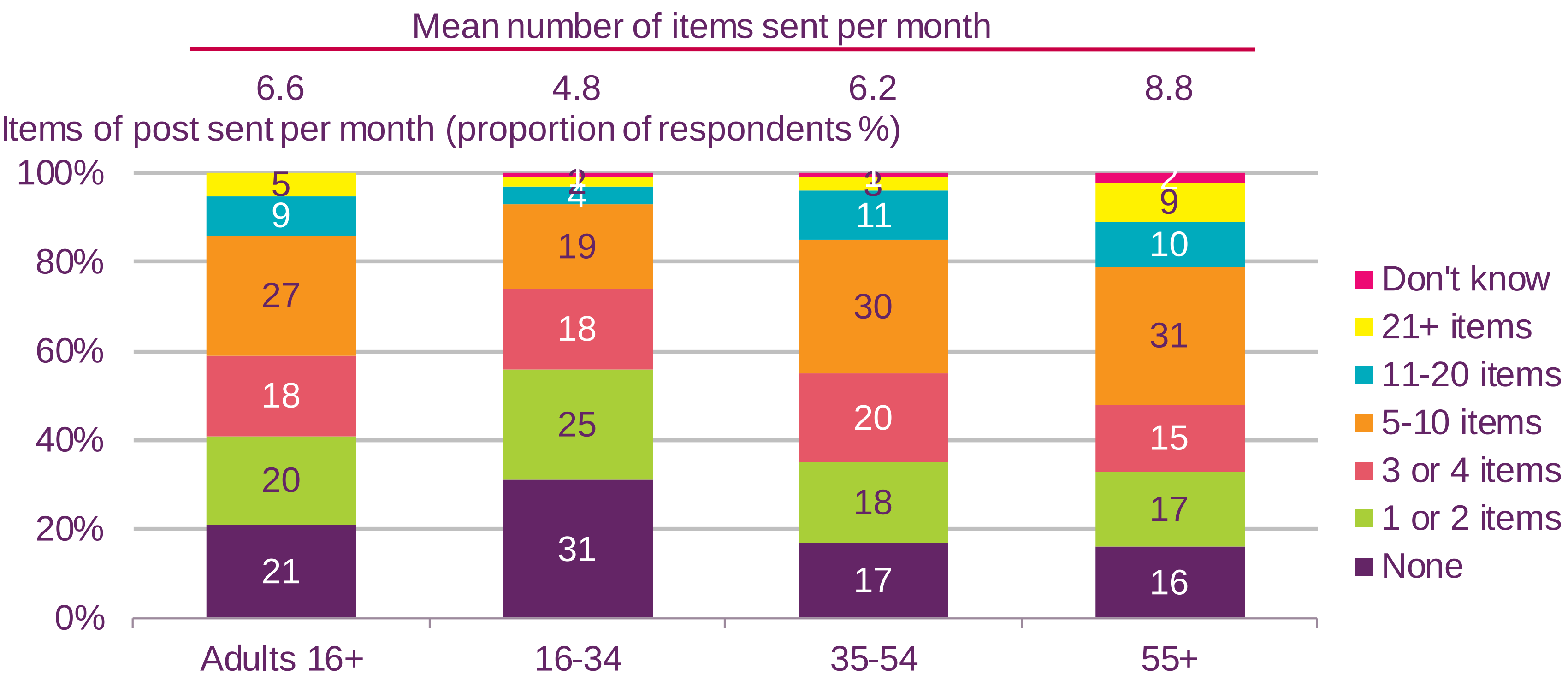
Magazine subscription circulation: 2011-2015



Source: Mediatel/ABC, 6-monthly net average circulation and subscription sales

Figure 6.16

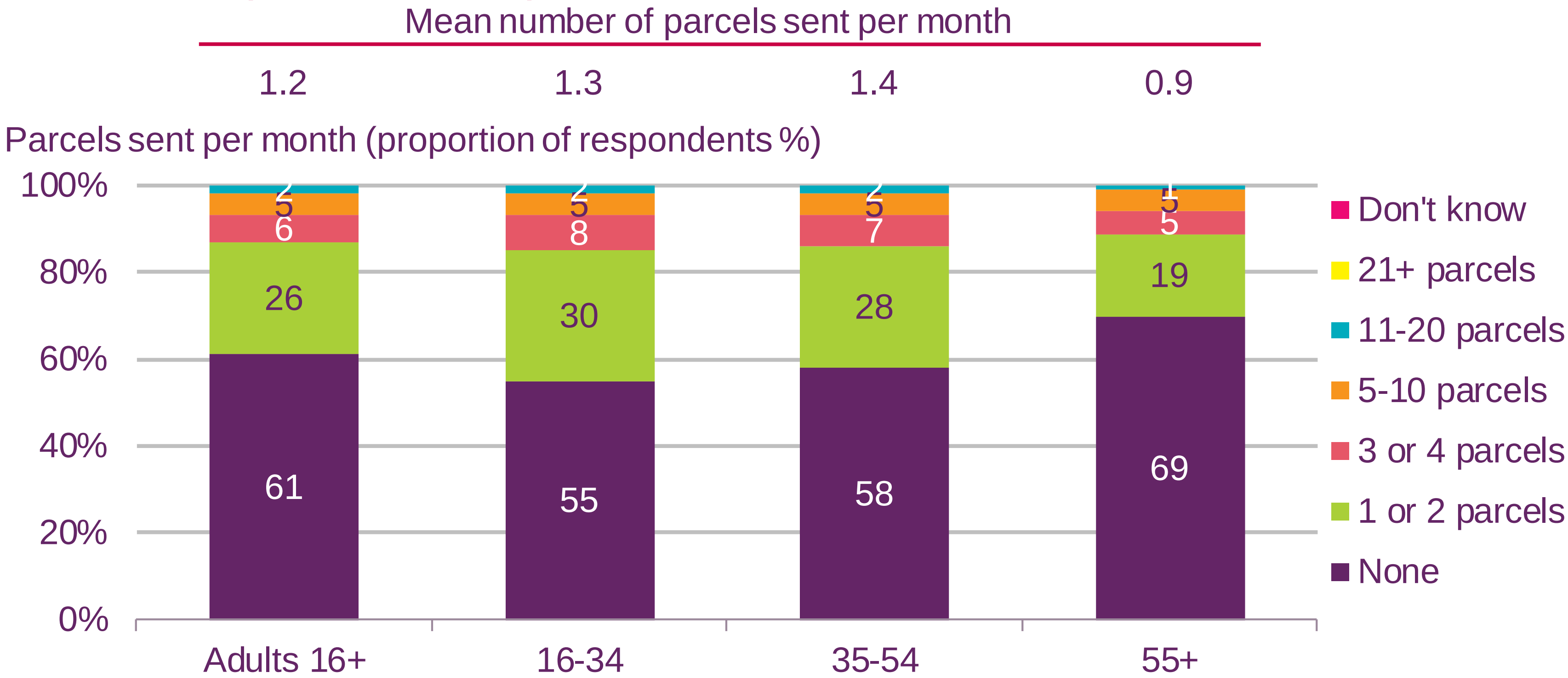
Number of items sent per month



Source: Ofcom Residential Postal Tracker 2015
Base: All adults aged 16+ (n = 1946 adults 16+, 636 16-34, 675 35-54, 636 55+)
QC1. Approximately how many items of post – including letters, cards and parcels – have you personally sent in the last month?

Figure 6.17

Number of parcels sent per month

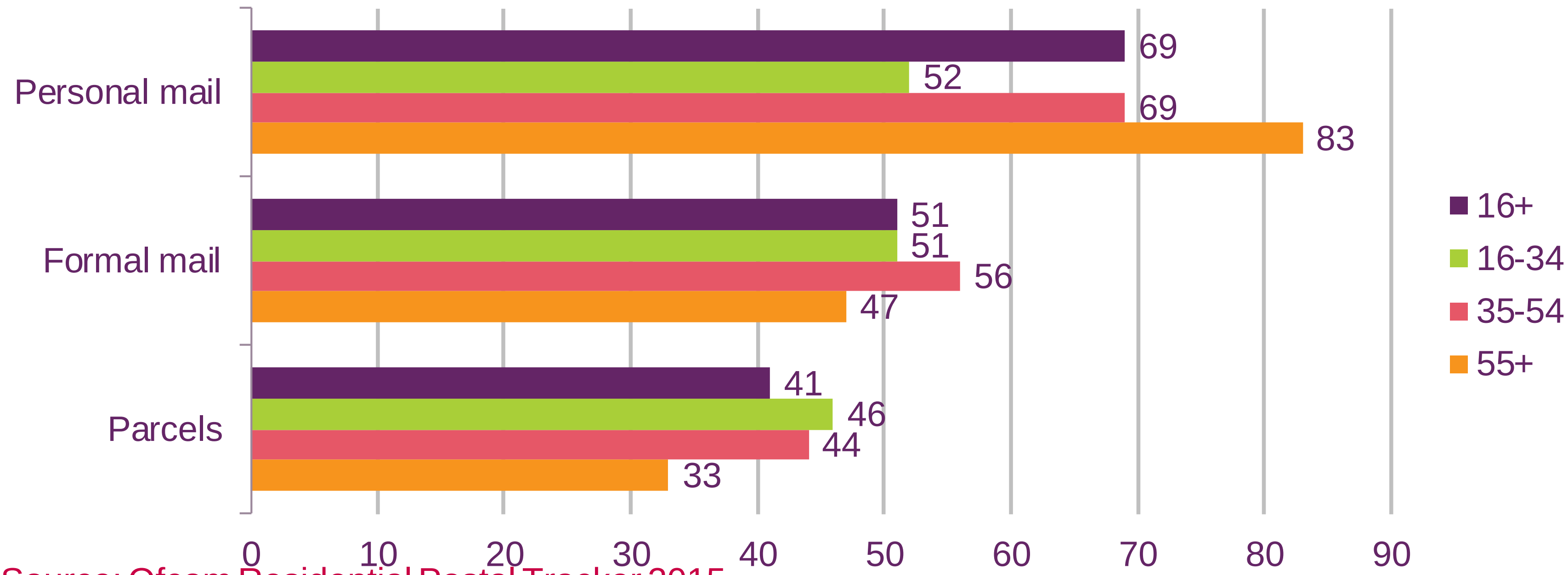


Source: Ofcom Residential Postal Tracker 2015
Base: All adults who have personally sent any items of post in the last month (n = 1491 adults 16+, 364 16-34, 536 35-54, 591 55+)
QC2. And how many of these items sent in the last month were parcels rather than letters or cards?

Figure 6.18

Types of mail sent in the past month

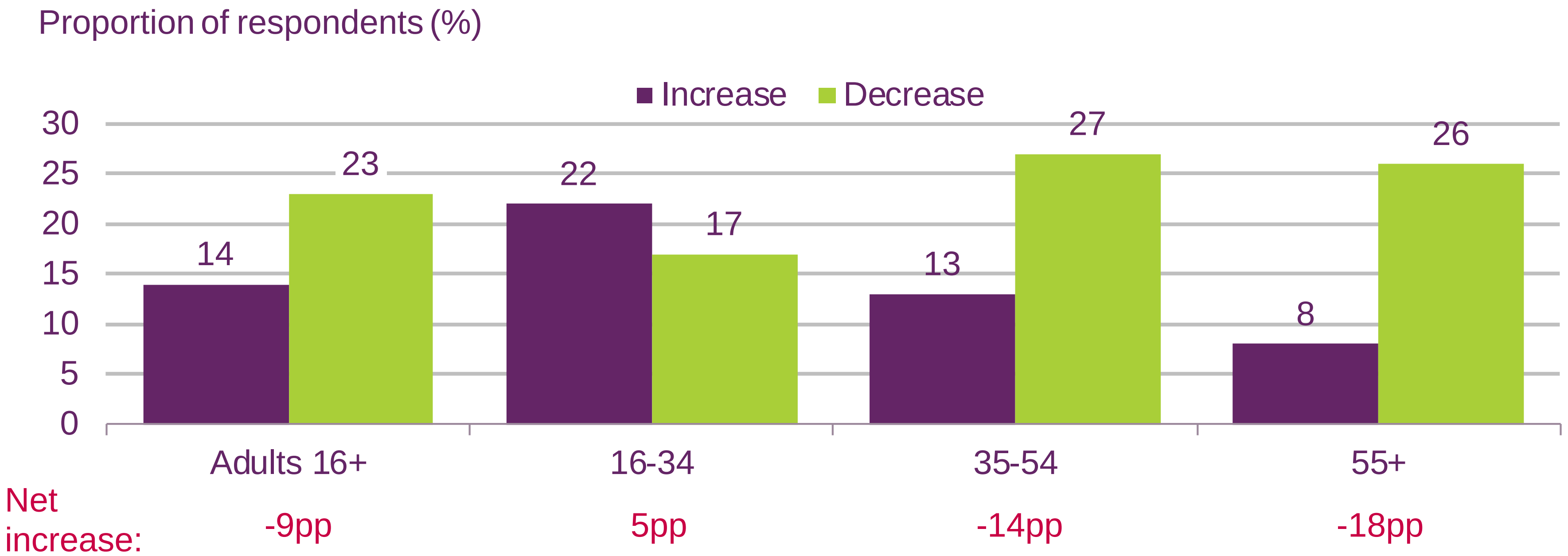
Proportion of respondents (%)



Source: Ofcom Residential Postal Tracker 2015
Base: All adults who have personally sent any items of post in the last month (n = 1491 adults 16+, 364 16-34, 536 35-54, 591 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

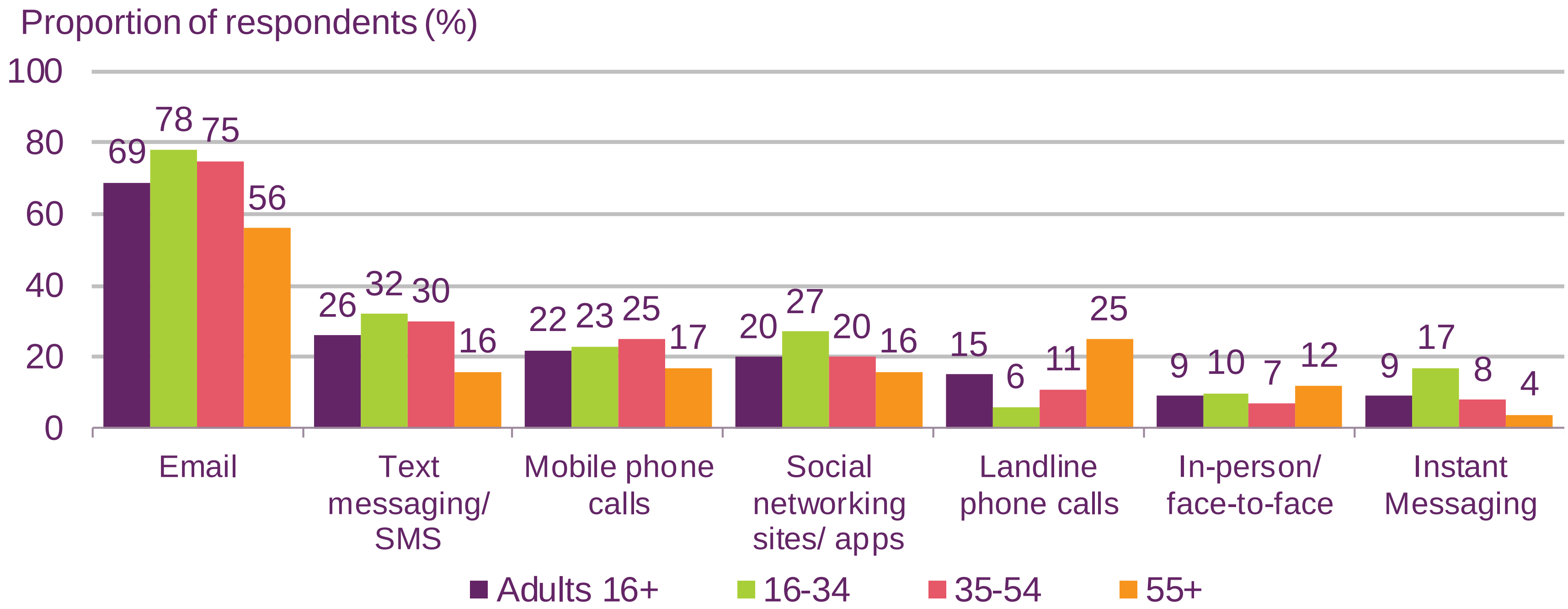
Adults' increasing or decreasing use of post compared to two years ago



Source: Ofcom Residential Postal Tracker 2015
Base: All adults aged 16+, (n = 1946 adults 16+, 636 16-34, 675 35-54, 636 55+)
QC10. SHOWCARD 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?

Figure 6.20

Methods of communication used as a replacement for post

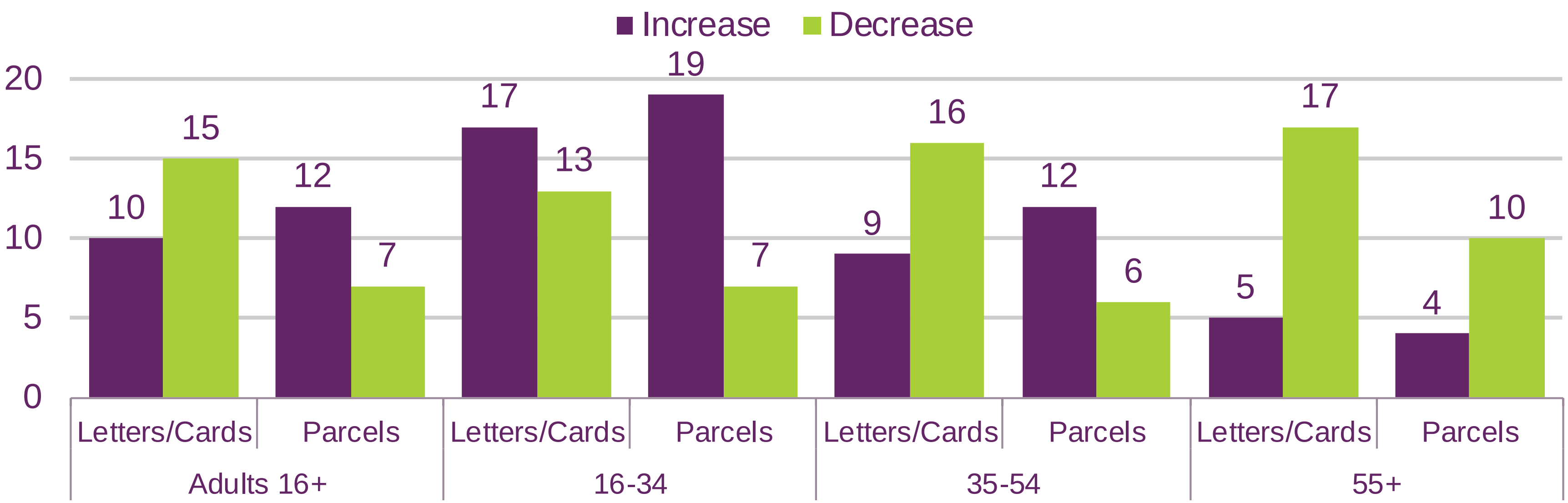


Source: Ofcom Residential Postal Tracker 2015)
Base: All who say that the number of items sent by post has decreased, compared to two years ago (n = 455 adults 16+, 103 16-34, 190 35-54, 203 55+)
QC13. As your use of post has decreased compared with two years ago, which, if any, of these other forms of communication are you using more instead of post? (MULTICODE) Only responses above 5pc charted

Figure 6.21

Expected use of post in two years' time

Proportion of respondents (%)

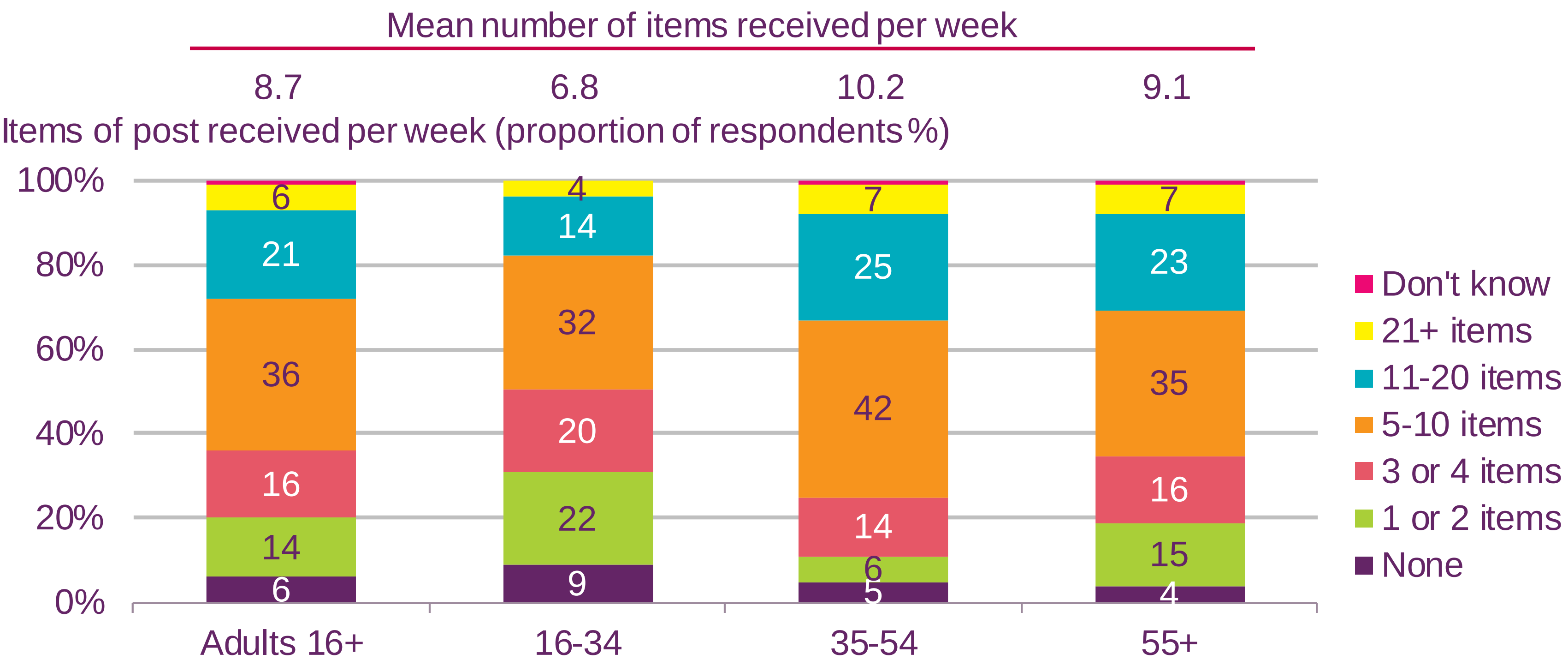


Net increase: -5pp 5pp 4pp 12pp -7pp 6pp -12pp -6pp

Source: Ofcom Residential Postal Tracker 2015
Base: All respondents (n = 1946 adults 16+, 636 16-34, 675 35-54, 636 55+)
QC25 and 26. SHOWCARD Looking to the future…Compared with now, would you say that the number of letters and cards/parcels you will be sending in the post two years from now will have… increased greatly, increased slightly, stayed the same, decreased slightly, decreased greatly?

Figure 6.22

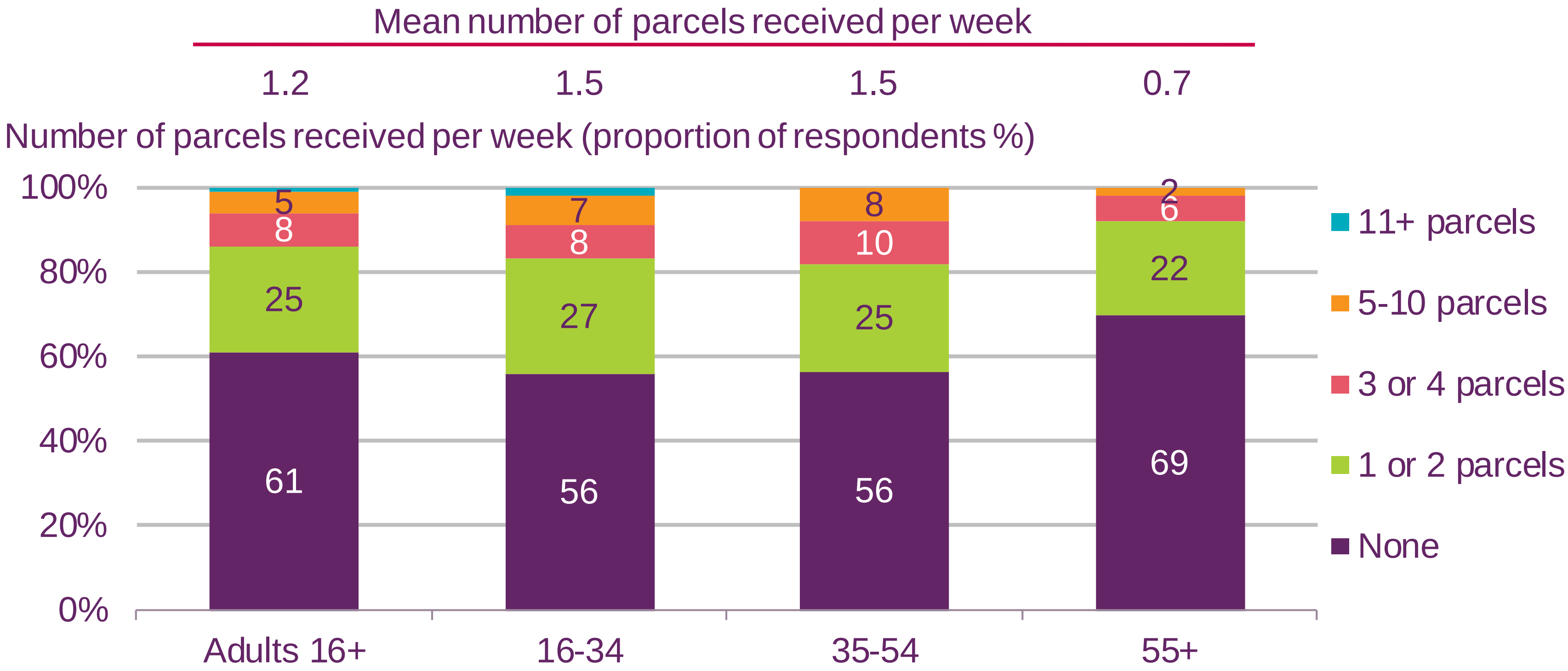
Number of items received per week



Source: Ofcom Residential Postal Tracker 2015
Base: All adults aged 16+ (n = 1946 adults, 636 16-34, 675 35-54, 636 55+)
QD1. Approximately how many items of post – including letters, cards and parcels – have you personally received in the last week?

Figure 6.23

Number of parcels received per week

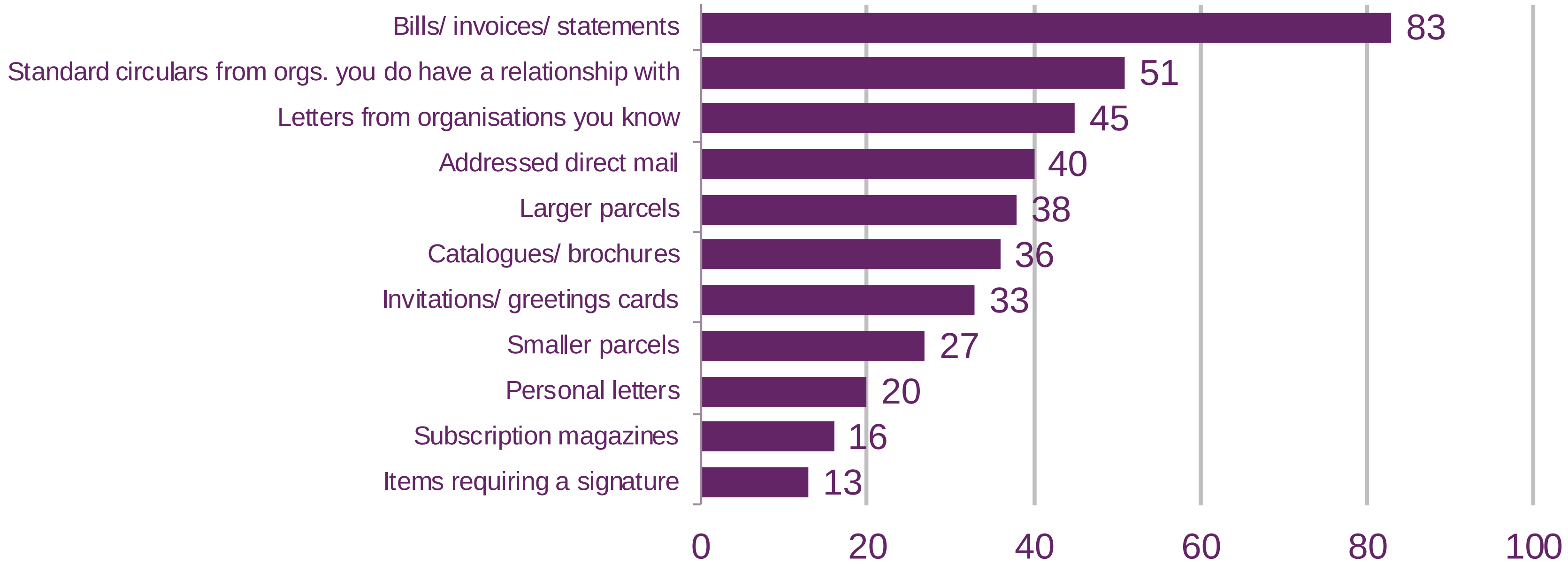


Source: Ofcom Residential Postal Tracker 2015
Base: All adults who have personally received any items of post in the past week (n = 1824 adults, 500 16-34, 628 35-54, 696 55+)
QD2. And how many of these items received in the last week were parcels rather than letters or cards?

Figure 6.24

Types of mail received in the past month

Proportion of respondents who have received each type of mail (%)

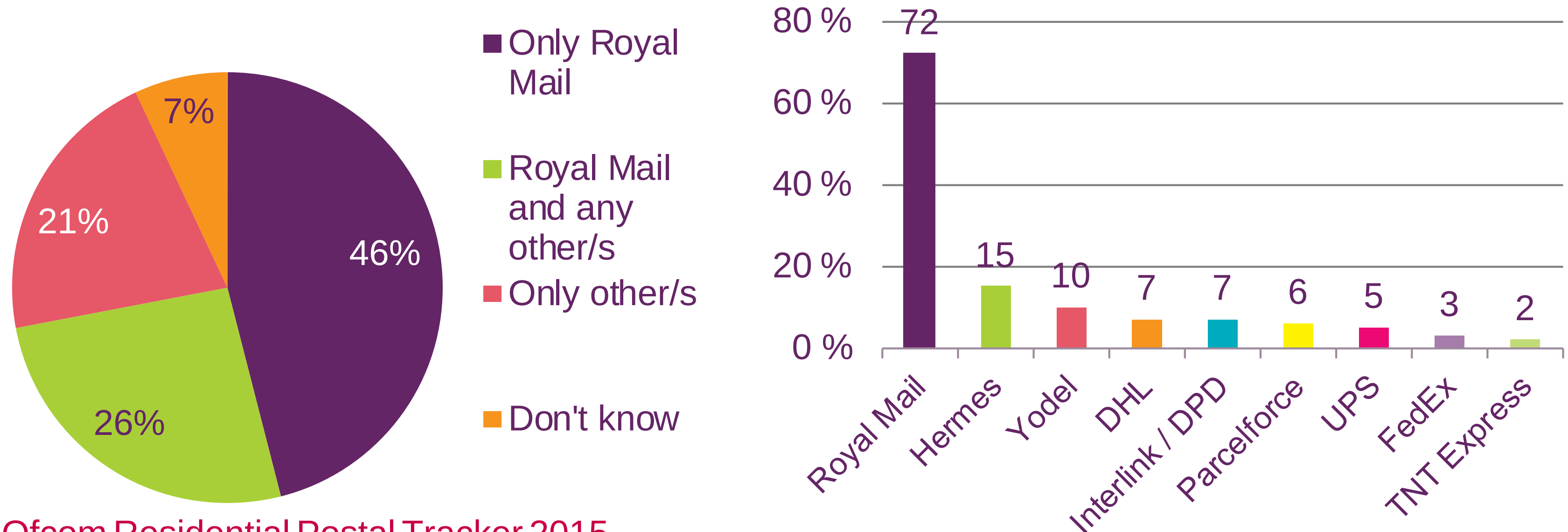


Source: Ofcom Residential Postal Tracker 2015
Base: all adults aged 16+ (n = 1946 adults)
QD4. Please think about items that are addressed to you personally rather than leaflets or charity collection envelopes or bags that may come through your letterbox. Which of these types of items would you say you have personally received through the post in the last month? (MULTICODE)

Figure 6.25

Proportion of adults reporting delivery of parcels in the last week, by company

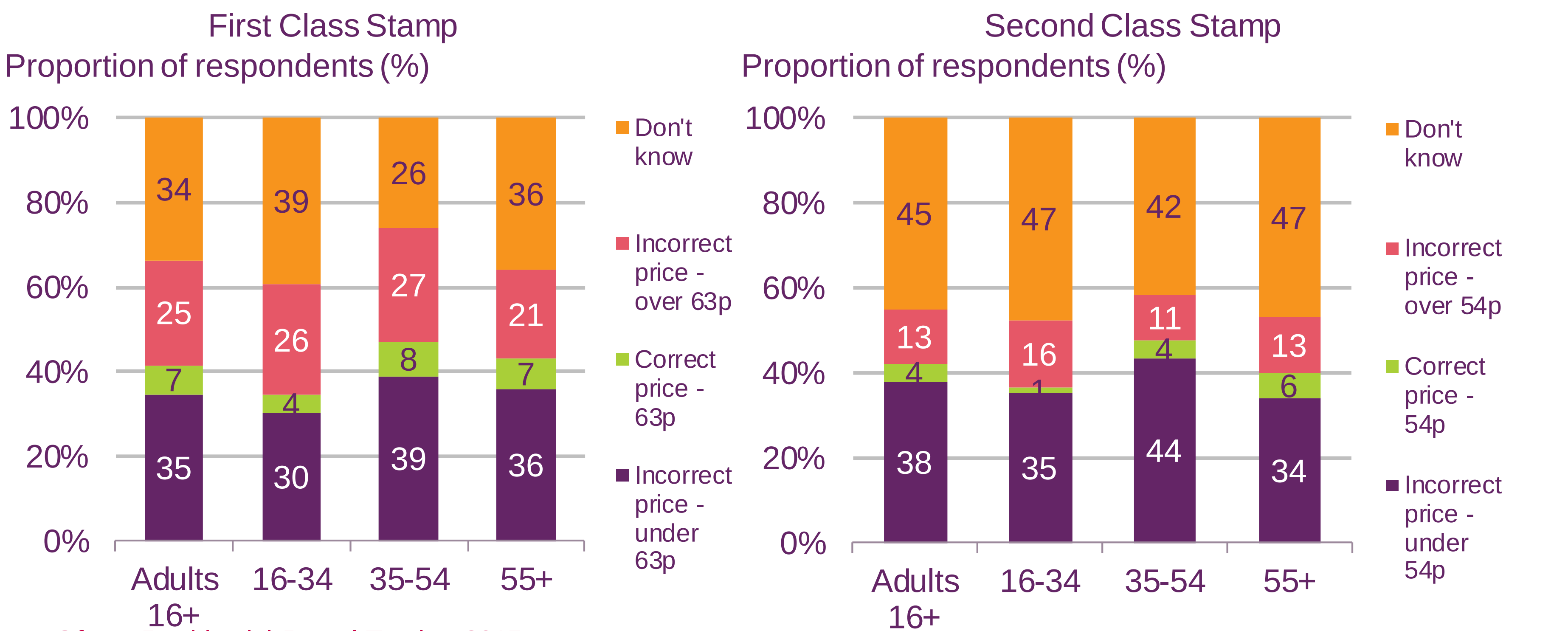
Proportion of those who have received a parcel in the past week (%)



Source: Ofcom Residential Postal Tracker 2015
QD17. Thinking of the parcels that you have received in the last week, which of these companies delivered the parcels? (MULTICODE)
Base: All who have received any parcels in the last week (all adults 16+ 678)
Chart shows companies mentioned by more than 1% of those receiving any parcels in the last week. Amazon Logistics was not included as an option in the survey.

Figure 6.26

Awareness of letter stamp prices

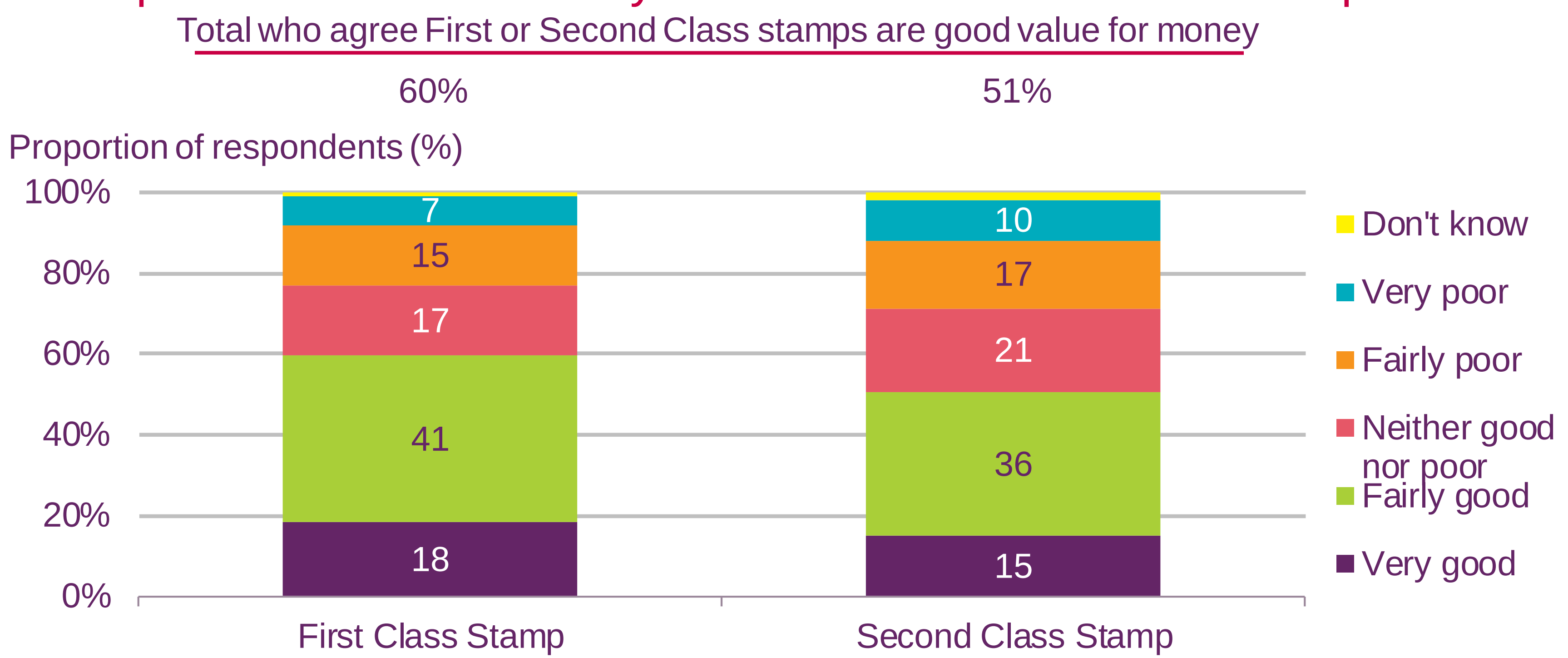


Source: Ofcom Residential Postal Tracker 2015
Base: All adults aged 16+ (n = 1358 adults, 389 16-34, 465 35-54, 504 55+)
QF1. As far as you know, how much does it currently cost to send a standard letter by First Class using a stamp? (single code) QF3. As far as you know, how much does it currently cost to send a standard letter by Second Class using a stamp? (single code)
Note: Chart includes data from Q2 2015 onwards, due to a change in stamp prices during Q1 2015

![Ofcom]

Figure 6.27

Perception of value for money of First and Second Class stamps

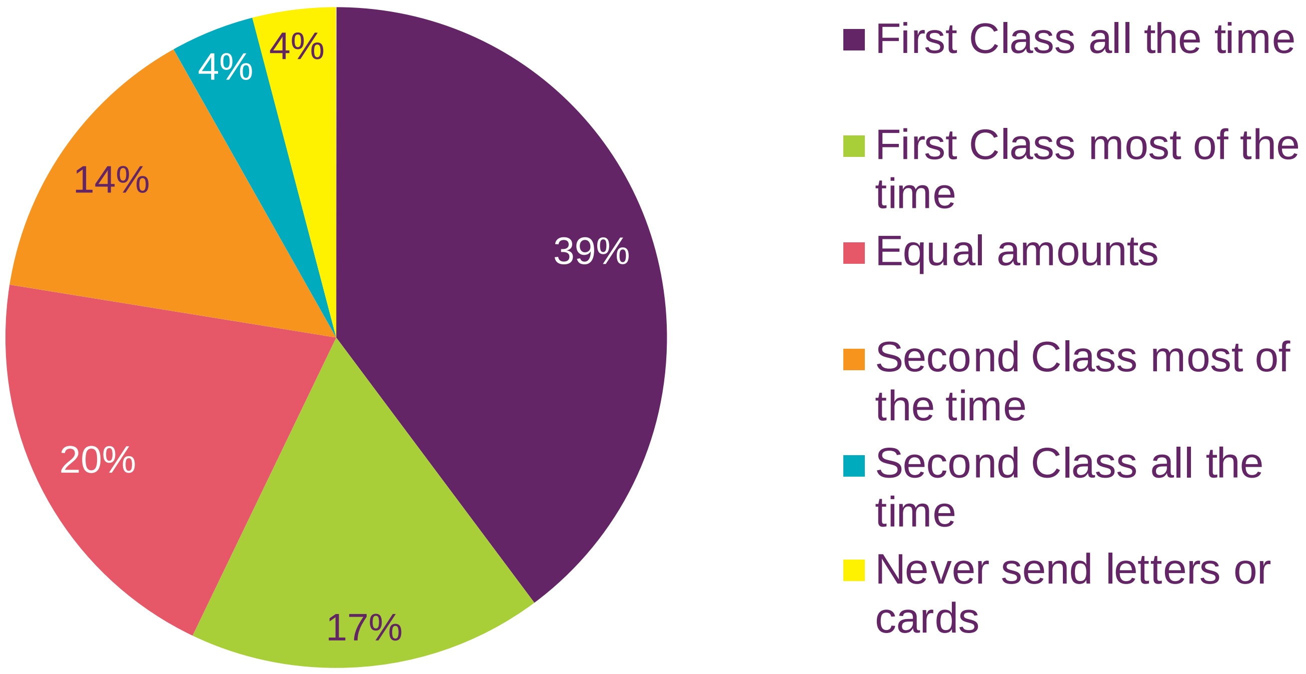


Source: Ofcom Residential Postal Tracker 2015
Base: All adults aged 16+ (n = 1358 adults)
QF3/4. It currently costs 63p/54p to send a standard letter First/ Second Class within the UK. How would you rate the Royal Mail's First/ Second Class service in terms of value for money? (SINGLE CODE Note: Chart includes data from Q2 2015 onwards, due to a change in stamp prices during Q1 2015

Figure 6.28

Service used when sending letters or cards

Proportion of respondents (%)



Source: Ofcom Residential Postal Tracker 2015
QF6: When sending letters or cards, which service do you use? Don't know responses not charted.
Base: All adults aged 16+(n=1946)

Figure 6.29

Attitudes to post among adults in the UK: agreement with proposed statements

	Adults 16+	16-34	35-54	55+
I prefer to send letters or emails to companies rather than make a phone call, so that I have a written record	60	61	64	55
I prefer to send emails rather than letters whenever possible	56	71 ▲	60	37
I only use post if there is no alternative	47	61 ▲	44	37
I send fewer letters by post now due to the cost	29	26	30	32
I would feel cut off from society if I can't send or don't receive post	55	44	55	68 ▲
I trust Second Class post to get there in a reasonable timeframe	63	58	60	72 ▲

Source: Source: Ofcom Residential Postal Tracker 2015
Base: All respondents (n = 1938 adults 16+, 631 16-34, 678 35-54, 633 55+)
QH2A-H. Agreement with statements about sending/ receiving post
Significance testing shows any difference between age groups.