

SME Postal User Survey

Fieldwork: July 2022 – June 2023

This is a summary of findings from our SME postal tracker survey, focusing on the July 2022 – June 2023 results.

More details, including results data tabulations and technical reports can be found here:

<https://www.ofcom.org.uk/research-and-data/data/statistics/stats23>

Background and Objectives

The research aims to measure the use of and attitudes towards postal services amongst SMEs in the UK.

Specific objectives are to provide:

Time-trend data that enables Ofcom to monitor specific measures over time

Robust data suitable for publication

Data to inform Ofcom analysis, reports and decisions

Analysis by sub-groups

Methodology

Sample

- 2,233 SMEs in the UK
- Quotas set on region/nation, business size (no. of employees) and industry
- All interviews are with a postal decision maker for their company

Data collection

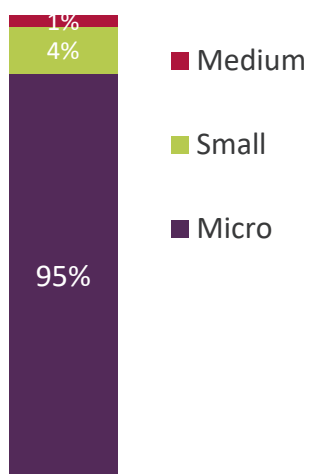
- 20-minute interview via telephone and online
- 820 interviews via telephone and 1,403 online
- Analysed differences between data collection method
- Continuous fieldwork from 1st July 2022-30th June 2023
- Conducted by BVA BDRC

Data reporting

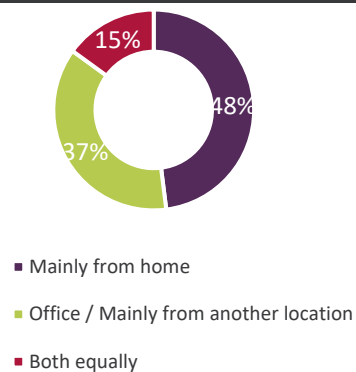
- Weighted to be nationally representative of SMEs in the UK
- Significance testing performed at the 95% confidence level

Sample Profile

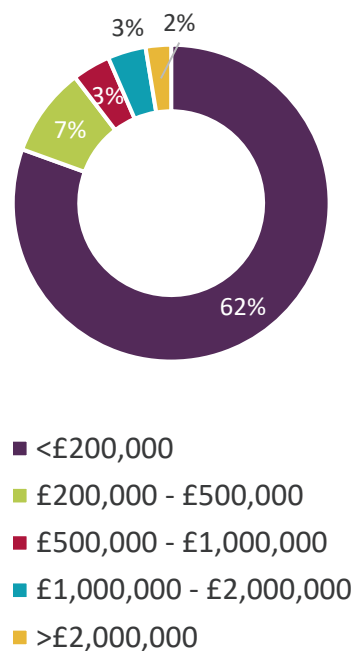
Size of organisation



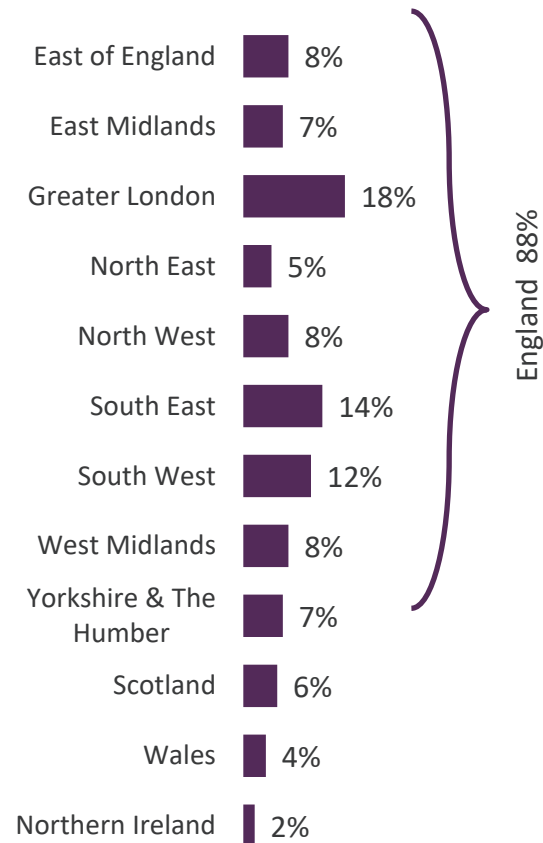
Where employees mainly work



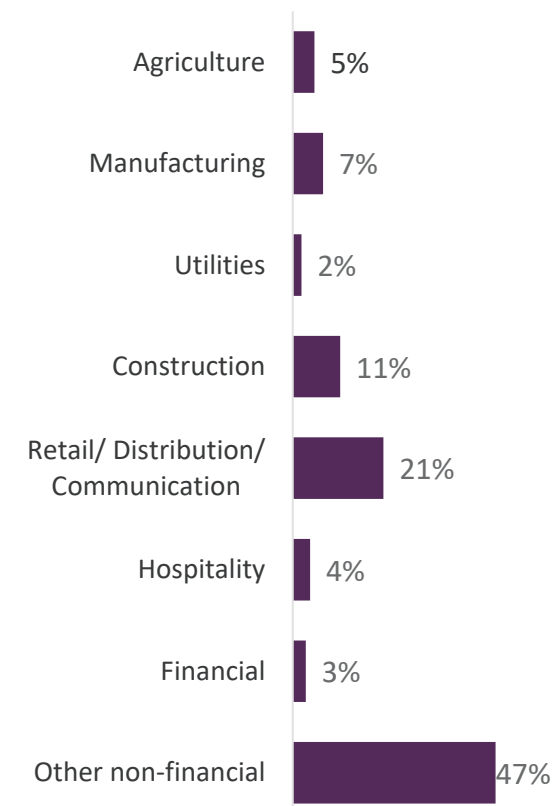
Annual turnover



Location



Sector/ Industry



QC2. Including yourself, approximately how many people are employed by your whole organisation in the UK, including but not exclusively the branch or office location you currently work at?

QWFH. At the moment do employees in your organisation mainly work from home or another location?

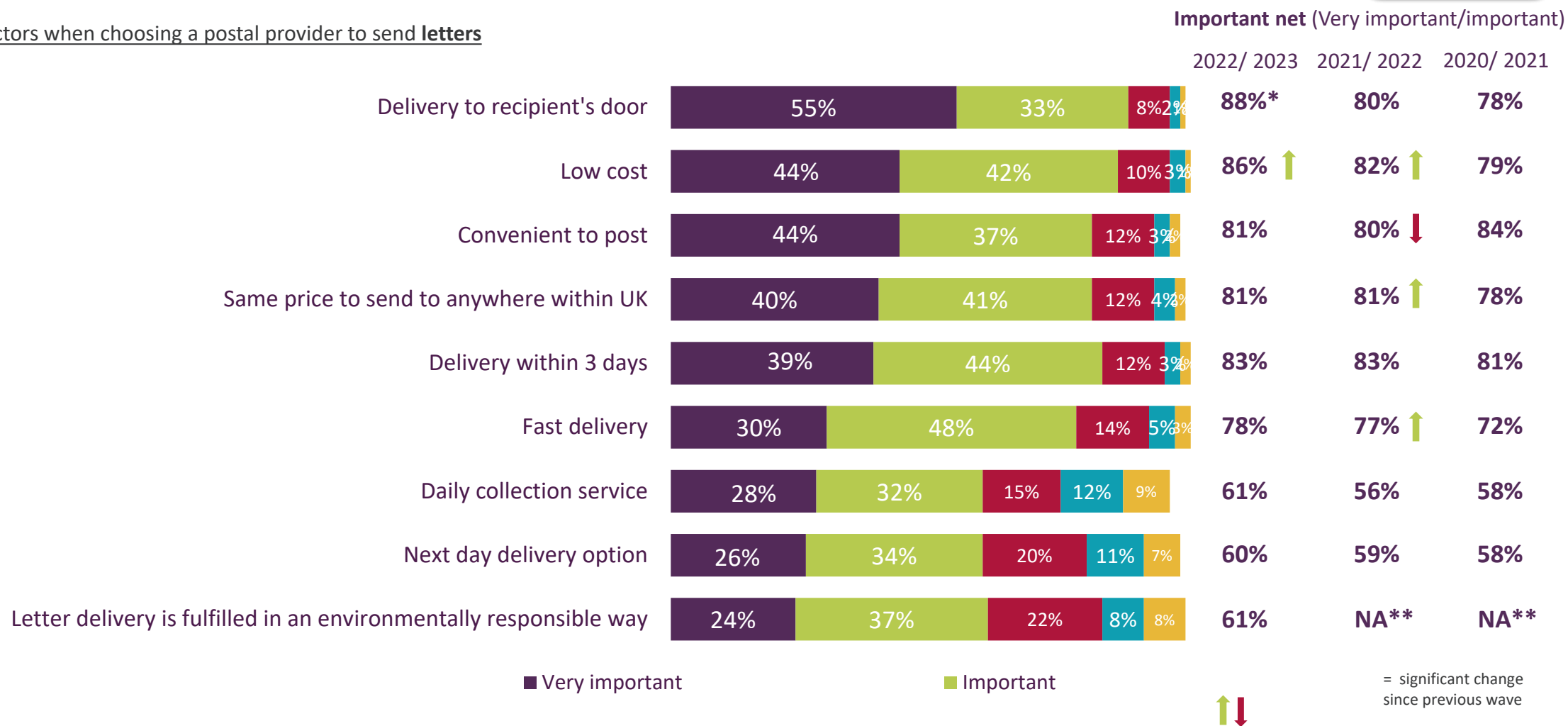
QC2a. What is the approximate annual turnover of your whole organisation in the UK?

C3. Where in the UK do you work? C1. To which industry does your organisation belong to?

Attitudes and satisfaction

When choosing a provider to send letters, the importance of **low cost** has increased again

Importance of factors when choosing a postal provider to send letters



QD10b. Below, are a list of factors people tell us they consider when sending letters. For each factor, please tell us how important it is to you in choosing a postal provider or service.

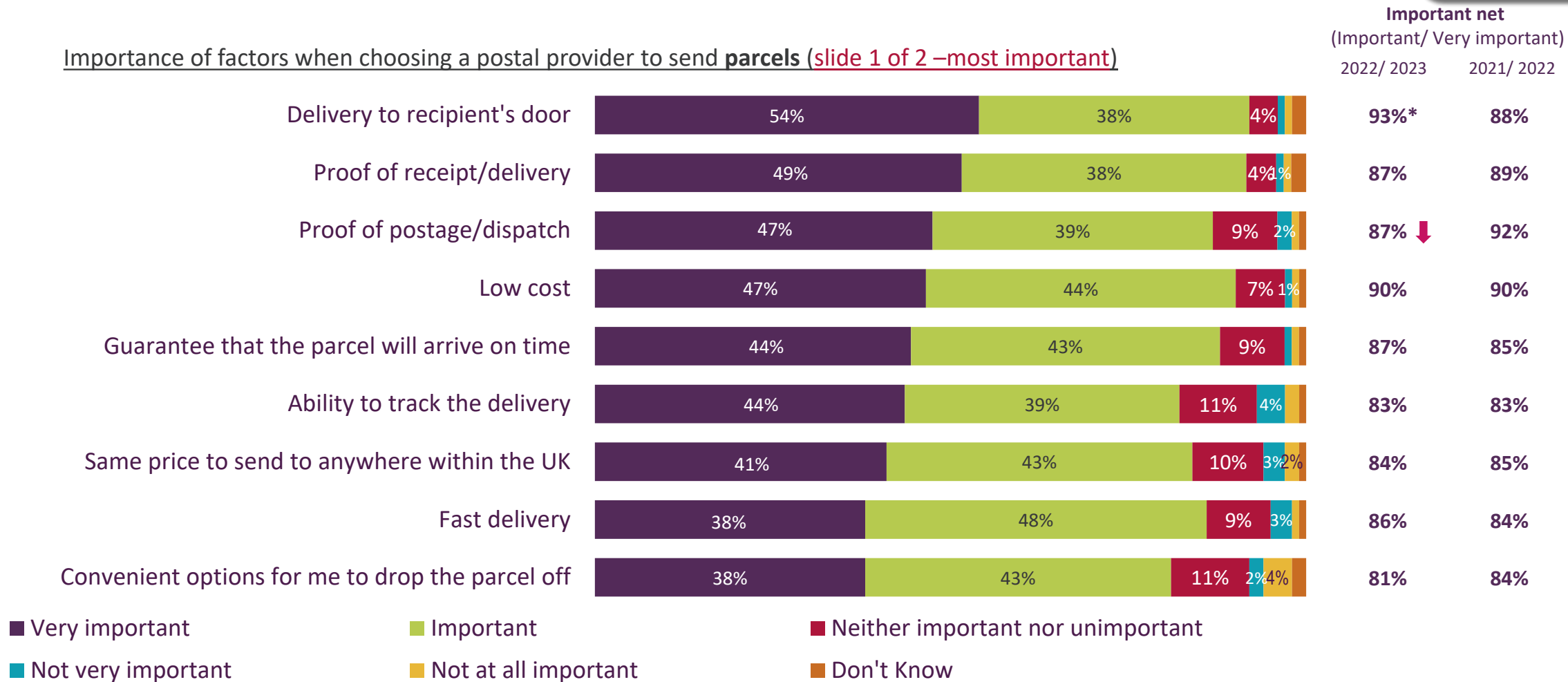
Base: All who use Royal Mail for letters or large letters and selected a service: 2021/22 (1591); 2022/23 (1741)

*Phrase was "Guaranteed delivery to recipient's door" until 2022/23

**Added 2022/23

When sending **parcels**, SMEs want reassurance they will be delivered correctly and on time for a low cost

Importance of factors when choosing a postal provider to send **parcels** (slide 1 of 2 –most important)



↑ ↓ = significant change since 2021/2022

QD10a. Below, are a list of factors people tell us they consider when sending parcels. For each factor, please tell us how important it is to you in choosing a postal provider or service.
 Base: All using Royal Mail to send parcels and packets: 2021/22 (719); 2022/23 (867)

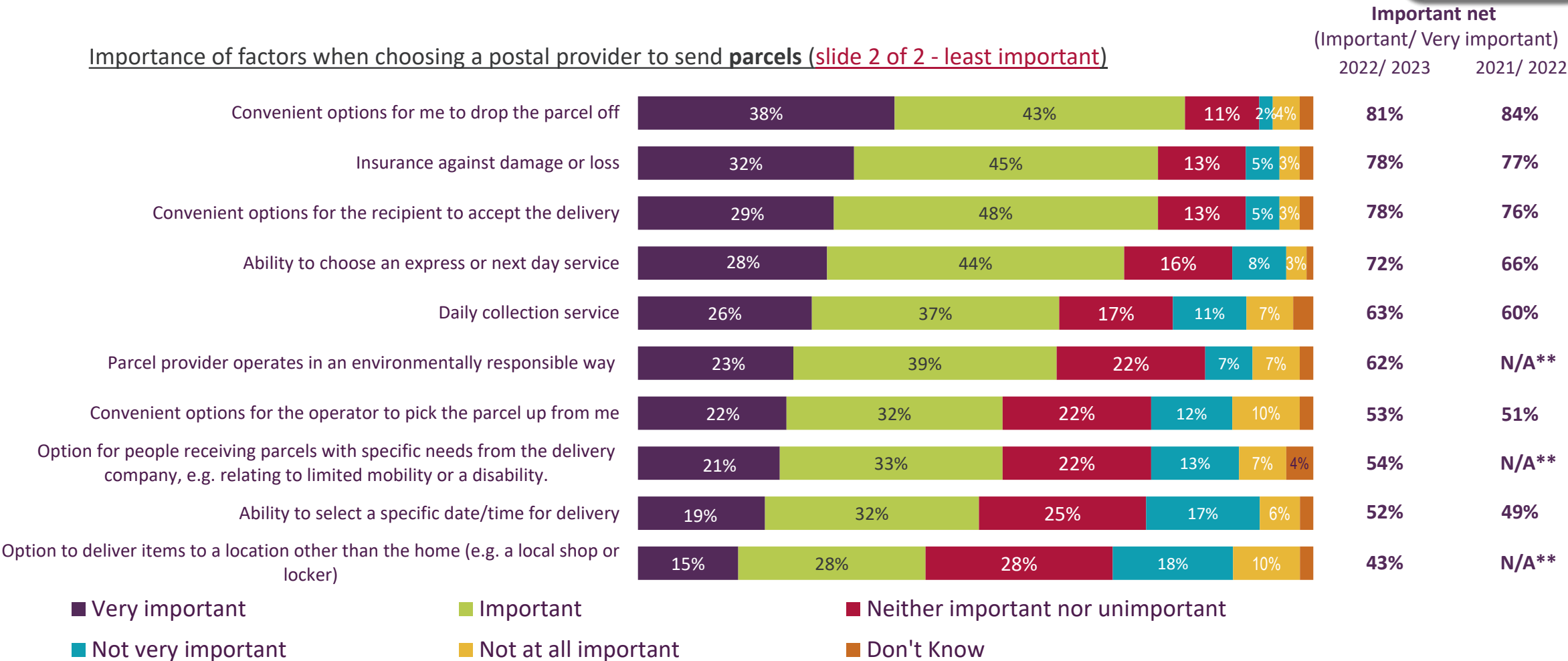
↑ = significant change since 2021/2022

* Phrase was "Guaranteed delivery to recipient's door" until 2022/23

** Added 2022/23

Convenient options to drop the parcel off and insurance against damage or loss remain important to SMEs using Royal Mail to send parcels

Importance of factors when choosing a postal provider to send parcels (slide 2 of 2 - least important)



↑ ↓ = significant change since 2021/2022

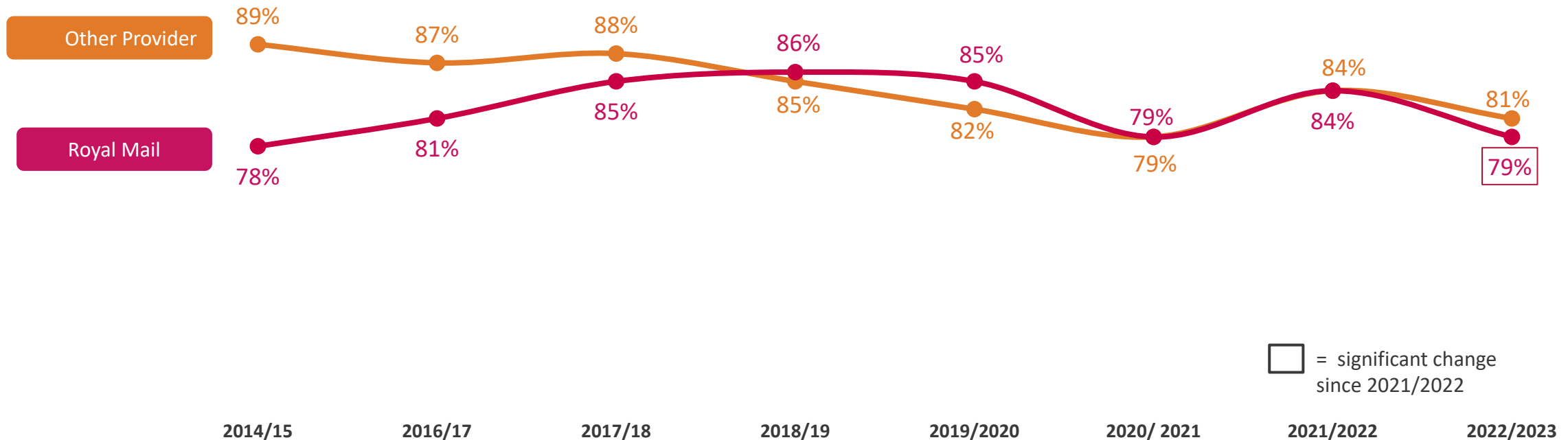
↑ = significant change since 2021/2022

QD10a. Below, are a list of factors people tell us they consider when sending parcels. For each factor, please tell us how important it is to you in choosing a postal provider or service.
 Base: All using Royal Mail to send parcels and packets: 2021/22 (719); 2022/23 (867)

*Phrase was "Guaranteed delivery to recipient's door" until 2022/23
 **Added 2022/23

After a post-pandemic bounce, satisfaction has fallen significantly for Royal Mail

Overall satisfaction with Royal Mail and Other Providers, by year



QRM2. Thinking generally about the service your organisation receives as a whole, how satisfied are you with the overall quality of the services you receive from Royal Mail as a recipient and sender?;

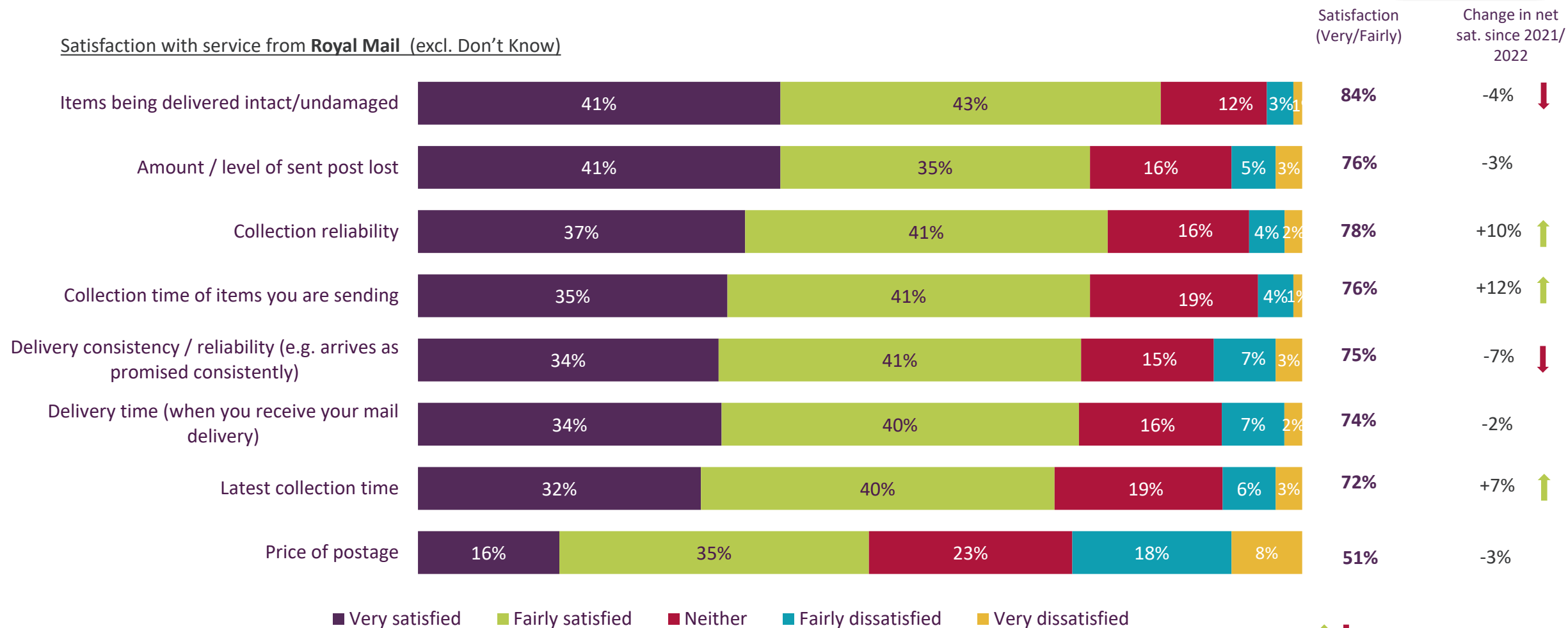
QOP1a. Thinking generally about the service you receive as a whole as a sender and recipient of post, on a scale of 1 to 5 where 1 is very dissatisfied and 5 is very satisfied, how would you rate the quality of the services you receive from <QV4>?

Base: All who use Royal Mail: 2014/15 (1563); 2016/17 (1933); 2017/18 (2266); 2018/19 (1869); 2019/20 (1948) 2020/21 (2054); 2021/22 (2170); 2022/23 (2030).

All who use other provider: 2013/14 (272); 2014/15 (279); 2016/17 (425); 2017/18 (434); 2018/19 (435); 2019/20 (479); 2020/21 (595); 2021/22 (551); 2022/23 (728).

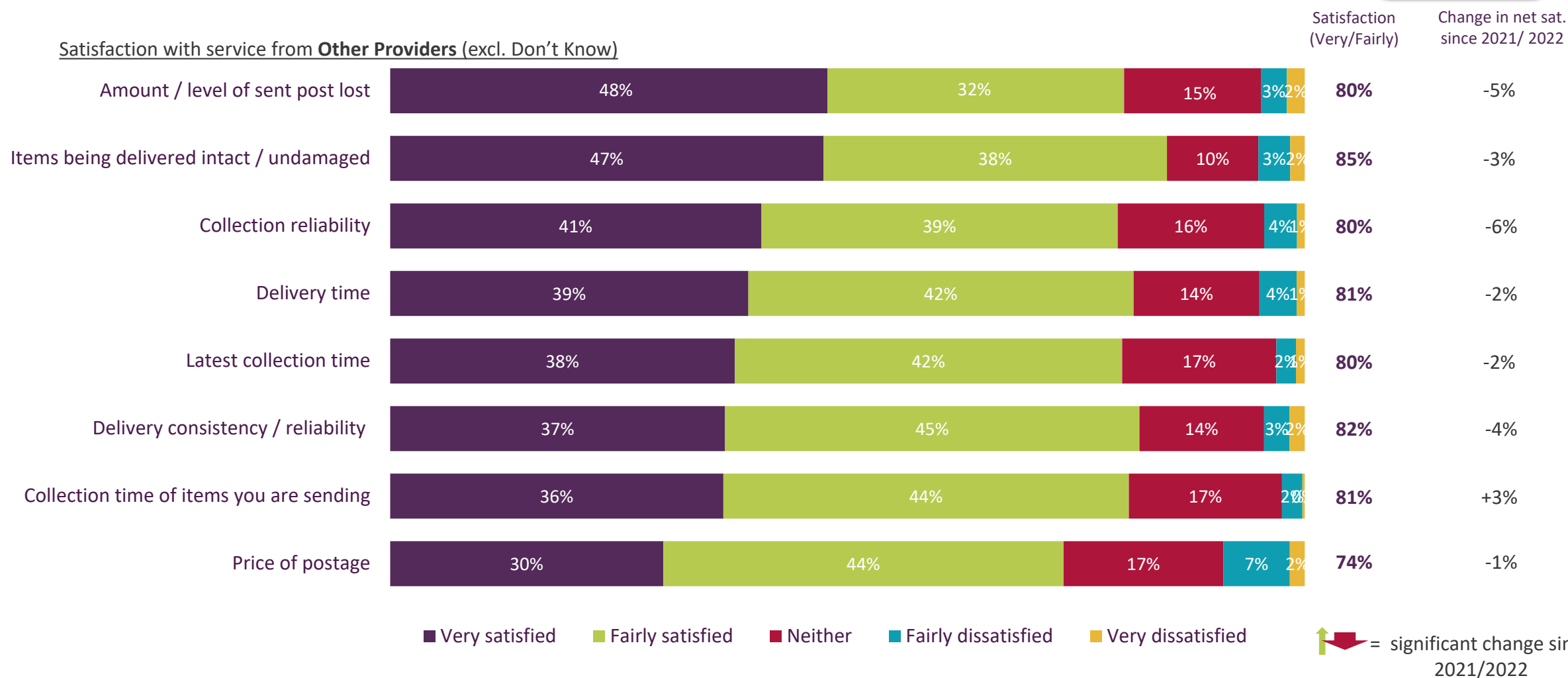
Level of satisfaction has increased around *collection* elements and decreased for *delivery* elements

Satisfaction with service from **Royal Mail** (excl. Don't Know)



QRM3. How would you rate the performance of Royal Mail, as a recipient and sender, in the following areas on a 5-point scale where 1 is very dissatisfied and 5 is very satisfied?
 Base: All who use Royal Mail) excluding don't know: 2021/22 (2146/2058/1876/1885/2154/2149/1901/2145), 2022/23 (2004/1897/1575/1589/2000/2005/1587/1987)

No significant changes for Other providers' satisfaction scores



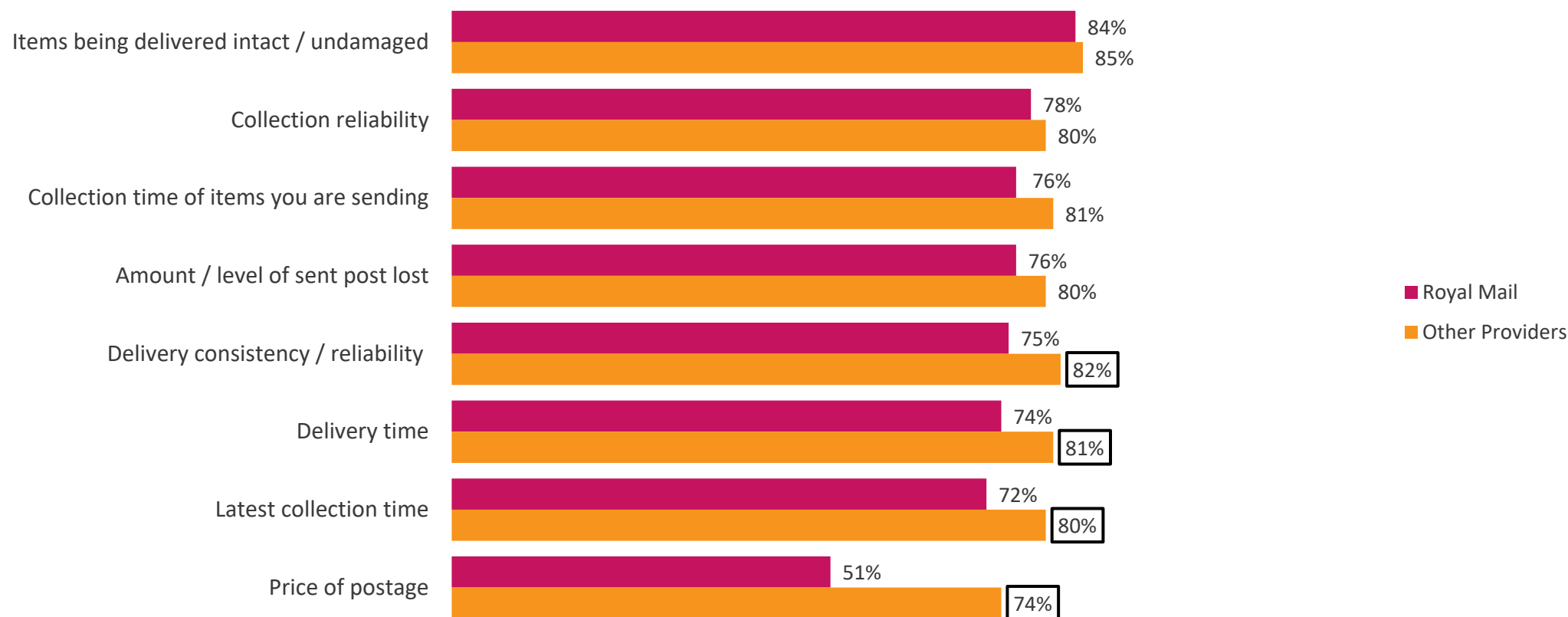
QOP2. As a recipient and sender of post, how would you rate the performance of [QV5c provider] in the following areas on a 5 point scale where 1 is very dissatisfied and 5 is very satisfied

Base: All who use provider other than Royal Mail (excluding don't know): 2021/22 (517 to 547); 2022/23 (650 to 720)

Other providers provide greater satisfaction than Royal Mail on *Price of Postage*

SMEs are also more satisfied with other providers on *Delivery consistency/ reliability, Delivery time, Latest collection time*

Net satisfaction (Very/ fairly satisfied) with service from Royal Mail and Other providers (excluding don't know)



82% = significant difference between groups

QRM3. How would you rate the performance of Royal Mail, as a recipient and sender, in the following areas on a 5-point scale where 1 is very dissatisfied and 5 is very satisfied? /

Base: All who use Royal Mail (excluding don't know): 2022/23 (2004/1575/1589/1897/2000/2005/1587/1987)

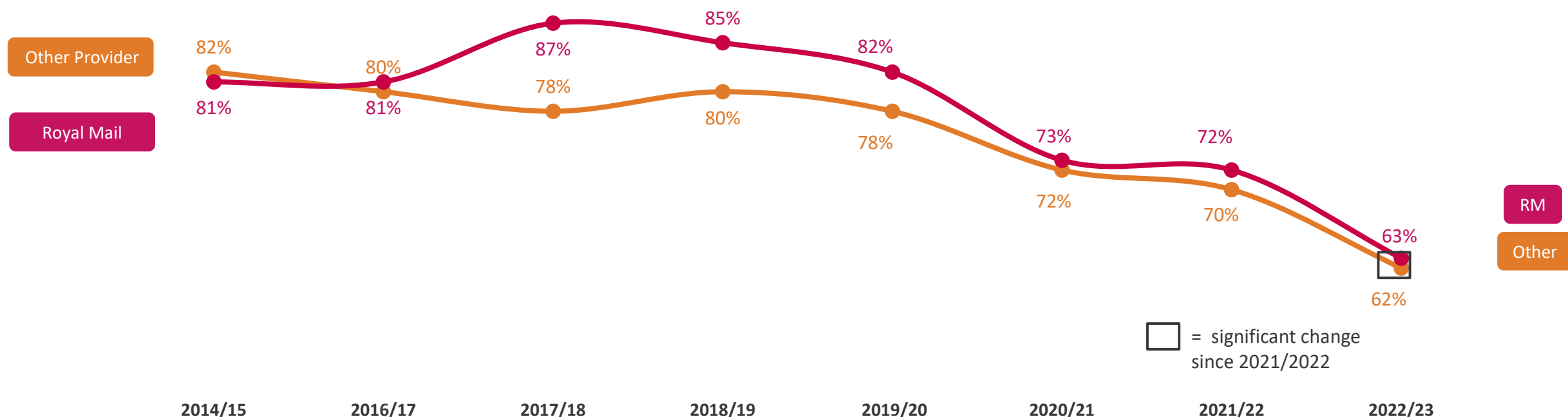
QOP2. As a recipient and sender of post, how would you rate the performance of [QV5c provider] in the following areas on a 5 point scale where 1 is very dissatisfied and 5 is very satisfied

Base: All who use provider other than Royal Mail: 2022/23 (720/661/659/699/716/714/650/703)

Proportion of SMEs reporting “no problems” with their services has declined – less than two-thirds report no problems

Negligible difference between RM and Other providers

Users who have had ‘no problems’ in the last six months, by provider



QRM4. Have you experienced any problems with your service from Royal Mail (as a sender or recipient of mail) in the last 6 months?

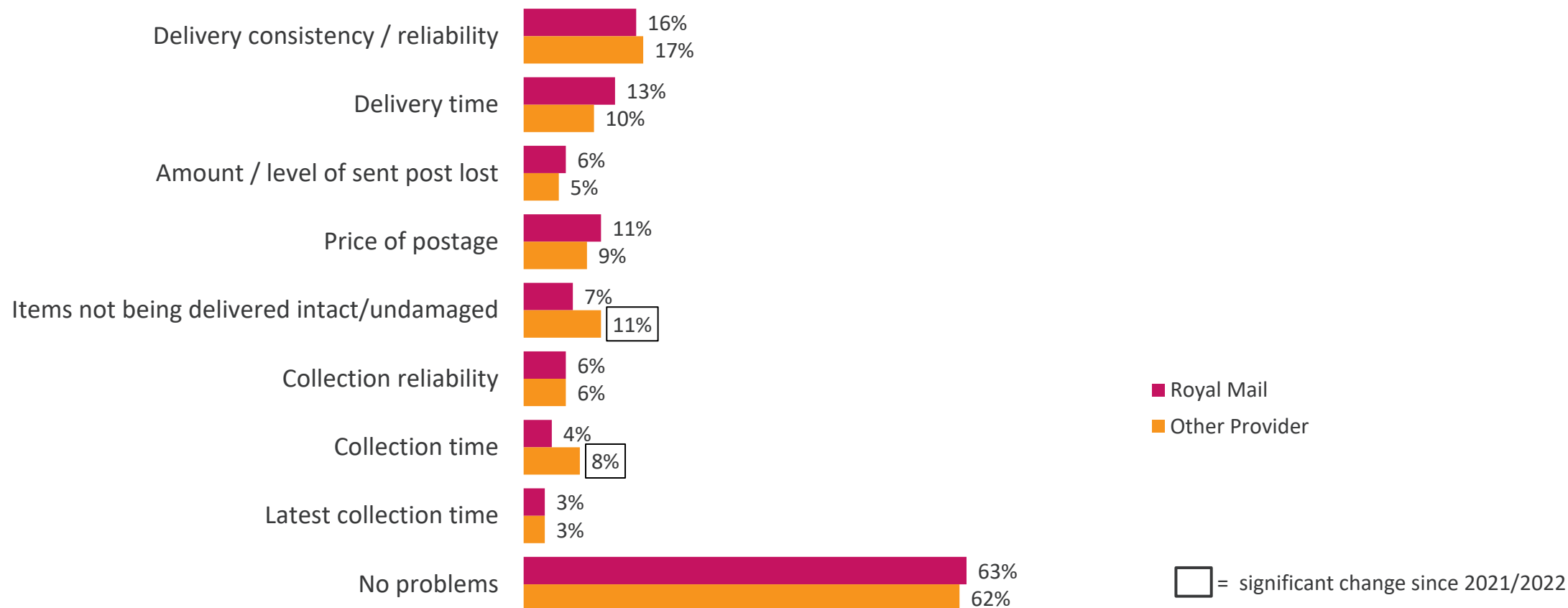
QOP3. As a sender and recipient of mail, have you experienced any problems with your service from [QV4 provider] in the last 6 months?

Base: All who use Royal Mail: 2014/15 (1563); 2016/17 (1933); 2017/18 (2266); 2018/19 (1869); 2019/20 (1948); 2020/21 (2054); 2021/22 (2170); 2022/23 (2030).

All who use other provider : 2014/15 (279); 2016/17 (425); 2017/18 (434); 2018/19 (435); 2019/20 (479); 2020/21 (595); 2021/22 (551); 2022/23 (728).

Users of non-RM postal providers are more likely to report problems with two specific areas – *Items not being delivered intact/undamaged* and *Collection time*

Problems with service from Royal Mail/ Other providers in last six months



QRM4. Have you experienced any problems with your service from Royal Mail (as a sender or recipient of mail) in the last 6 months? QOP3. As a sender and recipient of mail, have you experienced any problems with your service from [QV5c provider] in the last 6 months?

Base: All who use Royal Mail 2022/23 (2030); All who use other provider 2022/23 (728)

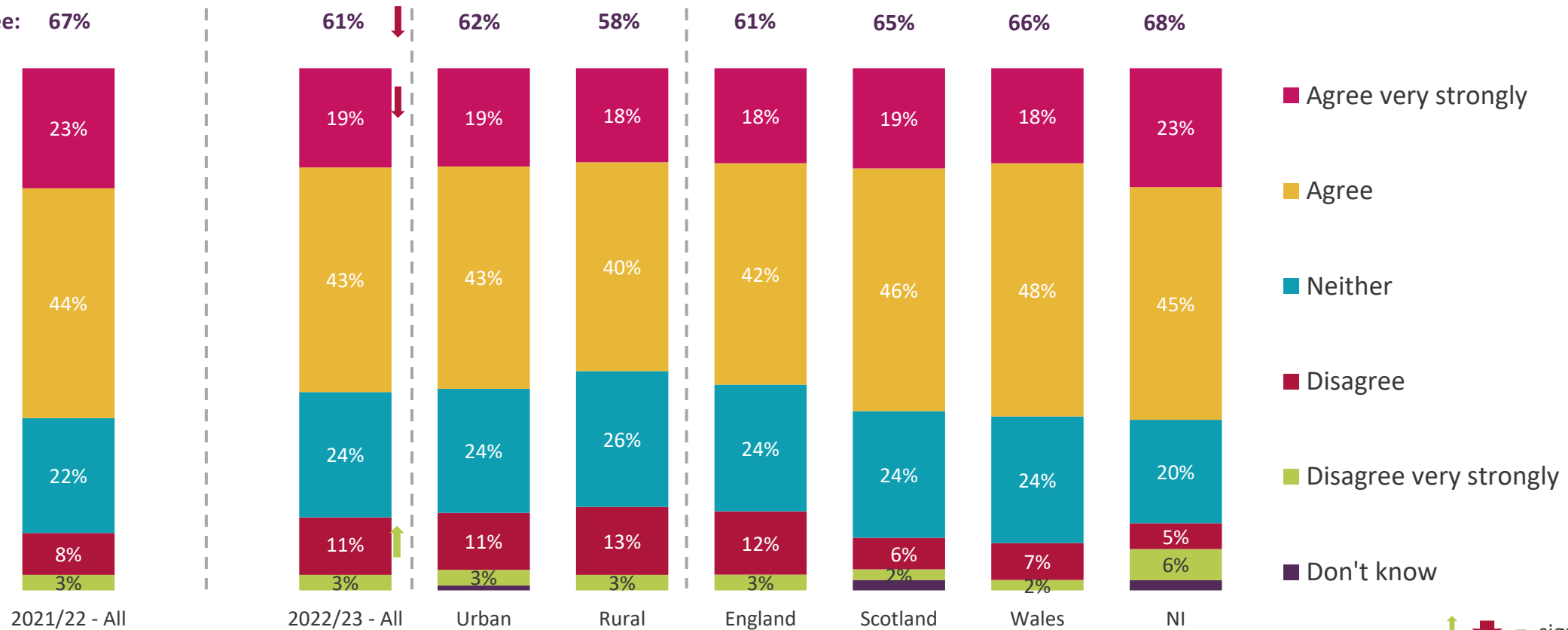
Around six in ten of SMEs agree UK postal services are good value for money (a significant fall since last year)

No differences by area or nation



UK postal services: good value for money?

Net: Agree: 67%



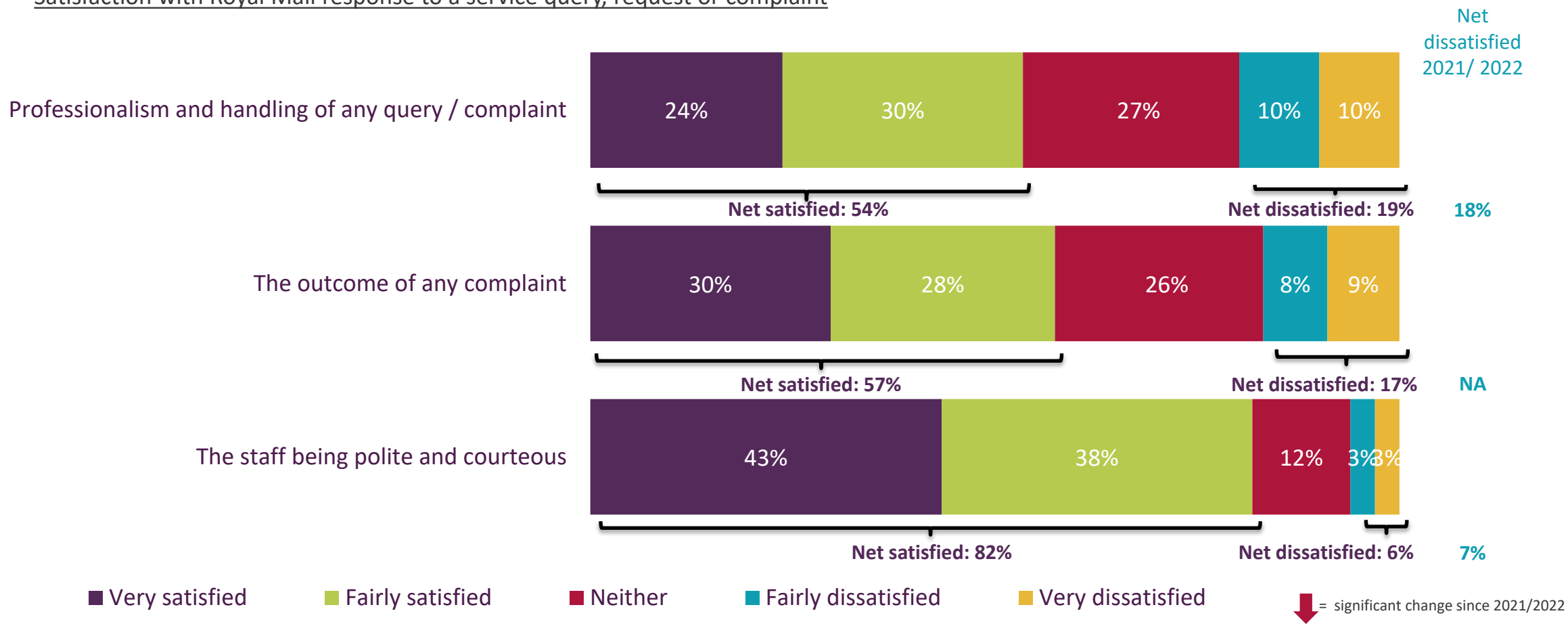
↑ ↓ = significant change since 2021/2022

QAP1. On a scale of 1 to 5 where 5 is agree very strongly and 1 is disagree very strongly, please tell me how strongly you agree or disagree that mail services in the UK provide good value for money

Base: All 2021/22 (2288); All 2022/23 (2223); Urban (1857), Rural (366); England (1250), Scotland (345), Wales (323), NI (305)

Over half of SMEs who contacted Royal Mail were satisfied with *the way the query was handled* and *the professionalism of Royal Mail staff*

Satisfaction with Royal Mail response to a service query, request or complaint



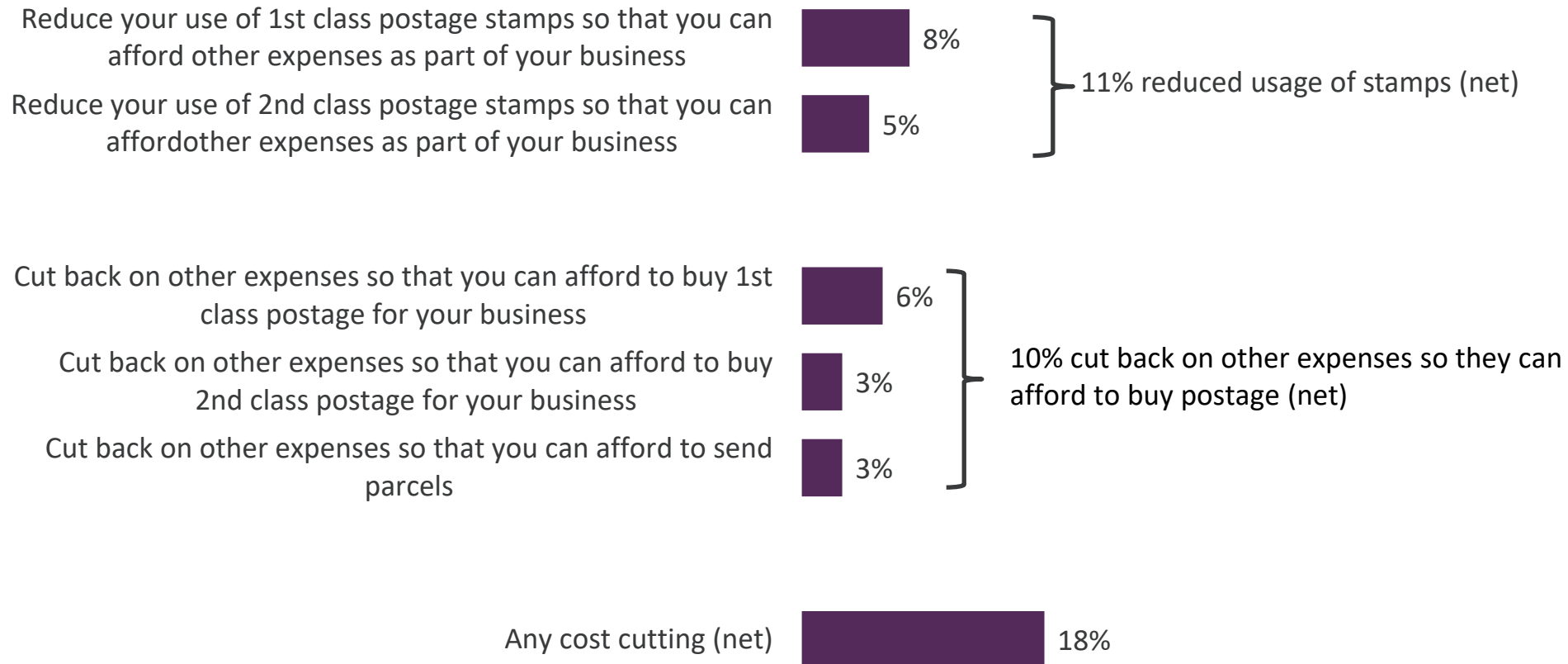
QRM5 Thinking about contacting Royal Mail with a service query, request or complaint, and your experiences in the last six months, please rate Royal Mail on the following aspects using a 5 point scale where 1 is very dissatisfied and 5 is very satisfied.

Base: All using Royal Mail and who have had problems with Royal Mail in the last 6 months and contacted Royal Mail and provided a rating (exclude DKs, not applicable):

The staff being polite and courteous (567)/ Professionalism and handling of any query/complaint (505)/ The outcome of any complaint (455)

Just under one in five SMEs have done some post-related cost-cutting in the previous three months

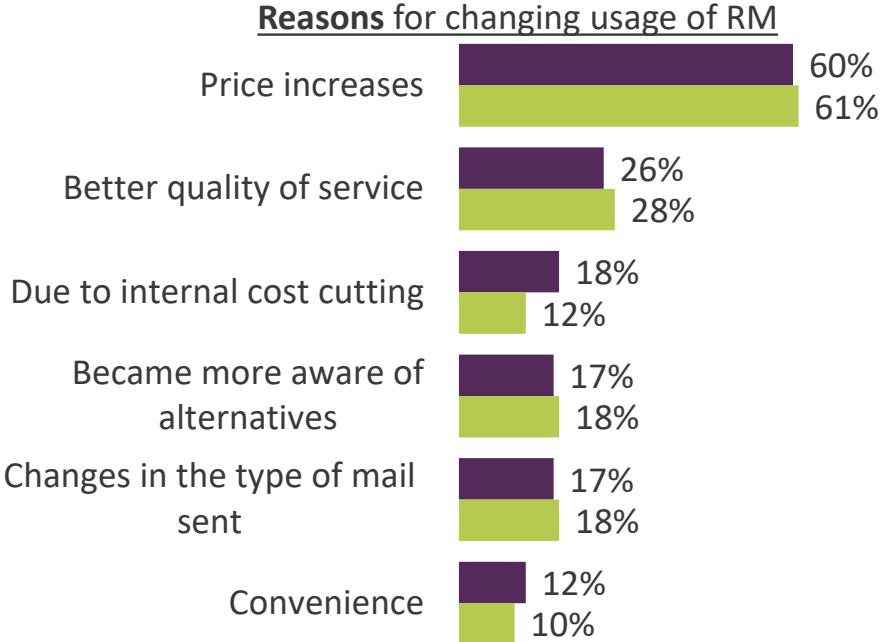
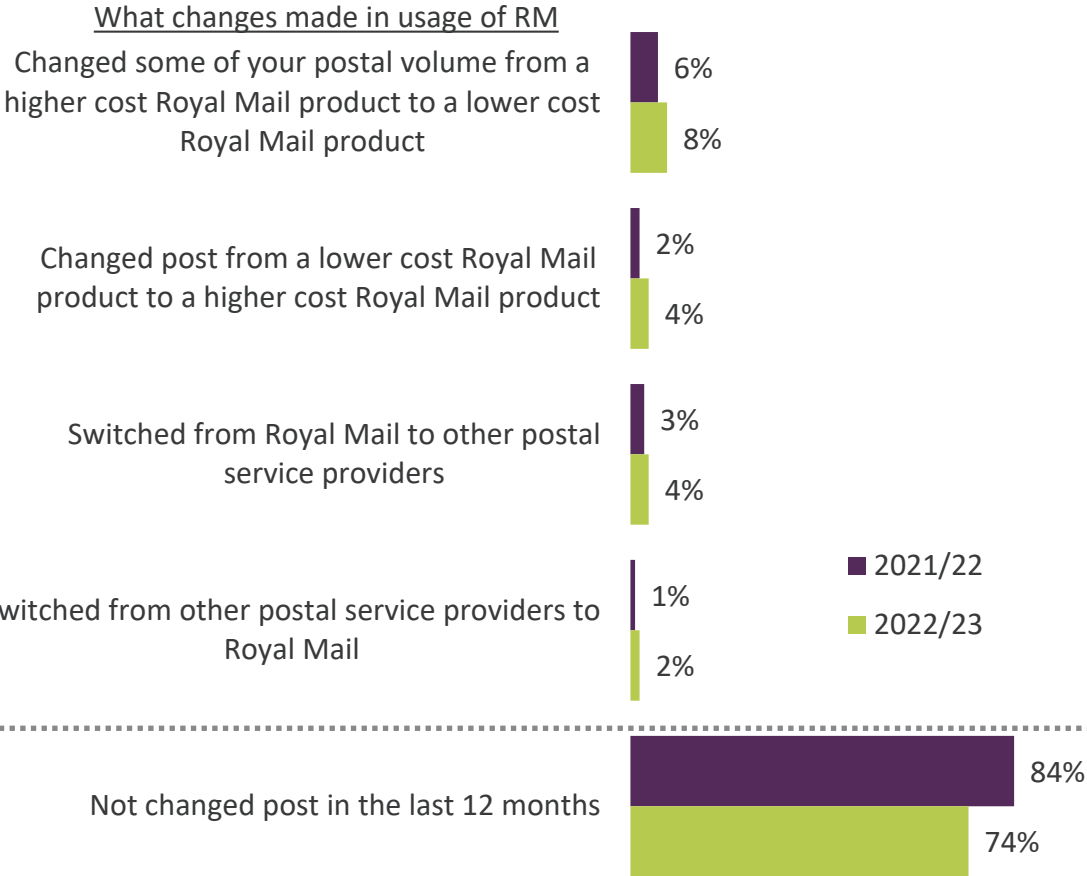
What done to reduce costs



QN12. In the last three months have you had to do any of the following:

Base: All 2022/23 (2223)

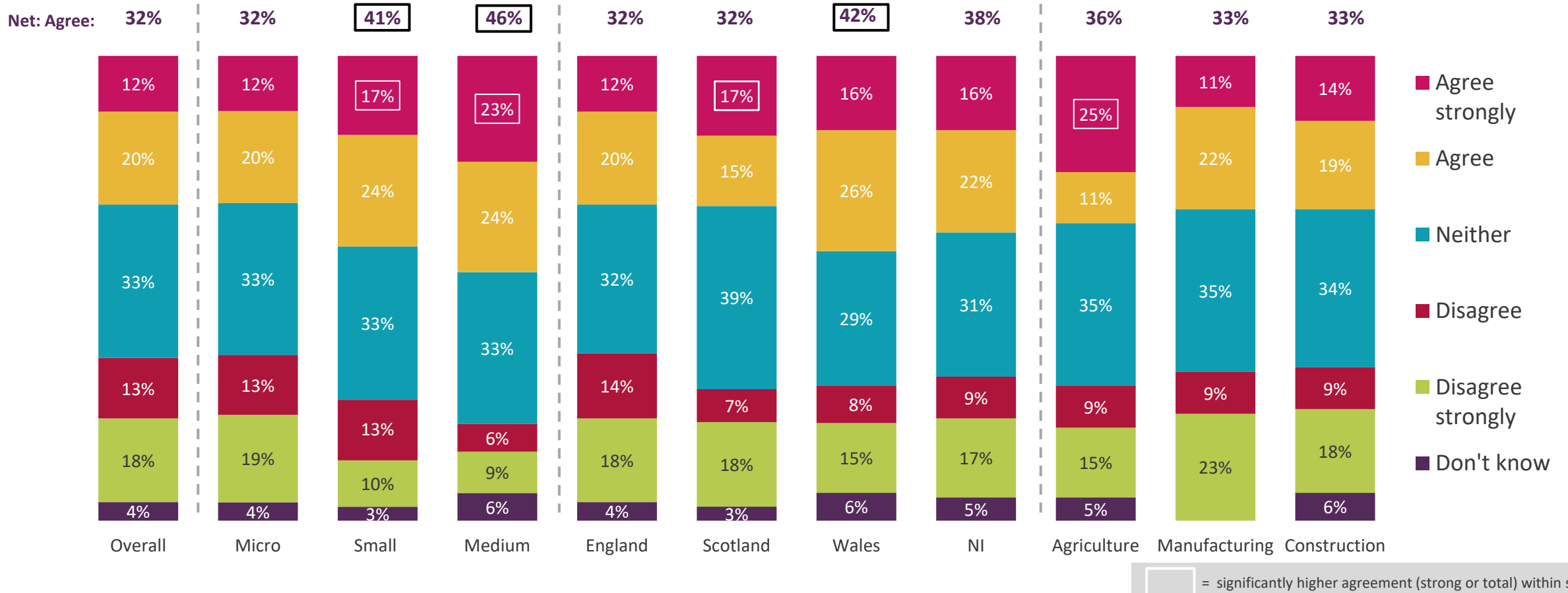
Over the previous 12 months the majority of RM users have not changed their usage of Royal Mail
 But among those that have, *price increases* were the biggest driver



QV7a. In the last 12 months, has your organisation...
 Base: All using Royal Mail 2021/22 (2170), 2022/23 (2030)
 QV7b.1 And why is this?...
 Base: All using RM who have recently changed mail service in the last 12 months 2021/22 (268), 2022/23 (383)

Just under a third of SMEs say they would be willing to pay more for a parcel provider that operates in an environmentally friendly way

I will be willing to pay more for a parcel provider that operates in an environmentally friendly way



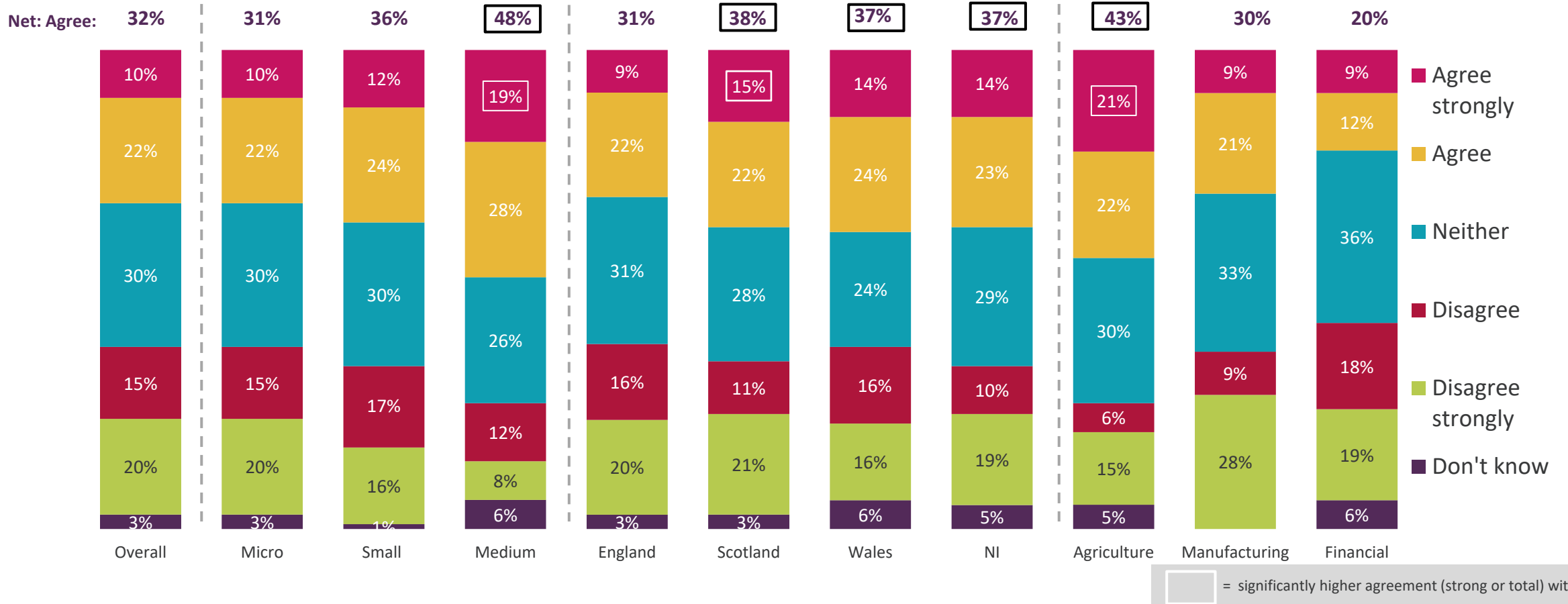
 = significantly higher agreement (strong or total) within sub-group

QN13. How much do you agree or disagree with the following statements: *I will be willing to pay more for a parcel provider that operates in an environmentally friendly way*

Base: All (2223); Micro, 0-9 employees (1588), Small, 10-49 employees (337), (Medium 50-249 employees (298), England (1250), Scotland (345), Wales (323), NI (305); Agriculture (88), Manufacturing (144), Construction (185)

Just under a third of SMEs say they would be willing to use a parcel provider that operates in an environmentally friendly way even if items take longer to deliver

I will be willing to use a parcel provider that operates in an environmentally friendly way even if items take longer to deliver

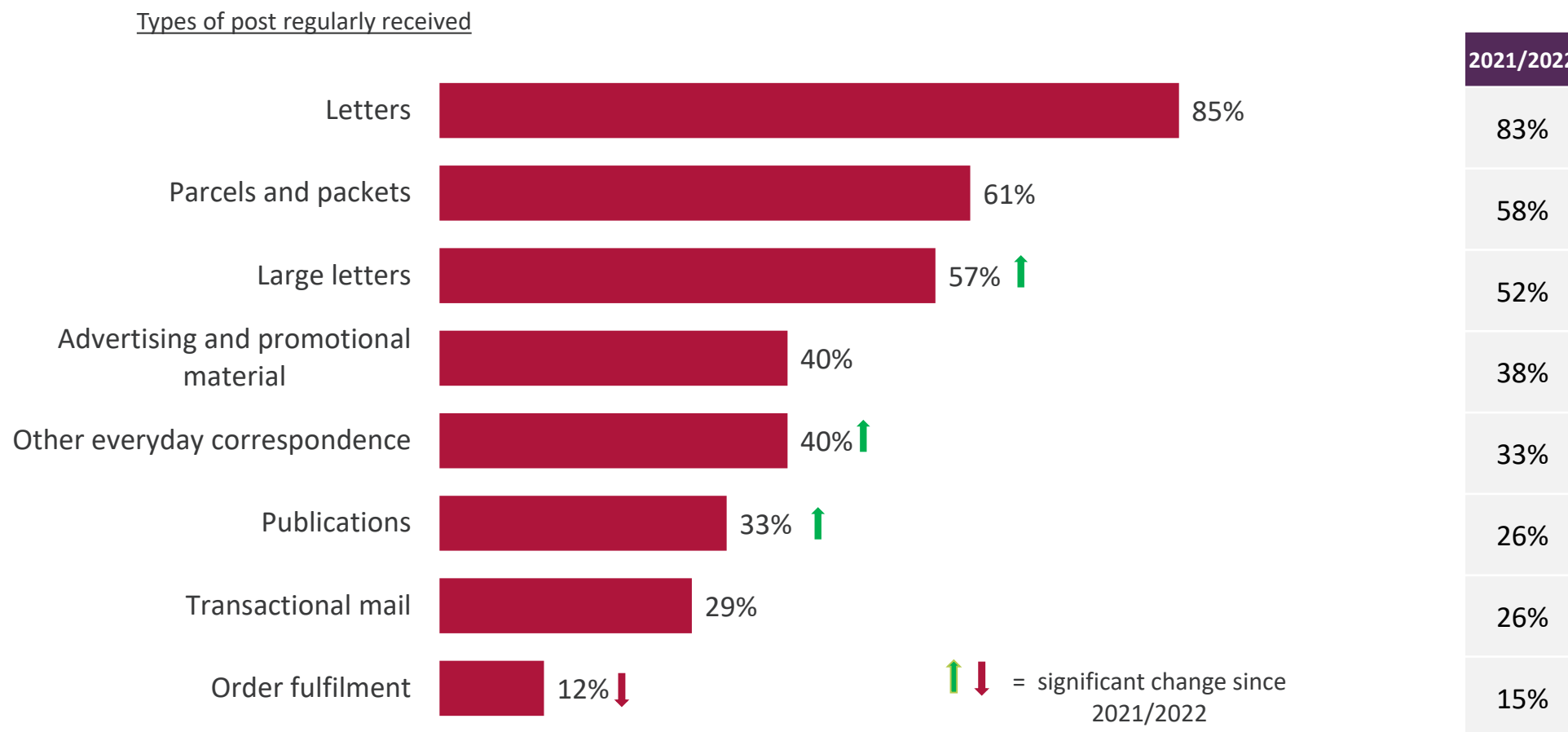


48% = significantly higher agreement (strong or total) within sub-group

QN13. How much do you agree or disagree with the following statements: *I will be willing to use a parcel provider that operates in an environmentally friendly way even if items take longer to deliver*
 Base: All (2223); Micro 0-9 employees (1588), Small 10-49 employees (337), (Medium 50-249 employees (298), England (1250), Scotland (345), Wales (323), NI (305); Agriculture (88), Manufacturing (144), Financial (98)

Receiving post

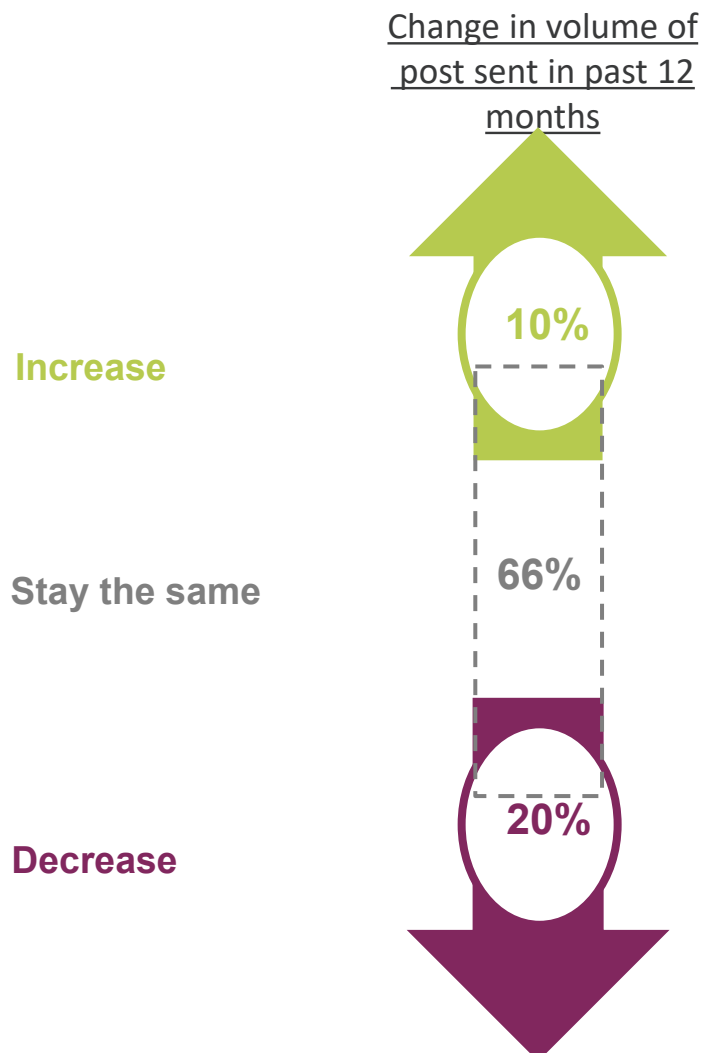
No change in the past year in the proportion of SMEs that say they regularly **receive** letters or parcels and packets



QV9a. Which of the following types of mail does your organisation regularly receive at your location?
Base: All 2022/23 (2223); All 2021/22 (2288)

Sending post

Over the past 12 months, 10% of SMEs say the amount of post they send has increased vs. 20% that say it has decreased



Types of post that have experienced a particular increase/decrease in volumes

- Parcels and packets – 55%
 - Large letters – 36%
 - Letters – 34%
 - Advertising/promotional – 9%
 - Transactional mail – 8%
 - Order fulfilment – 7%
-
- Letters – 62% (was 43% in 2021/22)
 - Large letters – 34% (was 21% in 2021/22)
 - Parcel and packets – 29%
 - Other everyday correspondence – 6%

QS1. In the past 12 months, has the volume of mail your organisation sends increased, decreased or stayed about the same?

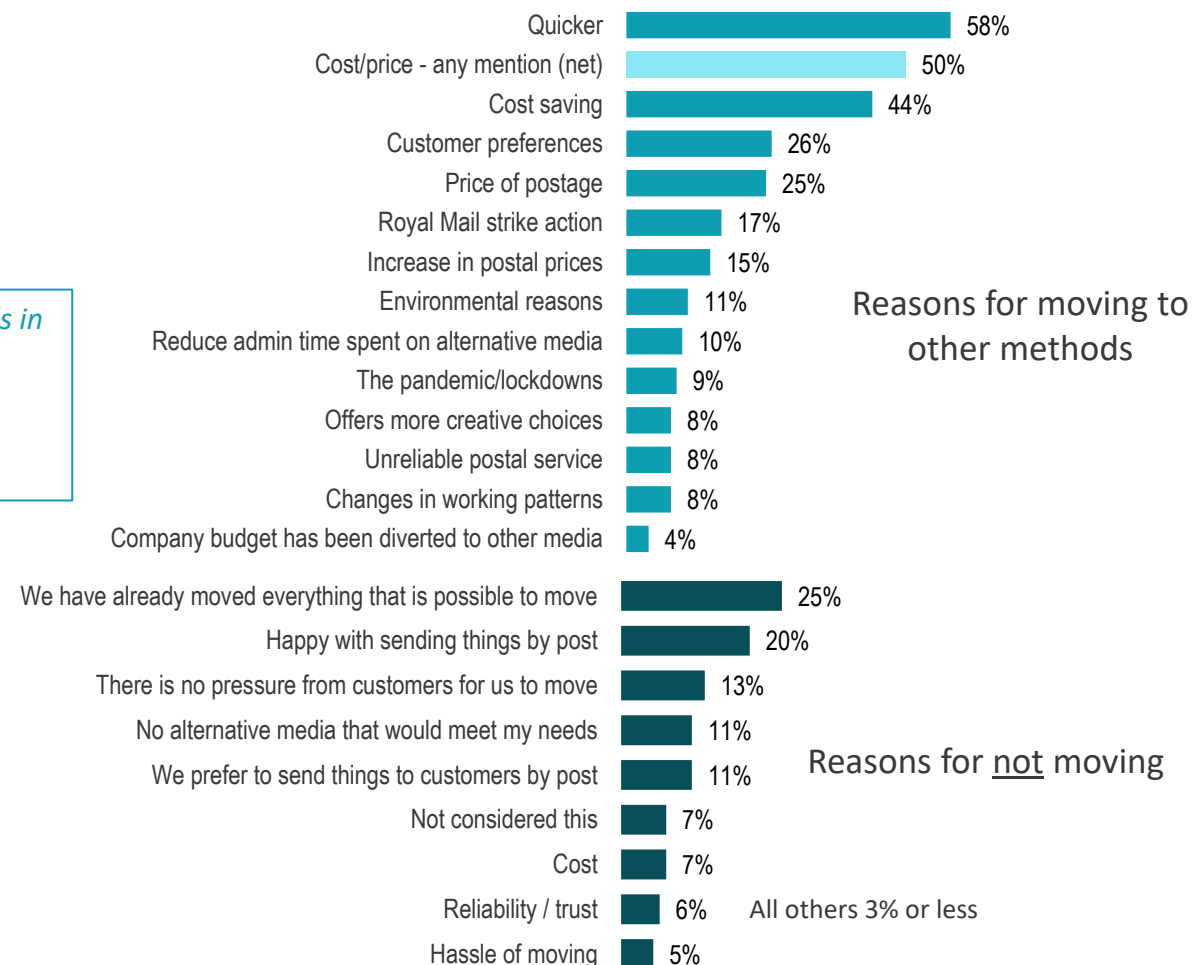
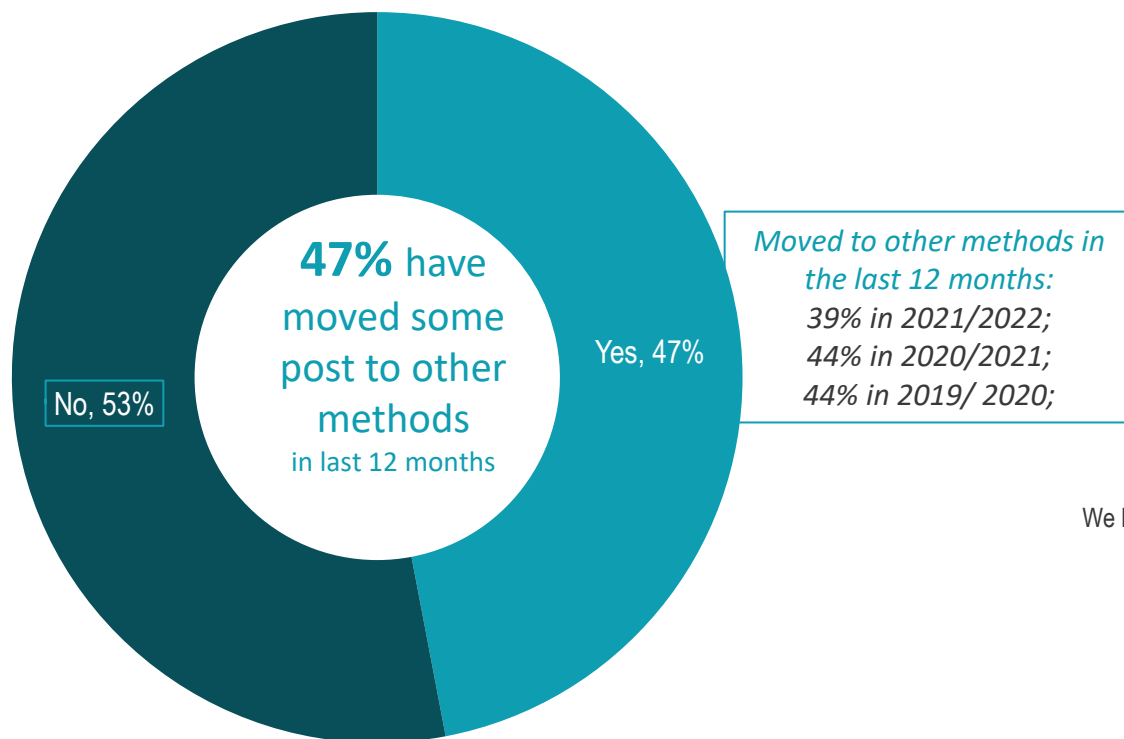
QS1a./b Are there any types of mail that you send in particular that have experienced an increase/decrease in volumes?;

Base: All (2223); Experienced increase in volumes sent (249), Experienced decrease in volumes sent (443) (chart excludes don't know,4%)

Nearly half say they have moved some post to another communication method in the past year (a significant increase from the previous year). 17% said RM strike action was a reason they have moved

Among those who have not moved, a quarter have already moved all they can, and a fifth are happy with sending things by post

Moving post to other communication methods in last 12 months



QF4. Over the last 12 months, has your organisation moved some mail to other communication methods?

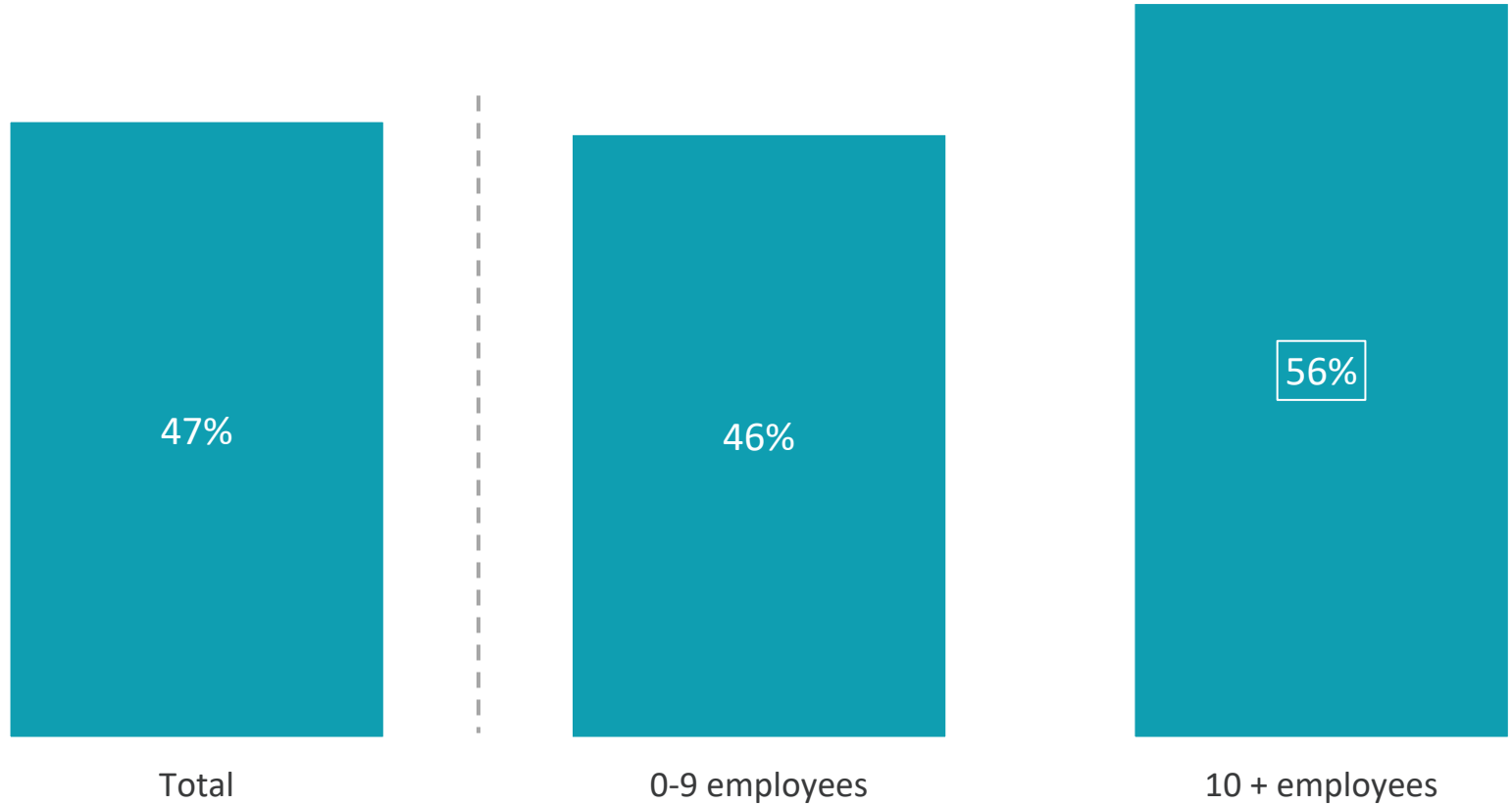
Base: All (2223)

QF6/5. Why have you moved/ not moved any mail to other communication methods in the last 12 months?

Base: Changed to other methods (1165), Not changed to other methods (1058)

Businesses with 10+ employees are significantly more likely to say they have switched post over to other communication method(s)

Moving post to other communication methods in last 12 months, by company size



= significantly higher within sub-group

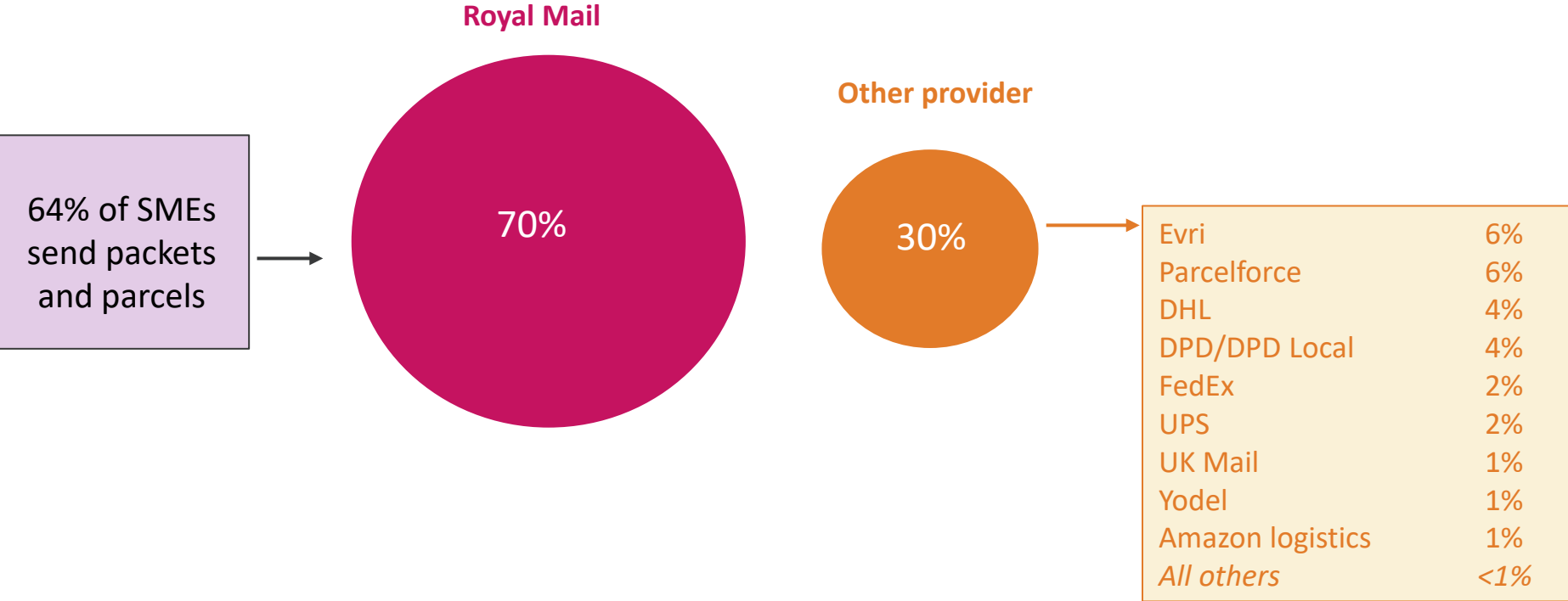
QF4. Over the last 12 months, has your organisation moved some mail to other communication methods?
Base: All (2223); 0-9 employees (1588), 10+ employees (635)

Use of postal services

(incl. postal providers)

Royal mail is the most widely used main provider for sending parcels and packets though alternatives are being used by many SMEs

Main provider used for packets and parcels by number of items



Spontaneous awareness of RM as a provider for sending small parcels has risen YoY from 81% in 2021 to 93%

QV2A. On average, how many of the following types of post does your organisation typically send per mailing? - Packets and parcels . Base: All (2223)

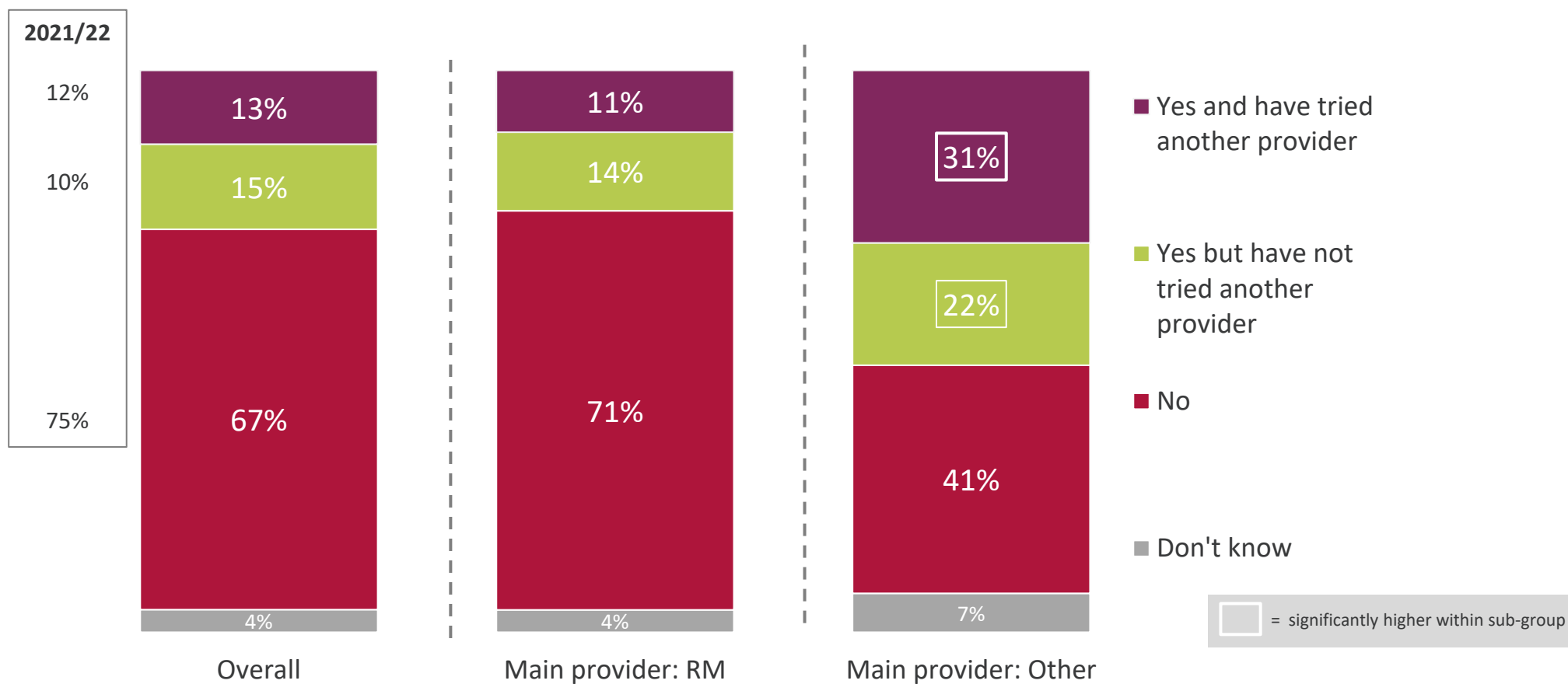
QV5a.1 Which would you say is your organisation's main postal service for packets and parcels in terms of the number of items you send?. Base: All who send packets and parcels (1415)

QN1. Thinking now about sending small parcels, those that are under 2 kilograms in general. Which providers can you think of? IF NECESSARY: By this we mean companies who deliver small parcels in the UK.

Base: All 2020/21 (2200); All 2022/23 (2223)

Over a quarter of SMEs have considered trying a different company as their main postal supplier
Those who currently use RM as their main provider are significantly less likely to consider trying a different one

Consideration of switching from main postal provider, by sub-groups

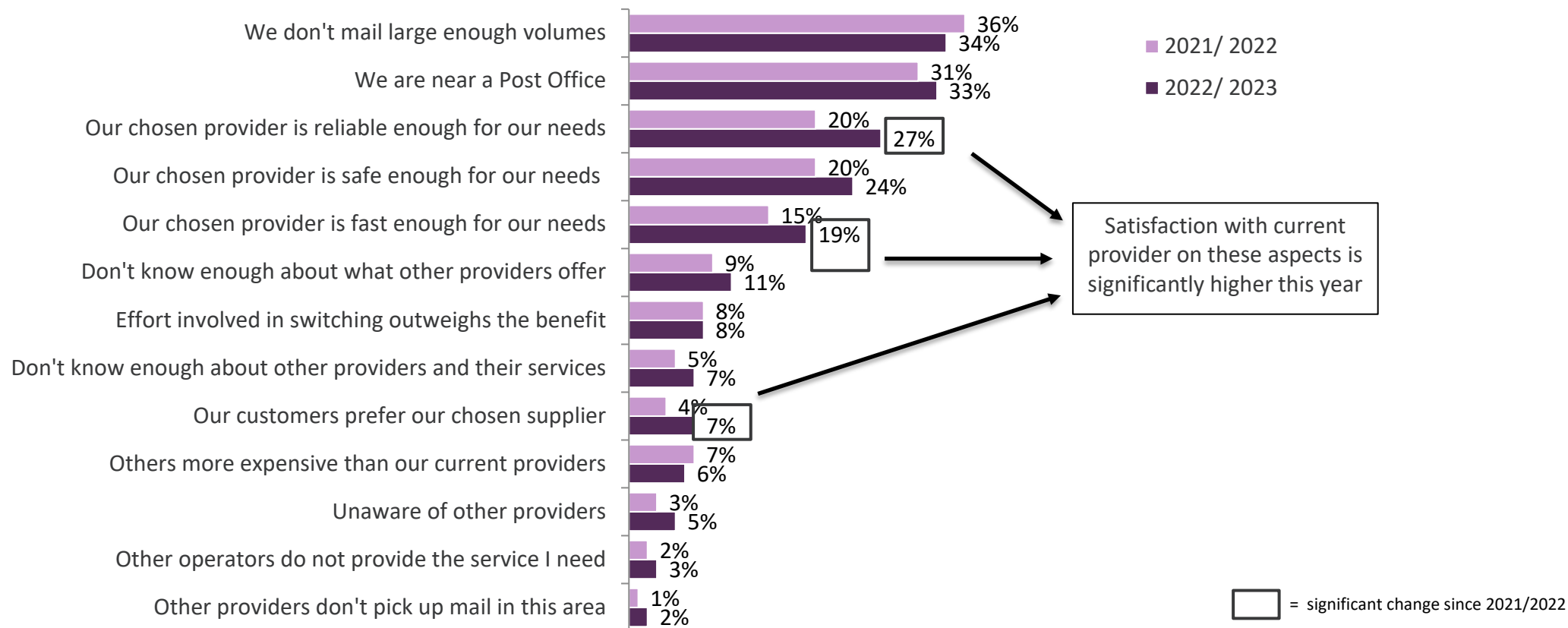


QS4. Have you or your organisation ever considered trying a postal provider other than [your current main provider]?

Base: All (2223 Main provider RM (1894), Main provider other (329) *caution small base

The main reason for not considering another provider remains that volumes of mail aren't large enough. Satisfaction with some aspects of current provider are significantly higher this year

Main reasons for not considering using another postal service provider



QS5. What are the main reasons for not considering a postal service provider other than Royal mail or (other provider) at least for some items?
Base: All who have not considered trying another postal provider: 2021/22 (1634); 2022/23 (1453)