Postal User Needs
Qualitative Research
MC: MCMR/003
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Executive Summary
Executive Summary

1. Study details

Ofcom commissioned Ipsos MORI to conduct research amongst general public postal consumers and business customers to;

Assess the extent to which the market for the provision of postal services in the UK is meeting the reasonable needs of users in relation to the universal postal service.

The research was conducted from March to May 2012, against a backdrop of media coverage and debate relating to the April 2012 announcements on the rise in the price of 1st and 2nd class stamps. The Ipsos MORI team consulted residential customers in a range of urban, rural and deep rural locations (including offshore) as well as individuals with mobility and visual impairment issues, alongside a broad representation of small, medium and large business customers. The research was qualitative and deliberative in nature, allowing the study to explore fully the wide range of attitudes, behaviours, wants and needs associated with postal use.

Participants were asked:-

a) To describe their current usage spontaneously and explain what they thought their needs were from the service, both as senders and receivers of mail. At this point, ‘wants’ tended to blur with ‘needs’.

b) Then to look at descriptions of the Universal Services, discuss each in turn and rank them according to which were ‘essential’ through to ‘nice to have’ and then through to ‘do not need’ and map these.

c) To assist respondents to differentiate between aspects of the postal service that they ‘wanted’ from aspects they ‘needed’ they were shown a brief presentation which highlighted the increasing costs of running a postal service in light of declining usage. After viewing the presentation respondents were given the opportunity to revisit their maps and change anything in the light of this.

d) Then to look at five potential hypothetical future scenarios that might meet users’ needs. Participants were given the opportunity to suggest ways to alter/amend each scenario to fit their needs.

e) To consider what broader societal benefits the postal service might bring and respond to several potential examples.
This following summary highlights key findings from the core chapters within this report.

2. How people use the post today

When sending and receiving post, the majority of participants are **substituting the postal service with electronic methods** much more than they were in the past. Email, phoning, online document sharing and video calling are all now regularly used to meet core communication needs.

**Business customers** are **sending** a wide range of items. They use Royal Mail services on a daily basis and turn to couriers or alternative mail providers when they feel that Royal Mail is not offering them a service that fits the demands of their business. They are increasingly automating key correspondence, invoicing, billing and marketing, with some businesses feeling they will be doing even more ‘online’ in future. Others felt they had already taken as many processes as possible online; their future use of the postal service would remain fairly constant, if not increase, due to higher demand for online shopping and fulfilment.

Businesses are **receiving** less than they were. The important post which small businesses tended to receive is now either parts/components that play a crucial part in their product or service offering, or cheques from clients. **Larger businesses** receive a wider variety of things from fulfilment of supplier contracts through to application forms for HR or services. Any documents which are received are considered to be important; they are the ones which cannot be obtained electronically.

**Residential customers** are not **sending** things through the post as frequently as they did in the past. Their postal use tends to relate more to the receipt of ‘official correspondence’ from banks, utilities companies, and so on, and goods/products that tend to be more bulky. The exceptions are a few types of content where original documents need to be sent. These are important, but not frequent, posting occasions. There are some notable differences in how older and younger residential customers use postal services:

- **Older users** still do their personal administration (such as sending forms, paying bills, corresponding with companies, etc.) on paper, but are starting to use electronic substitutes for personal mail. They are less likely to be receiving parcels, but feel there is an upward trend among users in general in this respect.

- **Younger users** are sending very little post except official forms, application forms and parcels (most mentions were of eBay sales). Their reliance on the post is primarily from a receipt-of-goods-and-products perspective, with younger customers regularly citing online purchases as the core way in which they are
using postal services. The vast majority of their social correspondence is done online (via email and social networking sites) without much use of greetings cards. They are also considerably more likely to be ‘running their lives’ online (in terms of engaging with utilities, banks etc through online accounts/portals).

3. Core user needs from the postal service

Participants said they ‘needed’ quite a lot from the postal service. ‘Wants’ and ‘needs’ can blur for participants. As they deliberated, and people talked about how they used the post today, the challenges facing the postal services and some possible future scenarios for different services, they found it gradually easier to distinguish preferences from necessities. Participants began the discussion with high expectations of the postal service which initially caused them to over-state some of their needs for personal mail.

- The postal service is seen in the context of a long history of providing services to a higher level than today. Participants want to retain past services due to nostalgia and ‘loss aversion’. Early in the deliberative process, participants stated that they ‘need things to be how they used to be’. But on later discussion they tended to agree that some elements of the service of the past, such as early morning residential delivery are not actually required today.

- Royal Mail is seen as a public sector organisation which is expected to provide universal services at low cost. The post is also seen as a core part of the country’s infrastructure and there were high expectations of service levels.

- At the same time, however, Royal Mail is expected to behave as a private sector company which should be continually improving, dropping prices, and delighting customers, according to the rhetoric of marketing. There was, accordingly, a tendency for people to begin by supporting ideas which exceed their needs, (such as new services which would allow parcels to be collected from their address). Some felt that because this is a service which was already provided by couriers, this made it even more important that Royal Mail should provide competitive services. Customers tend to think that every service provider should meet the highest levels of service delivery. While it was rarely said explicitly, the implication is that customers would move to couriers to get a better service if they were not satisfied with Royal Mail, where this was possible.

- Many participants said Royal Mail should be providing services which go beyond the basic universal service obligation and which compete commercially; not just to survive in a market but to derive more income to support any services which
otherwise would not be financially sustainable, so that society as a whole could benefit.

- The news of a rise in stamp prices\(^1\) released during the fieldwork period led to some participants questioning whether Royal Mail is run efficiently and feeling aggrieved and suspicious about any potential changes.

Through analysis of what participants said they needed, an assessment of how they ranked the elements of universal services, and a comparison with how users said they actually used postal services today we derived **eight core user stated needs**.

The needs are relevant to sending and receiving, letters, packets and parcels, and come into play for both residential and business customers. Different needs are relevant to different participants at different times, but these are the overarching stated needs expressed throughout the whole research. These are all explained in more detail in Chapter 3 of the report and summarised below.

- **SIMPlicity** and **TRUSTWORTHINESS** – for all the services, all the time.
- **RANGE** of services allowing customers to trade off **SPEED**, **AFFORDABILITY**\(^2\) and **CONTROL** (which contains elements of tracking mail, reliability that it will arrive on time and security).
- Younger residential and business customers say there is a need for postal services to **FIT WITH DEMANDS OF MODERN LIFE**. This means services which follow the broad trend in other sectors of services being accessible to consumers whenever they want and at short notice.
- Large businesses say they need **PREDICTABILITY** of delivery time, and additionally a regular morning delivery, which allows for post to be dealt with on the same working day, if required.

These needs all fit together and different services provided by Royal Mail meet, and in some cases appear to exceed, these needs in different ways.

### 4. Needs from universal postal services

As stressed above, the **stated needs of participants are not always the same as their patterns of usage**, so this chapter draws out any differences as we consider participants’ response to each service in detail. We identify how well each service meets core user needs.

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\(^1\) The price of a 1st class stamp increased from 46p to 60p as of 30th April 2012, similarly the price of the 2nd class stamp was increased from 36p to 50p. The price rises were announced on 27th March 2012.

\(^2\) A term used by respondents and not one prompted by moderators in the research.
When participants look at specific elements of the USO:-

- Elements or services considered to be most ‘essential’: First/ second class stamp, six delivery/ collection days, maintaining delivery & collection times, Special Delivery, Recorded Delivery, an international service (ideally airmail) and Redirection.

- Services potentially over-delivering on needs and considered by respondents as being ‘nice to have’: Certificate of Posting, Return to sender, Keepsafe and Poste Restante.

How well do these services fulfil needs?
There is some over-fulfilment of needs. Although residential users state that they need a 1st class service, examining their reasons suggest that they may currently be slightly over-provided for. Their core need in this respect seems to relate to a quick and affordable service that arrives within a ‘reasonable’ time frame. In discussion many reflected that a combination of 1st and 2nd class services; a ‘universal’ two-day stamp - would meet the needs of most people’s postal requirements.

Six delivery and collection days are, overall, felt to slightly exceed requirements, though there are contrasting points of view.

For small businesses, delivery and collection times are not felt to be flexible enough to meet their needs. Large businesses are in a slightly different position and are more satisfied, being more likely to operate on a regular Monday to Friday basis, often determining their own personal delivery times, and able to meet their own needs by negotiating with Royal Mail.

For residential users collection times meet and even over-deliver on needs. However, residential users say they need more delivery options, as many find that large item and parcel deliveries were often not successful first time. Journeys to delivery offices are thought by others to be particularly detrimental to those who suffer mobility problems and for those on low incomes.

Where a guaranteed next day service is required, residential users say they need the Special Delivery service to remain affordable, or potentially offer a wider range of services which split out some of the tracking, insurance and next day guarantee elements to allow users to choose what best suits their needs for cheaper than current Special Delivery service. Recorded Delivery is felt to already do this, to a certain extent.

An international service is felt to be essential; of the three shown, airmail is the one which meets needs best.
5. Possible Future Scenarios

Participants were introduced to five different scenarios which suggested adjustments to the current postal USO; these are set out in detail below. Participants discussed whether or not each of these presented changes continued to meet the needs of users of the postal service. Four of the scenarios were on balance felt to meet stated user needs.

- **Replacing 1st and 2nd class post with a single two day service**: the most popular idea. Spontaneously, participants had suggested creating a single ‘two-day’ universal stamp whilst deliberating the individual USO products in earlier discussion.

- **Reducing collection and delivery days from six to five**: was felt to be a sensible solution by residential users who believed that people would ultimately adapt, and that this arrangement would ensure that Royal Mail is still providing a service that meets user needs. Small businesses voiced greater concerns about losing a day, although felt they would adapt. There did remain, however, concerns that small businesses would have to pay for couriers more often as a result.

- **Post being collected from post boxes in an area at the same time as it is delivered to addresses**: made logical sense for residential customers in particular who were keen to see Royal Mail focus on efficiencies in order to maintain the overall level of service provision. Businesses, however, were not keen on this idea on the whole as they felt it would impact negatively on their ability to receive post, action that delivery and send out a response or forward on an item in the same day. This option was felt to be likely to result in delays to customers further down the line.

- **Post being delivered up until 5pm (an hour or two later than the current rules)**: This scenario and the one directly above involve alterations to the times at which deliveries and collections are made and were both felt to be acceptable on balance.

They were both acceptable to the majority of residential customers who tended to deal with post in the evening and were not overly concerned with speed of delivery. However, small and medium business customers had concerns over costs and delays; they were not in a position to negotiate, or perhaps afford their own early morning deliveries with Royal Mail.

It is worth mentioning that some participants failed to grasp what both these changes might mean in practice for meeting their delivery targets and so
appreciated the changes because they appeared to them to cut down on complexity.

For all four of these scenarios, participants felt their core postal needs could still be met, even if these scenarios came into play. The fifth scenario:

- **Changing 1st class so that local mail is delivered the next day, but national mail takes two days:** was not considered to be acceptable. It was seen as unfair, and also it contradicted participants’ desire for **SIMPPLICITY and CONTROL.**

6. **Perceived Societal benefits of a universal postal service**

When considering the societal benefits of the postal service, the idea of Royal Mail as a national institution was imagined to have benefits in terms of national identity and pride, but no other clear social benefits were spontaneously mentioned. Participants were asked in turn to comment on five potential social benefits:-

1. **Connecting communities;** For most participants this is not a relevant social benefit, as there are other ways nowadays of being connected, although it was perceived as important particularly for older people, those wanting to contact people abroad and those living in remote areas such as deep rural Scotland.

2. **Supporting democracy;** Participants found it hard to grasp how this would be supported by the postal services. While it might contribute, there are other mechanisms nowadays. They could see that in an emergency the post could be deployed and that this was of benefit.

3. **Helping people to ‘run their lives’;** Participants thought of elderly people as benefiting the most as for others substitution of electronic communications and phone is a daily reality. People felt this would become less and less important. It was perceived to be a greater social benefit to help older or digitally disadvantaged people to learn more about new ways of communicating, so that nobody is left behind.

4. **Keeping rural communities alive;** Most agreed (especially in rural areas) that the postal service performs this social benefit, partly by allowing businesses to run in rural areas and residents to access the modern benefits of internet shopping. This was particularly notable in Scotland which participants felt has many very remote communities.

5. **Keeping an eye on vulnerable people;** Elderly people and others who would appreciate regular human contact are perceived to benefit most from having a postman visiting regularly. Many also agreed that in remote and rural areas
where issues of personal safety and security were felt to be significantly more relevant, the postal service could play a role.
Introduction
1. Introduction

Ofcom commissioned Ipsos MORI to conduct research amongst general public postal consumers and business customers with an over-arching objective to;

Assess the extent to which the market for the provision of postal services in the UK is meeting the reasonable needs of users in relation to the universal postal service.

And a specific research objective to;

Obtain an informed consumer view on use, needs and social benefits of the current postal service.

The research was conducted around March to May 2012, against a backdrop of media coverage and debate relating to the March 2012 announcements on the rise in the price of 1st and 2nd class stamps. All of the workshops (except the first in London on March 26th 2012) took place after the price rises were announced.

1.1 Objectives

Core research objectives within the overarching project objective above were;

- Elicit the needs of postal users in relation to the universal postal service, in particular understanding any gaps or over-fulfilment in current services;
- Understand the importance of elements of the universal service obligation (USO) to all types of users;
- Understand the benefits of the universal postal service to individuals, to businesses and to society;
- Understand the impact of potential changes to elements of the USO; and
- Help inform policy on a sustainable universal postal service that meets users needs.

1.2 Methodology

The qualitative research was designed to complement some quantitative research which was running in tandem and asking similar questions, by moving beyond what people say to why they say it and, importantly, enabling Ofcom to draw conclusions from their attitudes and behaviours. The qualitative stage was made up of deliberative sessions, aiming to capture unprompted views but also seeking to educate participants about the USO.

This helped us to capture three things;
1. Participants’ views on their personal needs;
2. Their perceptions of the needs of other societal groups (such as older people, people in rural or urban areas, business or residential customers); and
3. Their perceptions of the broader societal benefits inherent in a universal service.

In deliberation, we bring together different sorts of people, aiming for a **cross-section of the public**. The deliberative approach enables participants to listen to and consider other points of view, as well as to think about what is best from their own perspective. Deliberative workshops are a generative process, and through discussion and staggered provision of relevant information throughout the session, allow time to move beyond participants’ general perceptions towards understanding what assumptions and beliefs lie behind their views.

Deliberative workshops also involve giving participants additional information about a topic to enable them to develop an informed view during the course of the research. They also give moderators more time to introduce participants to new information and ideas so that they become better informed about the topic to be discussed. As a result, by the end of the process, participants’ views will often be different to those of the general public, if polled, but their views are **better informed and they are better placed to give insight into complex policy areas**. The full discussion guide and stimulus materials are appended.

We conducted eight workshops with around 20 participants in each: a manageable size for a deliberative workshop, which allowed us to include a good mix of views within each workshop. Two facilitators worked with one sub group each in each workshop, and all events lasted around three and half hours. The groups consisted of a mix of local residential customers and also small business customers to ensure views generated reflected a range of user views. We recruited a broad cross-section of participants in each location. Quotas were set to ensure that we achieved a range of ages (from 18 to late 70s), gender, ethnicity, socio-economic group, and high and low users of postal services.

Workshops were conducted in **London, Cardiff, Caernarfon, Belfast, Lisbellaw, Dunbar, Oban** and **Norwich** (and **Glasgow** for some large business interviews).

We ensured a spread of urban, rural and deep rural participants. In addition, some participants in the Oban workshop were **offshore** residents.
An initial smaller workshop (in London) was conducted with a smaller number of participants (around ten) and served as a pilot for the approach and materials. In addition to the discussion materials and stimulus, workshop participants were asked to complete a short pre-task.

See table below for further details.

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Location</th>
<th>Date</th>
<th>Urban/Rural</th>
<th>Age</th>
<th>Postal Use</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>PILOT (Eng)</td>
<td>London</td>
<td>Tues 20th March</td>
<td>Urban</td>
<td>16-40</td>
<td>Min 2 light use (1-4 items sent in past 3 months), min 2 medium use (5-9 items sent), min 2 heavy use (10+ items sent)</td>
<td>Mix BC1 And C2DE, Min 2 BME, Min 2 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>1 (Eng)</td>
<td>London</td>
<td>Mon 26th March</td>
<td>Urban</td>
<td>18-45</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Min 6 BME, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>2 (Wales)</td>
<td>Swansea</td>
<td>Tues 27th March</td>
<td>Urban</td>
<td>40-70+ (including 3 x 70+)</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Min 2 BME, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>3 (Wales)</td>
<td>Caernarfon</td>
<td>Weds 28th March</td>
<td>Rural</td>
<td>18-45</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>No. (Country)</td>
<td>Location</td>
<td>Date</td>
<td>Area Type</td>
<td>Population Range</td>
<td>Customer Profile</td>
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<tr>
<td>4 (NI)</td>
<td>Belfast</td>
<td>Tues 3rd April</td>
<td>Urban</td>
<td>16-40 (including 3 x 16-18s)</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>5 (NI)</td>
<td>Lisbellaw</td>
<td>Weds 4th April</td>
<td>Deep Rural</td>
<td>40-70+</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>6 (Eng)</td>
<td>Norwich</td>
<td>Weds 11th April</td>
<td>Rural</td>
<td>40-70+ (including 3 x 70+)</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>7 (Scot)</td>
<td>Dunbar</td>
<td>Weds 11th April</td>
<td>Rural</td>
<td>16-40 (including 3 x 16-18s)</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
<tr>
<td>8 (Scot)</td>
<td>Oban + some from Isle of Seil and Isle of Luing</td>
<td>Thurs 12th April</td>
<td>Offshore Rural</td>
<td>40-70+</td>
<td>Min 4 light use, min 4 medium use, min 4 heavy use</td>
<td>Mix BC1 And C2DE, Half recruited offshore, Min 6 sole trader or owner of small business (&lt;£5k p.a. spent on postal services)</td>
</tr>
</tbody>
</table>

To further broaden the scope of the research and ensure a full range of customer groups were engaged, a series of discussions with representatives of large and
medium businesses were included separately. These were conducted in London, Belfast, Cardiff and Glasgow.

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Location</th>
<th>Date</th>
<th>Method</th>
<th>Medium/Large Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Eng)</td>
<td>London</td>
<td>Mon 26th March</td>
<td>Group discussion (8 people)</td>
<td>Large</td>
</tr>
<tr>
<td>2 (NI)</td>
<td>Belfast</td>
<td>Weds 4th April</td>
<td>Group discussion (6 people)</td>
<td>Medium</td>
</tr>
<tr>
<td>3 (Scotland)</td>
<td>Glasgow</td>
<td>April-May</td>
<td>Telephone interviews (4 people)</td>
<td>Large</td>
</tr>
<tr>
<td>4 (Wales)</td>
<td>Cardiff</td>
<td>April-May</td>
<td>Telephone interviews (4 people)</td>
<td>Medium</td>
</tr>
</tbody>
</table>

In order to capture the views of customers with complex mobility issues, we conducted two in-depth interviews: one with a household in a rural location, Dunbar, with an elderly couple one of whom had mobility issues and the other in London with a young person with mobility issues.

<table>
<thead>
<tr>
<th>Deep dive</th>
<th>Location</th>
<th>Date</th>
<th>Paired/Single</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Scotland)</td>
<td>Dunbar</td>
<td>Weds 12th April</td>
<td>Paired – mobility issues</td>
</tr>
<tr>
<td>2 (Eng)</td>
<td>London</td>
<td>Mon 9th April</td>
<td>Single – mobility issues</td>
</tr>
</tbody>
</table>

This report therefore contains the aggregated findings and insights from nine locations across England, Scotland, Wales and Northern Ireland.

1.3 Notes on using the findings: How postal user needs were explored during the research

The research was designed to approach the issue of postal user needs from a series of different directions. Participants were asked:-

- To describe their current usage spontaneously and explain what they thought their needs were from the service, both as senders and receivers of mail. At this point, ‘wants’ tended to blur with ‘needs’ and their high expectations of the postal service became apparent. This is described in Chapter 2, below.
• Then to look at **descriptions of the Universal Services**, discuss each in turn and rank them according to which were ‘essential’ through to ‘nice to have’ and then through to ‘do not need’. They then mapped these physically on a spectrum on the wall and came to consensus in each sub-group as to where different services sat. The detail of this is explored in Chapter 4.

• Then to listen to a presentation on the **challenges facing the postal service**, including the fact that postal use is in significant decline. The exception being the delivery of parcels, particularly internet orders, although this is an area where Royal Mail faces increased competition from courier companies. It was stated that this scenario was the primary explanation for the recent price rises, as when mail volumes decline, it costs more and more to send each item. Then to focus on the reality facing Royal Mail, to **revisit their maps** and change anything in the light of this. The purpose of this session being to help users focus on what they really need from today’s postal service. The detail of this is explored in Chapter 4.

• Then to look at five **potential hypothetical future scenarios**. These were put to participants in all strands of the research. The scenarios presented within the research were devised by the research teams at Ofcom and Ipsos MORI and presented purely as **hypothetical scenarios** that might meet users’ needs from the Universal Postal Service. Participants were given the opportunity to suggest ways to alter/amend each scenario to fit their previously determined model of ‘essential postal services’.

• To consider what **broader societal benefits** the postal service might bring and respond to several potential examples.

The overall analysis within this report thus reflects the **changes that people went through during this process**. Our ultimate conclusions reflect their views after deliberation.

### 1.4 Presentation and interpretation of data

It is important to note that findings of this report are **not statistically representative** of the views of the general public. Qualitative research is designed to be illustrative, detailed and exploratory and provides insight into the perceptions, feelings and behaviours of people rather than conclusions from a robust, quantifiably valid sample. As far as possible we have tried to state the strength of feeling about a particular point, although in some cases it has not been possible to provide a precise or useful
indication of the prevalence of a view, due to the small numbers of participants taking part in the research or within individual segments.

Verbatim comments have been used throughout this report to help illustrate and highlight key findings. Where verbatim quotes are used, they have been anonymised and attributed with relevant characteristics of user-type and location.

E.g. Residential & small business user, Belfast

The perceptions of participants make up a considerable proportion of the evidence in this study, and it is important to remember that although such perceptions may not always be factually accurate, they represent the truth for those who hold these views.

The verbatim comments we have included reflect both spontaneous views and views after deliberation, and where relevant we have indicated which types of views are indicated. The comments can be taken to reflect genuine views held by participants.

1.5 Acknowledgements

We would like to thank those members of the public and representatives of the business community for the time they gave and for the openness with which they expressed their views.
How people use the post today
2. How people use the post today

KEY FINDINGS

Participants stated that they are increasingly substituting the postal service with electronic methods. Email, telephone, online document sharing and video calling are all being regularly used to meet core communication needs.

Businesses customers are sending a wide range of items, with a mixture of requirements in terms of services and products. They use a wide range of Royal Mail services, and where these are not felt to meet their business demands, they often turn to alternative mail providers like couriers. They are increasingly automating key correspondence, invoicing, billing and marketing, and some businesses predict they will be doing more and more transactions online in the future, particularly due to higher demand for online shopping and fulfilment. A number of businesses, however, felt that they had ‘gone online’ as much as is possible, predicting that their future use of post would remain as it is now.

Businesses are receiving less than they were, too. The important post which small businesses tend to receive is now parcels (e.g. parts or components) or cheques from clients. Larger businesses receive a wider variety of things from fulfilment of supplier contracts through to application forms for HR or services. Any documents which are received are considered to be important as they are those documents which cannot be obtained electronically.

Residential customers are not sending things through the post as frequently as they did in the past. Their reliance is more on the receipt of ‘official correspondence’ and parcels; except for a few types of content where original documents need to be sent. These are important, but not frequent, occasions.

- **Older users** still do personal administration (such as corresponding with banks, or sending forms) on paper, but are also starting to use electronic substitutes for personal mail. They are less likely to be receiving parcels, but feel there is generally an upward trend in use in this respect.

- **Younger users** are sending very little post except official forms, application forms and eBay parcels. They rely on the post to receive goods purchased online. The vast majority of their social correspondence is done via email, social networking sites, and their mobile phones and they are typically using the internet to ‘run their lives’ – such as dealing with utilities companies, banks and so on.
In this chapter we explore how people use the post. We consider the differences between business and residential users; between older and younger residential users; and between those in rural areas and those in more urban settings. Finally we consider the differences between responses from participants from Wales, England, Scotland and Northern Ireland.

2.1 Residential users sending post

Across the board, residential postal users are substituting other communication methods for post. Personal correspondence, such as letters to friends and family, is being sent much less frequently than in the past (except by older customers, see below). Personal email, telephoning or texting is widely preferred;

Even my granny has a mobile now  Residential / Small Business, Belfast

For those with family overseas, Skype and other video calling is used regularly for maintaining personal relationships. The exception to this broad rule is greetings cards which are still sent (though more by older than younger users), plus instances where hand writing is felt to be important (such as the first story written by a grandchild, for example). Personal letters are still sent by some, but very rarely (perhaps every 6 months), unless to an older relative who requires written communication.

I have to write to my grandmother in the US, otherwise she shouts at my dad, and he shouts at me!  Residential / Small Business, London

Gifts in parcels are typically sent by Royal Mail and these are time-bound in that people tend to try and send them to arrive on a particular day such as a birthday. Couriers are used by some (either more affluent people or for more valuable presents).

The one area of personal administration where people feel something still has to be sent by post is when individuals are dealing with ‘official’ or government/public services that require paper forms. For example, passport applications, wedding certificates, benefit claims, admissions to educational courses, correspondence with solicitors, hospital appointments or forms to access medical care.

2.2 Residential users receiving post

Residential customers often have a strong preference for post to arrive in the morning; however, there are very few occasions now where individuals say that they need a letter to arrive on a particular day; and even fewer where a letter would need to arrive in the morning rather than later in the day. Despite this preference for morning
deliveries, residential customers feel that they have adapted to different delivery times. Some urban postal users feel that the mail is not delivered each day in any case, and do not particularly object to this.

**We get our mail in batches, every few days**  
Residential / Small Business, London

Most feel that when it comes to personal admin, the post is simply for receiving paper copies rather than needing to transact urgent business.

**You have some things that say “reply by return of post” – but that is just a phrase nowadays. It really means post it back next day, so it wouldn’t matter if you couldn’t post it on the same day.**  
Residential / Small Business, London

What is important for customers, however, is the **TRUSTWORTHINESS** of the service; that they feel the mail will arrive at all. Participants said that the reason why something would be posted to them today is because it inherently cannot be provided online, which makes it valuable, and so secure delivery is a priority.

Most participants stated that they are usually not in when the post arrives, and so the issues of redelivery, opening times of delivery offices and the level of service at the post office become important for parcels; see Chapter 5 below. Saturday deliveries are seen as important for parcels as that is the only time a full time worker is at home. If this were to change, then residential post-receivers would potentially suffer inconvenience unless delivery offices offered more flexible opening hours.

**2.3 Small and large businesses sending and receiving post**

**Small businesses** are sending emails and substituting other forms of communication in the same ways as residential customers. However, businesses are finding their own most efficient way to navigate the services on offer.

**It’s too time consuming for us to split our marketing; to send the promos out by email because then you risk duplicating some so it’s better you just go all in one. At the minute we’re just all post instead of email**  
Residential / Small Business, Belfast

**As a freelancer, I need to send and receive official documents, which are signed for, so use recorded delivery**  
Residential / Small Business, London
For **small businesses** the post they receive usually contains items of immediate urgency, and for some who are receiving cheques from suppliers, the postal arrival time can have an impact on business cash flow. They also feel that they use paper and posted items for their paper trail, in particular when it comes to sending and receiving paper invoices.

**The large companies that we work with have gone paperless [but we also] work with a lot of smaller guys, we would sub-contract maybe 1 or 2 people who are self employed, they probably still need for it to be posted**

Residential / Small Business, Belfast

**Small and medium sized businesses** sometimes feel they cannot fully take advantage of the flexibility to move online, so they are still relying on postal services for both sending and receiving.

**I run a mobile DJ, I use post to send literature overseas and some of my brides and grooms still use post to send me their playlists, so I have to fit in with them.**

Residential / Small Business, Swansea

**I send brochures out, you need to send it so someone can hold it and enjoy reading it, and it's glossy.**

Large/medium Business, London

Some **small businesses**, of course, rely on receiving product components in the post which they need to use to create their own products and services. In this case they cannot substitute by going online, and must make a choice between Royal Mail and courier services when selecting delivery options.

**Large businesses** are still sending a lot of mail. Most, however, have whittled down the amount they need to send, and many mentioned they have an explicit policy to reduce mail volumes. They tend to run regular internal processes to make sure that they are using as little paper as possible, for environmental and financial reasons. Some large companies make the postage as cheap as possible (using franking machines), reduce the volume of first class post, trial alternatives to Royal Mail, and prevent staff sending unnecessary post.

The post that they continue to send has therefore been designated as impossible to substitute. For example, the research included large businesses that were sending DNA samples, original art works, and fulfilling orders for paper products such as educational course materials and VIP concert tickets. None of these could be sent online.
Our financial service business doesn’t have much of an online presence and our customer base is older, so we do it all by post
Medium/Large Business, Glasgow

Delivery times for the collection and receipt of post was very important to these larger businesses, as they had their own post rooms which then sort mail and take it round to departments – sometimes buildings across large and dispersed sites. If the post arrives late in the day, this can make it impossible to take to the eventual recipient before the end of the working day, which effectively adds another day to the delivery time.

2.4 Life stage makes a difference – older users still frequently use the post

Older residential users often have more attachment to using postal methods, both as a habit, but also as a preferred method of communication, which many felt can carry more significance than alternative electronic methods of communication.

You can’t replace a letter
Residential / Small Business, Norwich

Don't you remember those love letters?
Residential / Small Business, Norwich

For some older residential customers, financial transactions are still conducted on paper for security and safety reasons, with many resenting being persuaded, in some cases quite strongly, to go online by banks and other institutions with which they have a financial relationship or obligation.

Every time you go [to the bank] they’re trying to force you into internet.
Residential / Small Business, Lisbellaw

Among younger urban participants there was very little interest in the postal service as a whole; some said they had few comments to make as they never used it.

Younger people, instead of using post, have switched almost all of their personal administration, where possible, to online. Banking, paying bills, arranging insurance, and booking appointments with services is all typically now done online.

2.5 Urban or rural locations make a difference to attitudes

Customers living in either urban or rural areas had different core services preferences. Rural customers tended to be more sympathetic to the postal services and less
Demanding of targets. When presented with the statistic that 93% (UK average) of 1st class post arrives the next day, typically those in more rural areas felt that they were the “7%” who were not getting their post the next day, and as such tended to manage their own expectations on this basis. Others were actively impressed at the ability of Royal Mail to transport letters and parcels such huge distances in an efficient manner. For example, residential customers offshore were impressed that a letter from the south of England could reach them within one day.

Residential customers living in remote and rural areas were often felt to be more likely than urban users to be receiving parcels, a result of having fewer local/accessible shops. They were happy to receive parcels from other suppliers but felt that some (especially couriers) would let ‘anybody’ sign for parcels or letters, where Royal Mail would be more focussed on ensuring the correct person signed for a parcel or letter.

They’re always at that, “would you sign for that there”. That’s not the [Royal Mail] now, that’s a courier. Residential / Small Business, Lisbellaw

Rural people on the whole felt that they were more accepting of change and adapting to new systems/structures. Indeed, many felt that they were already operating in their own slightly ‘personalised’ way with Royal Mail, for example some having just one simultaneous delivery/collection time per day, or having informal agreements to leave parcels ‘round the back’ or somewhere safe if they are not in to sign for it. Customers living in more urban environments felt that they were afforded little flexibility by Royal Mail and as such had more rigid service expectations.

2.6 National differences and points of interest

Scotland

People living in very remote locations in Scotland, particularly those living offshore were very conscious of how detached they can feel from both the mainland and the mainstream and as such were very reliant on the postal service to keep them connected. In turn, there is a strong sense of pride and appreciation for the role that the postal service – in particular Royal Mail’s universal provision whereby the price for posting within the UK is not affected by distance – plays in ensuring they are not left isolated. Residential customers living in these areas often felt ‘amazed’ at the speed with which they could receive correspondence and products from all over the UK, without being disadvantaged because of their remote location.
Some living offshore felt that they were often paying a surcharge or premium to receive good or products. Indeed, the expectation from some was that a surcharge was part and parcel of living away from the mainland.

**Northern Ireland**

Those living in Northern Ireland shared a similar expectation about their ‘offshore’ location from mainland UK. They expected to pay a premium to receive goods and services travelling across the water. The example was given that often, when buying a product advertising ‘free delivery’, the small print would specify ‘mainland UK’ and exclude Northern Ireland from this offer.

In this sense, having a universal postal service that did not unduly ‘discriminate’ in this fashion was appreciated. One area of concern, though only mentioned by one or two respondents in Northern Ireland, was around the applicability of international airmail prices to those wishing to send something ‘over the border’ to the Republic of Ireland. Customers here were conscious that the mail would be travelling either by post or rail, and were slightly put out that they were being forced to pay ‘international rates’ for the privilege of sending something over the border.

**Wales**

The only issue particular to Wales which was raised in the discussion was a sense that Wales can often feel slightly ‘divided’ across the middle, with the north of Wales feeling like a different place to the south largely for reasons of geographical barriers. Issues of language were not raised and in general participants here felt part of the same postal service they saw in England. Indeed, there were some participants in North Wales who claimed to feel more connected to parts of England like Manchester and Liverpool than they did to Cardiff, which led to some reflections about what would be considered ‘local’ post during the discussions.

The national divisions, however, were not so pronounced in terms of their effect on attitudes as those between urban and rural areas, or those between older and younger participants.
Core user needs from the postal service
3. Core user needs from the postal service

KEY FINDINGS

‘Wants’ and ‘needs’ could blur for participants, but as they deliberated participants found it gradually easier to distinguish preferences from necessities.

Participants had **high expectations of the postal service** which initially caused them to overstate some of their needs for personal mail. Given these initial assumptions, participants said they ‘needed’ quite a lot from the postal service. The high expectations were because:-

- Royal Mail has a long history of providing services to a perceived higher level than today. Participants want to retain past services due to nostalgia and ‘loss aversion’.
- Royal Mail is seen as a **public sector organisation** which is expected to provide universal services at low cost.
- Royal Mail is expected to behave like a **private sector company** which should be continually improving, dropping prices, and ‘delighting’ customers as other companies market themselves as doing. Therefore participants said Royal Mail should **exceed** people’s needs; it should be competitive with courier companies and should be providing services which go beyond the basic universal obligation, to compete commercially and **derive more income to support universal service provision**, from which all would benefit.
- The news of a **rise in stamp prices** released during the fieldwork period led to some participants questioning whether Royal Mail is run efficiently.

Eight core user stated needs were identified in analysis. These were derived ultimately from noting what participants said they needed, assessing how they ranked the elements of universal services, and comparing all this with how users said they actually used postal services today.

- **SIMPPLICITY** and **TRUSTWORTHINESS** – for all the service, all the time.
- **RANGE** of services allowing customers to trade off differing requirements for **SPEED, AFFORDABILITY** and **CONTROL** (the trade off contains elements of tracking mail, reliably arriving on time, and security).
- Younger residential and business customers say there is a need for postal services to **FIT WITH DEMANDS OF MODERN LIFE**. This means services which follow the trend in other sectors of services being accessible to consumers at short notice and out of office hours.
- Large businesses say they need **PREDICTABILITY** of delivery time, and additionally a morning delivery, which allows for post to be dealt with on the same working day, if required.
This chapter describes the expectations participants have of the postal service, and the stated needs they say they have when they consider the service overall. By comparing this with their descriptions of usage (see Chapter 2 above) we derive their user needs.

3.1 High expectations of the postal service

The participants in this research had strong and sometimes mutually contradictory expectations of a postal service. In most sessions, participants initially over-stated their needs. Later, they tended to revise their estimation. Four considerations affected user expectations, and the way they talked about their needs;

- Psychological biases towards the status quo;
- Royal Mail as a public sector organisation;
- A ‘consumerist mindset’; and
- The rise in stamp prices.

These are discussed in detail below.

1) Psychological biases towards the status quo

It was sometimes hard for participants at the start of the sessions to tell us what they need from a postal service; rather, they found it easier to tell us that they should have what they used to have. This may be explained partly by the recognised bias people have towards retaining, or wishing to return to, the status quo; when people are used to a particular state of affairs, they tend to value their current system more highly simply because they are used to it. This is also related to Royal Mail’s long history, mentioned directly below, which made it easy for participants to evoke memories of the past.

There was also some resistance towards accepting any changes, on suspicion that their views will be used to justify cutting services and that prices will continue to rise with no added service benefit to justify this.

We want to get what we pay for.

Residential/Small Business Customer, Belfast

This may be evidence of a recognised bias known as ‘loss aversion’, where people are more averse to the potential losses which may result from switching from the status quo, than they are favourable towards potential gains.³

2) Royal Mail as a public sector organisation

Participants generally valued Royal Mail as a part of the UK’s history of excellent public service. Royal Mail is seen by most as part of the apparatus of our public services and widely described as a ‘national institution’. Core elements of the Universal Service Obligation (USO), especially 1st Class Post, have an iconic resonance with the public and business. Participants spoke of it with civic pride.

Indeed, a number of customers revealed a strong emotional attachment to Royal Mail, which they had grown up with, and associated the postal service with a great deal more than simply the collection and delivery of letters and parcels. Perceptions of broader ‘societal benefits’ are discussed in chapter 6.

The implications for the current study are that many participants expected Royal Mail to run like a public service, retaining the same levels of service as in the past at the same low cost, potentially making up any shortfall through Government subsidy. In all sessions participants referred to the ‘glory days’ of the postal service where there were multiple daily deliveries and collections, Royal Mail was the sole postal provider and the services were perceived to have been accessible and affordable to all.

At the same time some participants believed Royal Mail must be inefficient and lack good management because they see it as operating outside market pressures. A further nuance to this is that Royal Mail is seen as a supplier of a basic infrastructure, so the service is ‘under the radar’. The public notice when things go wrong, but not when things go right. Participants felt that Royal Mail loses a lot of post, although when challenged, few people could give examples of when this had actually happened to them.

Often I have posted letters which have not been received
Residential/Small Business Customer, Oban,
Diary of postal use

Sometimes participants gave examples of things they felt were Royal Mail’s fault which were actually outside its remit, but still blamed Royal Mail.

Someone put the wrong address on my parcel and it was delivered across the road, so the students who lived there opened it and looked through all the things! I couldn’t believe it!
Residential/Small Business Customer, Swansea
3) A ‘consumerist mindset’

Other suppliers of public and private services frequently use the language of ‘consumer needs’ to describe competitively advantageous service improvements. Thus the language of ‘needs’ sometimes expressed a desire for such improvements.

Mobile phone providers, for example, are seen to offer a constantly increasing range of flexible tariffs, to ‘meet needs’. Likewise participants tended to hold that the default for a modern service provider is continual service improvement, as witnessed with the public pressure for GPs’ surgeries starting to open in the evening, to meet the ‘needs’ of those with busy lives (an example cited by participants). Currently, participants do not see Royal Mail acting like a commercial provider and focusing on continual improvement in this way.

Everything gets better now. Email and phones get better every year, why is post getting worse?
Residential/Small Business Customer, London pilot

The private sector is caring and efficient. With Royal Mail you are in no doubt that when you call or complain that they are doing you a favour.
Residential/Small Business Customer, Swansea

While it was rarely said explicitly, the implication is that residential customers would move to couriers if couriers offered these services better than Royal Mail. This is not an option open to all residential users, however, because the courier services are less well known, less well-trusted and not necessarily accessible to all.

The implications for the postal service are subtle. Small and large businesses say that while they may not ‘need’ certain services (discussed in more detail in the chapter on the USO services, below) they still say they ‘need’ them in the sense that they ‘need’ to be free to offer competitive advantage to their clients. They themselves feel they need to improve services for their customers constantly – and expect that Royal Mail should treat them as they treat their own customers.

What could we live without – well we shouldn’t have to! They should provide a service. It’s painful to have to work in this way. We have to give our customers what they want, why can’t Royal Mail give us the same?
Medium/ Large business, London
4) The rise in stamp prices

Fourth, news of the rise in price of stamps was released on 27th March, the day of the Swansea workshop. In the workshop on that day and in workshops directly after this, participants were indignant about the level of the price rises, and often did not feel them to be justifiable.

Politicians trying to get money out of businesses.

Residential/Small Business Customer, Belfast

Participants questioned the need for the rises and the way Royal Mail was run, and were angry at the idea that further rises could be on the cards.

I’ve googled just now, and they made 57 million last year – it’s disgraceful they are putting the prices up.

Residential/Small Business Customer, Swansea

It is clear that the timing of the announcement during fieldwork did impact on respondent’s views on Royal Mail at that time, however subsequent workshops and analysis reveal that overall findings were not significantly different across workshops. There were however fewer negative comments to the price rise in latter workshops, with participants having more time to consider them due to increased time having past. As such we do not feel that the announcements had a significant impact on workshop findings on or around the time of the announcement. This is largely due to the deliberative nature of the sessions, with participants given the opportunity to fully reflect on the broader picture of pressures on royal Mail services and falling postal volumes.

We have mentioned these spontaneously-expressed views here; but in our overall analysis and conclusions we have given more weight to views expressed about the price rises after deliberation.

3.2 How this affects perceptions of needs

These four considerations influenced participants’ viewpoints and arguments, particularly at the beginning of the research, and sometimes formed a barrier to participants identifying their true needs. For many participants, the boundary between a ‘want’ and a ‘need’ was not clear. There were arguments and discussions. For example, those small businesses who argued that they ‘needed’ to be able to offer competitive advantage to customers were contradicted by some others, who said that this was a choice for the individual business owner and that all businesses were in the same position. Some residential customers argued that they ‘needed’ more convenient

parcel delivery times and cheaper prices, while others reflected that in practice they would likely just manage with whatever services were on offer. Ultimately, relating the idea of absolute need to postal services was challenging - because for participants, the concept of basic ‘need’ tended to be reserved for human necessities like food, water and clothing. Participants pointed out that for them, nothing is truly ‘essential’ in the postal service when viewed in this context; everything about the postal service could be described as a ‘want’ than a ‘need’, compared to some of these more basic requirements.

This reflects the challenge of identifying true postal user needs and therefore throughout this report we have talked about ‘stated needs’ to illustrate that for participants, needs are hard to identify, and needs and wants can be very close together.

A further important contextual point is that many participants expressly wanted to maximise usage of Royal Mail, rather than manage decline. Many pointed out that Royal Mail should ensure it provided a service that people would use, or it would be risking its users seeking to use alternatives which would mean everyone in society would lose postal services. This view was summarised by a participant saying “Use it or lose it”. This meant that participants did not want to talk about their needs ‘in a vacuum’. Many wanted to caveat their views on occasions when they imagined that admitting they did not ‘need’ a service might lead to cuts.

Because of the deliberative structure of the research, as described in 1.4 above, we can see that participants overcome their original biases as they moved through the deliberative process. In general, individuals moved away from intransigent positions and over time offered more nuanced arguments reflecting their genuine requirements.

Our overall analysis, therefore, from which we draw our conclusions, looks at the views expressed in sum throughout the research.
3.3 Eight key overarching needs from the postal service

The needs identified below are derived in analysis from comparing what people said they needed, with their descriptions of their current and prospective usage of the postal service (described in Chapter 2). We point out any differences in Chapter 4, to illustrate where wants and needs may have blurred for participants and where stated needs and usage do not match up.

Core customer needs for the postal service

<table>
<thead>
<tr>
<th>Trustworthiness</th>
<th>Range/flexibility of services</th>
<th>Simplicity</th>
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<tbody>
<tr>
<td>Control</td>
<td>Speed</td>
<td>Affordability</td>
</tr>
<tr>
<td>Predictability</td>
<td>Fit with the demands of modern life</td>
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</table>
The first two needs described below apply to both business and residential customers, and are overarching needs across all usage situations. The needs were not always expressed in exactly these terms, but the core themes emerged in every workshop.

1) TRUSTWORTHINESS

This was a basic requirement for everyone in the study. Participants needed to be able to trust the mail service. For them, this meant:

- A regulated service with high standards of behaviour of staff, high security levels on handling mail, and a high level of scrutiny over the whole operation;
- Reliability - mail will as a general rule reach its destination and is in good condition; and
- Security - mail will not be opened or stolen and if postal workers do this they will be found out and effectively disciplined.

2) SIMPLICITY

Across the study participants felt that current postal services were already overly complex. Older residential customers frequently claimed they did not know how to cost letters now.

I am annoyed by all those changes like the size of the envelope; you don't know what stamp you need.

Residential/Small Business Customer, Norwich

A clear service, for a set amount of money.

Residential/Small Business Customer, Belfast

Indeed, there were calls for a return to a more ‘simplistic’ approach to pricing letters – for example, by removing the banding of price on the basis of size of a letter – with some customers finding this to be a real inconvenience.

As such, participants stated that they had a need to reduce complexity, or at least to have no more complexity than currently.

Many senders were prepared to accept a longer delivery time if they were able to assess accurately when the letter would arrive. This certainty, to them, feels simpler. It might be assumed that if quick delivery is important to people, then a chance of a letter arriving soon will be valued more highly than a certainty of a letter arriving later. But for some participants, that was not the case. Their preference seems to be an instance of a well-documented psychological bias: the certainty bias, where an individual favours certainty at the expense of seemingly more favourable options.
In terms of core needs, they prioritise **SIMPLICITY** and **CONTROL** over **SPEED** in this instance. This insight may inform how best to communicate and design future postal services. It may sometimes make sense to users, for example, to think of a service which takes between one and two days as a “two day service (with the chance of early arrival)” rather than “a 1-2 day service”.

There was some concern that some of the more complex scenarios tested in the research would make it more difficult to predict when the mail would arrive. Both residential and small business customers considered the delivery time to start when they put the letter in the box, and end when the postman delivers it through the recipient’s door. Therefore, potential changes to the service which add to the ambiguity of this time period would be less acceptable.

For example, if the following changes were all made at once, participants felt that it would make it difficult to calculate when the mail would arrive;

- Fewer delivery days;
- Change to stamps (i.e. a single stamp with 1-2 days delivery speed); and
- Later collection or delivery times.

All this might make the ‘window of potential’ of when your letter arrives stretch from one day, to four or five days.

Participants did not need their mail to arrive at the same time every day (except large businesses, see below); nor did they need their mail to arrive every day. However they did state a need to be able to simply and easily calculate what to expect from the service, to make an informed decision and plan their use.

3) **RANGE / FLEXIBILITY** of services

Participants knew that commercially available services already cover off some postal needs for some people, some of the time. But a key stated need from a universal postal service was to provide a **RANGE** of services. Participants felt it would allow individual users the **FLEXIBILITY** they need, to choose which service best met their needs.

There are three further important needs, and individual postal users trade these off against each other. The need for a **RANGE** of services is really because users want to be able to meet the following three needs: various delivery **SPEEDS**, **AFFORDABILITY** and **CONTROL**. Not all these needs are essential all the time – needs differ according to the type of postal user and the situation in which they find themselves, and some are more important to different types of business and residential customers. Sometimes,
these are wants rather than needs, but participants gave plenty of examples of where each of the three elements might become a real need.

4) SPEED (which varies according to priorities)

Although there is a natural preference for posted items to arrive quickly, participants actually require an **AFFORDABLE RANGE** of delivery options where **SPEED** is not always the first priority. Within this, participants who stated a need for **SPEED** said that sometimes they would be genuinely in need of a next day service. If commercial services do not provide this at an **AFFORDABLE** enough level, then participants stated a need for a universal service to continue to cover this off. However, there was significant debate around how far next day services were a ‘need’ and how much they were a ‘want’ for both residential and business customers. This is discussed in Chapter 4 when participants discussed particular services and give examples of when they feel they would be genuinely in need of a next day service.

5) **AFFORDABILITY**

There was a stated need for **AFFORDABILITY** across all services. This was seen by participants as a key need for all in society, particularly:-

- Those on low incomes who simply can’t afford more expensive services;
- Those who are elderly, digitally excluded or for some other reason not aware of the range of private providers offering online services.

Participants also stated that this was important for busy people who aren’t able to shop around for the best price; though on deliberation, they usually acknowledged that this is more of a ‘want’ than a ‘need’ because people who had the ability to shop around could prioritise this if they really had to.

Participants acknowledged that courier services would likely provide a next day service if a universal service does not, but were concerned that this option would not be **AFFORDABLE** for the poorest in society.

6) CONTROL

For more valuable or time-sensitive items participants told us that a level of **CONTROL** is important. In practice this involves using services such as tracking the mail, or guaranteeing when it arrives, or ensuring the predictability of an arrival timeslot. We discuss the different ways participants currently meet this need in Chapter 4. The underlying consideration is sometimes expressed as a need for a tracking product and

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5 A term used by respondents and not one prompted by moderators in the research

6 It should be noted that we did not target recruitment to those who are worst-off in society, so all views about what would be affordable for such people were perceptions from members of the general public.
sometimes for a guaranteed product, and this can vary, making it hard to tease out which of tracking or guarantee are most valued. Whichever way it is achieved, knowledge about the status of the mail and confidence in its security is a key part of the need for **CONTROL**.

To give an example of how trading off the different needs works in practice, the diagram to the right represents how residential senders trade off **SPEED**, **AFFORDABILITY** and **CONTROL** at the moment, and which services they can choose –currently they are able to use a **RANGE** of different services when doing so.

### 7) FIT WITH THE DEMANDS OF MODERN LIFE

Younger people in particular expect, and say they need, postal services to be efficient, regularly updated and modern, so that they can fit with the other services which users must navigate in the course of their lives. For example, residential delivery times are during the day, and delivery offices are also (largely) only open during the day. Participants also said this was out of step with their own working lives; they would not be allowed to go out early to pick up parcels, for instance. Full time workers and those with children said that this was inconvenient and, crucially, out of step with other businesses which now open at evenings and weekends as standard. Participants were more likely to reference high street shops, and even GP surgeries, than other postal businesses; but some also mentioned the ease with which customers can now go online and arrange for couriers at different times of day.

For some there are financial costs in going on a Saturday to the delivery office to collect a parcel. The inconvenience can also cause annoyance and resentment, as valuable free time or family time is taken up. This mixture of higher expectations, changing different norms from other business sectors, coupled with the frustrations of navigating delivery offices, meant that participants told us that more modern services were a real ‘need’ rather than just a nice-to-have preference.
I have to traipse over to the sorting office, and I have to wait and wait, the hours aren’t convenient.

Residential/Small Business Customer, London Pilot

Technology means that, increasingly, life requires people to do less and less forward planning. Participants told us that it is now less feasible to expect them to plan ahead in the way the postal service requires them to.

Small businesses too say they need to be able to offer their customers a more flexible, modern service level that they perceive their customers require.

I make handmade coats and the delivery is part of the product – I need to let them know when it will arrive, so they can get excited about it.

Residential/Small Business Customer, London

8) PREDICTABLE / EARLY DELIVERY TIMES for larger businesses

Many large businesses already work with Royal Mail to ensure that post is delivered early enough in the day for it to be processed. They told us that this was something they valued and that they might suffer detriment if it was changed, because a later delivery adds another day on to the process of responding to mail. They were resistant to any idea that this might be over-delivering on their needs and insisted they needed to maintain the early morning delivery.

Some small businesses also require this, so that they can move transactions on and keep their cash flow going.

If cash flow gets tighter, not being able to deal with things that day could be a problem.

Large business, Cardiff

If you got your mail on a Monday at 5pm you essentially have four working days.

Medium business, London

A final point made by participants was that they perceived that Royal Mail services ought to promote the growth of UK businesses (or at least, not stand in the way of their achieving competitive advantage). Currently, it is felt by some that Royal Mail is not fully ‘business friendly’, with participants believing that Royal Mail has public subsidy and thus does not appreciate the pressures businesses are under.

Some participants feel that Royal Mail should also improve its current service provision in order to compete better commercially and derive more income to support universal service provision, from which all would benefit. Suggested examples include:
• **Improved customer service** – unlike courier companies businesses commented that when they phoned Royal Mail, they were not assigned a customer services assistant and so had to explain their situation every time they phoned.

• **Better communication within Royal Mail** – it is important to ensure that different parts of the organisation are communicating effectively with each other, for example bulk mailing business-focussed departments communicating with residential focussed departments.

### 3.4 How the key needs fit together

In summary, all the needs above are interrelated and currently play out in different ways. Here are some examples:-

- **Businesses** of all sizes are **sending parcels**, sometimes as the fulfilment of their orders, in which case they are keen for the service to be **SPEEDY**. Small businesses in particular want to demonstrate their own efficiency by using the quickest postal services available. This is also so that they can **CONTROL** the service that they give to their clients.

- For **residential users**, **SPEED** and **CONTROL** are important when sending **certain types of mail** which are time-critical or need to be sent in hard copy. For example, passport applications, wedding certificates, benefit claims, admissions to educational courses, correspondence with solicitors or, crucially, hospital appointments or forms to access medical care. Often, however, residential users feel that there are other ways to substitute for much of this. They then say they **want** an option of post which is both **AFFORDABLE** and **SPEEDY** – though acknowledge that this is not necessarily a need, because they could themselves avoid having to send things late by being more organised.

- **Crisis mail**: Participants feel post is used in a situation of a problem or **crisis**, which requires the urgent posting of documentation or correspondence. The need for a reliable service, which all can access, therefore becomes very important. In these instances, it can cause a lot of distress and detriment to residential users if there are not **AFFORDABLE** postal services available which are also **SPEEDY** and **CONTROLLABLE**. Throughout the workshops, participants repeatedly cited one-off cases when they were urgently required to send important documentation, perhaps, to solicitors, benefit departments or some other organisation.
I needed it to get there quickly because it was about putting my mother in a care home, we had to apply immediately by post and we wanted her to get the place.

Residential / Small Business, London

This also applies to a **protracted time of crisis**, which might happen to anyone, when there is an ongoing need to send such documents, as was the reality for one large charity we spoke to, where asylum application forms for refugees continually need to be sent as quickly as possible.

- **Those on low incomes were seen to be more vulnerable to crises.**

Participants felt that it was often customers on low incomes who were more likely to be regularly experiencing these times of great need or ‘crisis’; for example discovering an error in a benefit application form and needing to urgently complete and submit a new application in order not to lose out on vital payments or benefits. In this sense there was perceived to be a clear need for **AFFORDABILITY** of sending with **SPEED**.

Residential customers wanted Royal Mail to consider the needs of low income customers. In particular they were conscious that some of the more expensive ‘premium’ services offered by Royal Mail could be seen as out of the reach of those on low incomes (this is discussed further in Chapter 4, below). This view came from across the sample of participants and was not the result of targeted research with those on low incomes.

A minority of participants, however, were less concerned with those on lower incomes, feeling that the services were unlikely to be genuinely unaffordable even for those on the lowest incomes. They suggested that even those on the lowest incomes could afford substitution services like cheap phones or free email, and the fact that they chose to have phones meant that if post was so important it could be prioritised.

However, other participants would point out that there are situations where the post, and not just a substitution like email, is needed urgently, and so **AFFORDABILITY** must be preserved.

Some participants felt that for those on moderate-to-low incomes, the need of services which **FIT WITH MODERN LIFE** was particularly important. For instance for these groups travelling to delivery offices to retrieve parcels or letters was imagined to be difficult. Some individuals in the sessions gave personal examples here, saying that they could not afford bus fares or parking meter tickets to pick up a letter. This was particularly pertinent for those with...
disabilities on low incomes for whom a short journey may necessitate paying for a taxi.

**It's a nightmare - why don't they call before? If it goes to the collection centre you lose half a day of your weekend**

Participant with mobility issues, London

- **Residential ‘sellers’ sending parcels**, (for example, through eBay which was commonly mentioned) have a range of needs which are all important. Whilst for some these transactions are not felt to be an important ‘business task’, most sellers take this element of the process very seriously and require a postal service to be both **TRUSTWORTHY** and **SPEEDY** to help them uphold their reputation (eBay feedback from buyers about sellers specifically includes a rating on ‘promptness of delivery of item’):

  **I want to get the gold star feedback so it has to get there as quickly as possible**

  Residential / Small Business, Belfast
Needs from universal postal services
4. Needs from universal postal services

KEY FINDINGS

The stated needs of participants do not always match the way they use services. When participants look at specific elements of the USO:

- Services considered to be most ‘essential’: First/second class stamp, six delivery/collection days, maintaining delivery & collection times, Special Delivery, Recorded Delivery, an international service (ideally airmail) and Redirection.

- Services considered to over-deliver on needs and be ‘nice to have’: Certificate of Posting, Return to sender, Keepsafe and Poste Restante.

How well do these services fulfil needs?
There is some over-fulfilment of needs. Although residential users state that they need a 1st class service, examining their reasons suggest that they may currently be slightly over-provided for. Their core need in this respect seems to relate to a quick and affordable service that arrives within a ‘reasonable’ time frame. In discussion many reflected that a combination of 1st and 2nd class services - a ‘universal’ two-day stamp - would meet the needs of most people’s postal requirements.

Six delivery and collection days are overall felt to slightly exceed requirements, though there are contrasting points of view here.

For small businesses, delivery and collection times are not felt to be flexible enough to meet their needs, with a desire for earlier deliveries and later collections. However, on balance they tended to accept that they were able to cope with the present arrangements.

Large businesses are in a slightly different position and are more satisfied, being more likely to operate on a regular Monday to Friday basis, often commanding their own personal delivery times, and able to meet their own needs by negotiating with Royal Mail.

For residential customers collection times meet and even over-deliver on needs. However Residential users say they need more delivery options, as many find that large item and parcel deliveries were often not successful first time. Journeys to delivery offices are particularly detrimental to those who suffer mobility problems and for those on low incomes.

Where a guaranteed next day service is required, residential users say they need the Special Delivery service to remain affordable, or potentially offer a wider range of services which split out some of the tracking, insurance and next day guarantee elements to allow users to choose what best suits their needs. Recorded Delivery is felt to already do this, to a certain extent.

An international service is felt to be essential; of the three shown, airmail is the one which meets needs best.
This chapter explores postal users’ stated needs from a range of universal postal services. Participants in the research discussed each of the products in turn, and were asked to prioritise which of these were ‘essential’ for their use of the postal service, and for society as a whole, and which were ‘nice to have’ or ‘not needed’. We also explore how far each product meets the underlying core user needs as identified in the previous chapter.

4.1 Overview of how services met needs

The stated needs of participants are not always the same as their patterns of usage, so we have drawn out any differences in the sections below, where we go into response to each service in detail. It is also important to note that participants’ stated needs shifted in discussions. In the following chapter, participants considered their needs further in relation to specific scenarios and sometimes decided that they did not necessarily “need” some of the services considered essential earlier in the discussions.

4.2 1st class post

Importance: Participants felt this service to be essential.

Extent meeting user needs: Generally felt to be meeting core user needs, though slightly over-delivering in some areas.

Spontaneously, most described the 1st class postal service as the most central element of Royal Mail’s service. In the workshop, participants were asked to define how essential they felt services to be – and the majority without hesitation placed 1st class at the ‘most essential’ end of the spectrum. Stated reasons included:

- Because this is simply the default stamp they use.
- For many participants it represents a heritage of the core of the postal service with its promise of safe, timely and secure delivery.
- It is seen as meaning ‘guaranteed next day delivery’, which though this is not necessarily the case, was perceived to be a good thing in itself. There was some dissatisfaction with the 93% next day target, with some participants finding this to be too low for a service which claims to be ‘first class’ (of which more below).
- Participants interpreted the name of the product as a ‘first class service’, which they perceive means their post is looked after and less likely to be lost.
- It is the option which enables people to send something affordably and as quickly as possible, particularly if they are running late with something, or have not been as organised as they could have been - a common example
mentioned was forgetting to post birthday cards or application forms and needing to get something there very quickly.

- 1st class allows people to **show they care** about the letter or parcel they are sending and demonstrate that they are not ‘cheap’ - for example when sending in a job application – because it shows they have made a choice not to send 2nd Class – something customers feel is important in order to create the right impression.

**I think it looks a bit like you’ve been scrimping if someone sends you a card and they’ve put a 2nd Class stamp on it, you think ‘cheap’**

*Residential / Small business, Caernarfon*

It is important to note that all these reasons do not necessarily constitute a user ‘need’ for post to arrive the next day. When prompted, participants could not give further reasons why the 1st class service was so essential, and as the discussion progressed, most tended to come to the view that perhaps the service in its current form is over-delivering on SPEED, especially for residential users.

Because some views were based on the assumption that 1st class means next day delivery, always, there was also some dissatisfaction with the service as it currently stands. The recent price rises heightened this feeling among **residential users**.

**I wouldn’t want to buy a 1st class stamp if I knew it wasn’t 100%, what’s the point? That’s like going into Tesco and buying a loaf of bread and not getting your bread, why would you pay for it if you’re not going to get it?**

*Residential / Small business, Belfast*

Others, conversely, felt 93% to be very high given what they saw as the low cost of stamps and the challenging logistics which Royal Mail faces.

People in **rural** areas tended to find that 1st class was taking at least two days to get to and from where they live, and so valued the next day delivery element less.

**It’s not guaranteed, I’ve never felt reassured that when I’m sending something that I know for a fact that it’s going to get there the next day so to me it’s not something that’s essential because I don’t quite believe in it**

*Residential / Small business, Caernarfon*

**Business** users were more likely to require a regular next day service, but some we spoke to were using special delivery for this purpose, as they had found that 1st class could take up to three days.
Key needs met by 1st class post =>

- **Simplicity**: A clear and straightforward idea of delivery time was described as a core need by the majority. Most felt that they knew roughly how long it would take for their mail to be delivered if posted with a 1st class stamp i.e. ‘within a couple of days’

- **Range**: Meets the need for a choice between a faster more expensive service and a cheaper service that takes a little longer. Although could be over-delivering as a next day service was stated as a ‘need’ on rare occasions by a minority.

- **Affordability**: Customers feel the price is accessible to all, (respondents used the term ‘affordable’ when discussing prices and service quality). When there is a need to use a next day service they feel that even the poorest would not be priced out - even given recent price rises. A minority in rural areas say that the price is very cheap for the service given, potentially for them the service is over-delivering here.

- **Fits with Demands of Modern Life**: Customers express a need to be able to send and receive items quickly, in line with the pace of modern life, and in particular interaction with the internet which facilitates instant access to information/goods/services. The service is delivering on this need as the 1st class service is perceived to be speedy.

- **Trustworthiness**: Customers know and rely on 1st class post to ensure their letter arrives.

- **SPEED**: Whilst some customers insist that next day “is a must”, on balance customers agree that a 2-day service will suffice and many perceive 1st class takes up to two days to arrive. So to some extent the delivery speed of 1st class seems to be over-delivering for many.

- **CONTROL**: Linked closely to predictability (see below), customers state a need to be ‘in control’ of arrival times. As above many considered 1st class to be more predictable than second class and therefore provided a greater level of control.

- **Predictability**: Many important documents and items are sent using this mechanism and customers are conscious that they face consequences if important items are not delivered within the predicted timescales. Although it should be noted that for some the predicted arrival time of 1st class post was between 1-2 days.
4.3 2\textsuperscript{nd} class post

**Importance:** Participants felt this service to be essential.

**Extent meeting user needs:** Generally meeting core user needs, but slightly over delivering in two areas.

Generally participants classed this as almost as essential as 1\textsuperscript{st} class, simply because it was the cheapest postal option. Participants wanted to stress that they saw 1\textsuperscript{st} and 2\textsuperscript{nd} class as fitting together, with 2\textsuperscript{nd} class as the postal option as cheap as possible designed for those who could not send things any other way. Participants perceived those on low incomes such as many elderly or unemployed people would require the cheapest service. The majority, when thinking about their personal use, simply appreciated having the option of a cheaper than 1\textsuperscript{st} class service.

**The only time I would use 2\textsuperscript{nd} class is at Christmas, for sending Christmas cards or things like that you know, or things in bulk you know because of the cost**

Residential / Small business, Gifford

Typically, people sent the majority of items 1\textsuperscript{st} class, and their reasons for doing so depended upon their knowledge of the services. If they were aware of 1\textsuperscript{st} and 2\textsuperscript{nd} class delivery times and prices, they would usually pay the small amount extra for a slightly superior service, whereas if they were ignorant of delivery times, they would want to send their mail ‘by a first class service’ which they imagined to be superior in terms of security and care, whereas they often thought that 2\textsuperscript{nd} class would take up to a week to deliver.

Participants were pleasantly surprised to see the high proportion of mail\textsuperscript{7} which arrives within 3 days and this underlines the fact that they are valuing 2\textsuperscript{nd} class mostly because of its low price rather than its delivery time:

**That’s actually good to know that if you do choose second class, you know that within the time scale of 3 days it’s going to be there.**

Residential / Small business, Belfast

Some business users will post everything 2\textsuperscript{nd} class unless it’s particularly urgent and in those cases they use 1\textsuperscript{st} class or special delivery. Businesses tended to use 2\textsuperscript{nd} class for sending out marketing materials, and any other non-urgent items. One large charity we spoke to used 2\textsuperscript{nd} class for as much as possible, including contacting suppliers, sending payments, and sending letters to other organisations.

\textsuperscript{7} the quality of service target is 98.5% within 3 days of posting
Key needs met by 2nd class post =>

- **SIMPPLICITY:** Customers like the fact that it is clear that 1st class applies to more ‘urgent’ or ‘important’ mail whilst 2nd class is a more affordable service for post that is less ‘urgent’. This feels clear and straightforward to customers and fits in with the need for a simple service that all can understand and engage with.

- **AFFORDABILITY:** Customers felt it was crucial for the postal service to offer a cheap means for everyone to send items around the UK – one that did not exclude anyone on the grounds of cost and they felt 2nd class post offered this.

- **FITS IN WITH DEMANDS OF MODERN LIFE:** Whilst many spoke of the need for urgency and speed with all correspondence, others acknowledged that life was not always like that there was a need for a cheaper/slower service.

- **TRUSTWORTHY:** Some held a perception that 2nd class post was not afforded the same care by royal Mail and was more prone to going missing, however – when challenged, very few could recall a specific instance where this had been the case.

- **SPEED:** for some this is over-delivering because many perceive that 2nd class takes a week to get there.

- **CONTROL:** This need is being met by the 2nd class service users feel that they are in control of their less important items.

- **PREDICTABILITY:** Whilst some felt that they were unclear how long 2nd class post took to arrive, the majority were of the view that this was not altogether important, as long as it did get there eventually. Anything that was ‘urgent’ would be sent via 1st class.

It is worth noting at this stage, before the discussion on future scenarios in Chapter 5, that whilst discussing and prioritising the USO products, several groups of workshop participants spontaneously suggested that a worthy alteration to the current 1st and 2nd class service would be to merge the two together – to create a single ‘universal stamp’. This, participants felt, would provide a service that benefitted from the best of the current 1st and 2nd class services.

In essence, they suggested that it would offer a single stamp priced between current 1st and 2nd class stamps. The stamp would take two days to deliver a letter/parcel anywhere within the UK.
They were keen to stress that this would meet their core needs, and would provide a SPEEDY, AFFORDABLE yet SIMPLE service which FITS IN WITH THE DEMANDS OF MODERN LIFE.

4.4 Six delivery and collection days

**Importance:** Participants felt this service to be essential.

**Extent meeting user needs:** Generally meeting core user needs though slightly over delivering on some.

Participants typically ranked this feature of the universal service as essential, although some younger groups spontaneously suggested having fewer delivery and collection days, suggesting that this group is currently over-provided for. Reasons why people valued having six delivery and collection days included:

- Sending - Saturday is an important day for people who work all week, and only have time to do personal posting at the weekend;
- Receiving - Saturday may be the only day which someone is at home to receive a parcel, and if they have mobility issues, and would struggle to get to delivery offices or post offices, this will be very important for them; and
- Weekdays are vital for businesses to function efficiently.

There were calls from a small minority for a seven day service; these participants felt that other core services that serve the public are moving towards seven day opening. However, this was not because they needed to use the postal service on seven days, more a sense that such a service would FIT WITH THE DEMANDS OF MODERN LIFE.

**Well when you think that the shops are open seven days a week now, emergency services work through the weekends, I’ve done it myself in various jobs. Why shouldn’t the postal service deliver seven days a week?**

Residential / Small business, Oban

**Other views:** Large businesses we spoke to tended to close at weekends, and so did not require weekend provision for receiving post.

**Key needs met by six collection and delivery days =>**

- FITS IN WITH DEMANDS OF MODERN LIFE: Customers were keen to stress that modern life is a 7-day a week thing, and as such – it felt unusual to have a core service that ‘stopped’ at any point during the week. Whilst the majority accepted that there was a sensible reason for this and that they would be able to adapt, others would suggest that the postal service should operate on a 7-
day basis. Core here was the maintain the ability for those who were out most of the week, at work, to be able to have at least one day (Saturday) when they could interact in their own time with the postal service. In particular was the ‘need’ to pick up parcels from delivery offices that were unsigned for when deliveries were attempted

- **SPEED**: Customers typically felt that a six-day service was crucial to ‘keep things moving’ and ensure that the postal service was able to maintain a core ‘2-day’ service. The service slightly **over-delivers** here as most struggled to give examples of when they really needed the 2-day service to arrive at this speed i.e. they would cope with losing one collection/delivery day as this would not add an unacceptable amount of time to current expectations of delivery times.

- **CONTROL**: Customers want to ‘be in control’ and will post items at specific times to tie-in with deadlines set-by those they are sending to, and say they need the postal service to allow them as ‘customers’ to be in control. As such, having the opportunity to post six days a week was felt to be meeting this core need.

- **PREDICTABILITY**: Linked closely with the need to be in control is a stated need to be able to anticipate when things will arrive at their destination, in order to allow customers to plan and ‘run their lives’. Customers felt they were ‘used’ to the current system of no collections or deliveries on a Sunday and saw the service as a predictable one in this regard. Making a change to this might cause confusion with customers unsure which days they could and could not send/collect post.

### 4.5 Delivery times

**Importance**: Participants found it hard to reach a consensus over whether 'maintaining current delivery times' was **nice to have or essential**.

**Extent meeting user needs**: Meeting some core needs but not felt to be meeting others

Participants' views varied over whether it was **essential** that Royal Mail continued to aim for its current delivery times, or whether it was just nice to have. The vast majority argued that delivery times were important but **much less essential** than core services like 1st class or redirection. Those who found it essential reasoned that all these elements **depend upon each other** (i.e. fulfilment of the 1st class service promise relies on current delivery times) – so in a sense they felt that elements of the USO work
together to make up the service and, hence, can all be seen as essential as each other.

Some **residential customers** stated that delivery times were essential, but on closer probing their arguments were more that they wanted to **retain** service standards which they saw as having been eroded; rather than having a need for these standards. Many customers are unhappy about deliveries no longer always being in the morning, simply because they were used to that timing in the past. However, most agreed that they broadly knew when the post would arrive now, and that it was relatively consistent timing on most occasions. This **consistency** is important as it allows users to plan post into their daily routine and this would also help them to receive packages.

On deliberation residential customers also came to the view that since between 9am and 5pm, most people are out, e.g. at work or college, it does not matter what time the delivery comes in between these times; mail cannot be processed before 5pm anyway. Therefore, they thought that it was **not essential to have delivery times earlier than 5pm.**

Many also pointed out that it would be convenient for parcels deliveries if **parcels were delivered in the evening** when people are at home.

**If it doesn’t get there by the time you leave in the morning, it doesn’t matter if it comes an hour before you get home at night. It just doesn’t matter**  
*Residential / Small business, Gifford*

**As long as it’s done that day, it doesn’t matter, you know if you don’t get it until seven o'clock at night**  
*Residential / Small business, Lisbellaw*

Consistency of delivery was also valued by **small businesses** which did not pay for a timed delivery service. Some felt that the current level of service did not give them enough consistency. They stated that they needed post to come in the morning, so that they could respond to anything urgent that day. Participants struggled to provide compelling examples of urgent letters that had to be dealt with as soon as received, but they talked about hiring staff to work on the post who had nothing to do until it arrived, and therefore losing efficiency, for example. The preference for morning delivery of letters was akin to the preference to receive emails or phone calls in the morning, in order that one can plan these things into the day, rather than being interrupted or having new tasks overflow into the next day.
Likewise small business participants gave examples of urgent parcels, for which it was critical that they arrive by a certain time; though it is clear from their comments that couriers are offering a service which meets their needs currently.

If I order some jewellery or whatever online they always send it by courier the next day and I know it’s there before lunchtime the next day and it’s out in the shop all priced and everything before I open up the next morning but if they sent it Royal Mail I’d be there until god knows what time at night pricing it all up to make sure it’s out in the shop the next morning

Residential / Small business, Caernarfon

Key needs met/required by delivery times =>

- **FITS IN WITH DEMANDS OF MODERN LIFE:** Customers live in a culture of wanting things immediately and expecting things when they want them, and as such expect the postal service to tie-in with the ‘modern world’. Currently the service does not meet these needs for residential customers – more flexibility, evening deliveries, or the option to choose, would meet this stated need better.

- **SPEED:** While residential users are attached to post arriving early in the morning, they agree that ultimately early arrival times are not essential for them. So, post which arrives early in the day could be said to be over-delivering on the need for timely arrival. For businesses however, they say they need more predictable early morning deliveries (see below).

- **CONTROL:** Business and some residential customers stated a need to ‘plan their day’ around the daily post. In addition – many businesses stressed that it is their customers and clients who expect to be ‘in control’ and want to know when they can expect the item that is being sent out to them. At the moment, delivery times do not give businesses enough flexibility here; though many acknowledged that they cope, they also stated they needed/would like more control.

- **PREDICTABILITY:** Residential customers broadly know when the post will arrive each day and this need is met. However, for small businesses this need is met less well, because while they know a broad window for post arrival they feel they cannot control when this is. See next above.

4.6 Collection times

**Importance:** Participants were unable to reach a consensus over whether they felt maintaining current collection times to be nice to have or essential.

**Extent meeting user needs:** Felt to be, on balance, meeting core user needs.
There was a mix of views as to whether Royal Mail continuing to keep to its collection time targets was essential or simply nice to have. The main reason for participants citing this as essential was that they felt clear collection times would lead to certainty.

Certainty about when the post will be collected is felt to be important. It allows one to organise one's day to avoid accidentally adding on a 24-hour delay to whatever is being sent on. This was particularly important for business that did not pay for scheduled pick-ups. They stated a need for late collection times so that the day's mail could be accumulated and sent on the same day.

As you go through the day you generate more mail, you know people would phone in and ask for certain things or ask for this or that; you need to know when it's going to go

Residential / Small business, Belfast

People in rural areas found knowing collection times particularly important, as their nearest post office with a later collection time could be very far away. It was not that the collection time was too early, but rather a need to be very clear about when the last collection was.

A further reason for keeping to current latest collection times was that participants wanted to avoid leaving post in the box overnight where it could be vulnerable to vandalism.

Those who felt that retaining current collection times was merely nice to have tended to send so little, or with such little urgency, that they did not really mind the thought of missing the last post, as long as the letter was taken the next day.

If you live in a particular rural area and you know you have to adjust the time you send a letter, you really have to know when the last, in fact the only pick up point is

Residential / Small business, Oban

Key needs met by collection times =>

- FITS IN WITH DEMANDS OF MODERN LIFE: Customers felt they typically ‘work up to the wire’ and as such expect a service that allows them to continue to push the boundaries of how late they can leave things and how much time they have in a day to process/action important items in need of posting. Again – it is debatable, given the limited circumstances where post ‘needs’ to be delivered the next day, whether this constitutes a real need. As such current collection times may be over-delivering.
• **SPEED:** Having set ‘late in the day’ collection times helps fulfil customer needs to be able to send post out and ensure it is processed quickly through the system. As such this is felt to currently meet the need for ‘speed’.

• **CONTROL:** Customers expect to be able to plan their time/day and have services fit/work around them. There is a reluctance to alter core fundamental behavioural traits. However, it is debatable whether the current service over-delivers as these may simply reflect a desire to maintain the status-quo. The need for control could arguably continue to be met for many by ensuring collection times (whether adjusted or not) remain clearly stated.

• **PREDICTABILITY:** This is an area where business customers say they need to retain a consistent time at the end of the day – enabling them to work around it as they accumulate post during the day.

### 4.7 Special delivery

**Importance:** Participants felt this service to be **essential.**

**Extent meeting user needs:** Over delivering in some areas, though under delivering in others.

Participants say that the most important aspect of Special Delivery is when you need to send an item to arrive **as soon as possible,** this is fulfilled by the **guarantee** of next day service. Sellers of goods and services use this for sending out last minute items, a variety of uses were mentioned.

*A 10,000 word essay that had to be in by 4 o’clock the next day at the latest otherwise I would have failed the course, so it went Special Delivery*

Residential / Small business, Oban

Participants also value the **insurance** when sending a very valuable item, which was often the case with businesses but also sometimes with residential customers. Businesses also use the **tracking** feature to ensure that the customer’s order requirements have been fulfilled; as do residential customers when they are checking on the guarantee of time-sensitive items.

*Anyone who sends documents like inspection of a guy’s yacht for his insurance company, which is worth £150,000, you’re sending the original photographs and the original insurance documents. Four times a year I would send it by special delivery. I want it totally tracked, it can’t be lost, it’s first hand information, it’s a lot of money involved.***

Residential / Small business, Oban
Some also felt that Royal Mail was more trustworthy than a courier when it came to Special Delivery, so this need is met well.

Couriers, however, are offering services which meet these needs just as well as Special Delivery. Participants therefore said that some of their needs are sometimes met by couriers, so Special Delivery would need to be more flexible to compete, such as incorporating more modern elements (including calling ahead, and allowing the option to specify hour-slots online)\(^8\).

Participants did not spontaneously request the potential to split out elements from Special Delivery when looking at the service on its own. In principle, most participants would welcome having the choice of services at a range of prices, as what was being sent did not always require all of the elements - next day delivery, or insurance, or tracking. On different occasions each element could sometimes be important so all needed to be preserved.

However, an important finding is that things change when participants considered the service in the context of the other aspects of the USO — especially, if they envisaged a world where 1st class stamps were to change so that they did not have next-day-delivery targets. In this case, they argued that Special Delivery would be the only way to get something there the next day; so under those circumstances it would not be affordable to the poorest in society. If it is chosen simply for speed, then potentially it over-delivers on insurance, and on security such as signed-for.

I don't know how a normal working man would pay for that

Elderly couple with mobility issues, Dunbar

Therefore, there is a need for a range of services to meet those key needs of affordability and control. If Special Delivery does not cover the needs, then participants state they would require other products to do so.

The issue was raised as to whether Royal Mail needed to be providing this service at affordable levels with universal coverage. It was generally felt by rural users that couriers would not provide this service to the more remote areas at an affordable level and so Special Delivery is in that respect affordable and meets needs here.

£5 is not a lot for something that's going to be very important

Residential / Small business, Gifford

\(^8\) NB: Though participants were asked to discuss their needs from the service and agreed that couriers could meet their postal needs, they continually stressed that they wanted Royal Mail services to remain competitive in the marketplace, for the reasons discussed in Chapter 3 above. Therefore participants were reluctant to agree that couriers could meet their needs as well as Special Delivery — many were concerned that even by saying this in the research, they were in some way agreeing to service cuts to which they were opposed. We need to stress this context in order accurately to represent their views, even though these were at something of a tangent from the study objectives.
Key needs met by special delivery =>

- RANGE: While Special Delivery meets this need by providing an additional service for users to choose from, it was stated that a range of special delivery services would meet customer needs better; some said that Special Delivery bundles too many features in one price and it would better meet needs to split out different elements at different prices.

- AFFORDABILITY: Where items are of ‘value’ and urgency, customers feel they need an affordable option to ensure timely delivery – one which is at a much more affordable rate than other (courier) options. Some concerns that if this is the only way of getting something there next-day in future, it will not be affordable enough.

- TRUSTWORTHINESS: Customers typically only send really ‘important’ items by Special Delivery – and as such trusting that a service will take care of and ultimately deliver as expected is of utmost importance. If the first class service changes and Special Delivery is chosen to meet the need for speed, then it potentially over-delivers on trustworthiness because the other security elements may not be worth paying for. However when security is important then this need is important and is well met, though couriers can sometimes meet the stated need better (e.g. photos of parcels arriving at destination emailed to sender).

- SPEED: If something genuinely needs to be there the next day – this is the core service that customers rely on. Need is well met.

- CONTROL: When Special Delivery is used there is the greatest need for control, and currently whilst this need is currently considered to be being met, it is not being met by the service to the degree that other couriers can meet the need (specified delivery slots).

- FITS IN WITH DEMANDS OF MODERN LIFE: Customers give many examples of situations that occur whereby speed and a guarantee are of utmost importance, feeling that life is often lived at this level. However, other couriers can meet this need better than Special Delivery currently (e.g. will pick up parcels from the home).

4.8 Recorded delivery

Importance: Participants felt this service to be essential.

Extent meeting user needs: Generally meeting customers’ core needs.

It was considered by participants as the service which best combined affordability and security for residential customers in the ‘crisis’ occasions when one is required to
send something which must not get lost, such as passports, birth certificates or items of sentimental value where speed is not such an issue.

**I know with my granny she’d be a terrible worrier, so recorded delivery would put her mind at ease.**

*Residential / Small business, Belfast*

Participants also mentioned the importance of recorded delivery to ensuring accountability when making a complaint to an organisation or if in correspondence with solicitors or an MP.

**If I’m in dispute with somebody, I wanted to make sure that that person’s got a letter I was sending them; I’d send it recorded delivery.**

*Residential / Small business, Oban*

*Business users* also used recorded delivery to create a paper-trail for audit purposes. It was used for sending business tenders as it is vital for the business to know it was received, so they can file a claim for compensation if not.

Customers require a service which does actually ensure that the right addressee receives the letter or parcel, which, according to some participants, is not currently the case. In addition, senders felt they should have the option to specify whether the letter must be signed for by the named addressee, or someone else at the address, or even a neighbour.

**Key needs met by recorded delivery =>**

- **RANGE OF PRODUCTS/FLEXIBILITY:** This service provides users with a choice to trade off SPEED and CONTROL.

- **AFFORDABILITY:** Customers need peace of mind that important items have arrived safely. This service allows them to trade off SPEED and CONTROL to arrive at an affordable option; thus it meets the need for RANGE of services too.

- **TRUSTWORTHINESS:** Ensuring important documents are delivered to the correct individual or address is felt to be a core need where sensitive information is being sent. Need is well met.

- **CONTROL:** This is important for those customers sending important documentation who need the reassurance that is has been received. Need is well met.
4.9 International products (including International Surface Mail, International Airmail, and International Signed For)

Importance: All of these products received a mix of views on whether they were essential or nice to have.

Extent meeting user needs: Airmail meets core customer needs, though other elements felt to be over delivering.

Those finding them essential felt that;

- **International Surface Mail** is useful for *businesses* or *people on low incomes* who regularly send packages abroad to friends and family. It was felt important that there be an affordable option for such people, whose letter or parcel is not particularly urgent.

- **International Airmail** is useful for those who want something to arrive as soon as possible. Some felt that if one was making the effort to send something abroad, one would send it 1st class, although the difference in price between the services would be an important factor.

- **International Signed For** was felt to be most important by some, due again to people reasoning that if one is making the effort to send something abroad, it will be important that it is received.

*You need to have an option to send something to a different country knowing it’s going to get there*

*Residential / Small business, Belfast*

*I think essential, I doubt that you’d send anyone abroad a letter, you’d phone them, you’d text them but you’d only send something important so you’d need to make sure that they get it*

*Residential / Small business, Caernarfon*

However, overall the signed-for elements and the surface mail elements were seen as much less essential than the airmail elements. Participants, especially towards the later stages of discussion, tended to rank the airmail more highly and argued that if they had to make a choice between these services, their needs could broadly be met with just the international airmail service.

Some participants, particularly those from the *business* community who frequently export items abroad felt that, given increasing globalisation, being able to ‘affordably’ send items to others abroad was becoming increasingly important; and it was important...
that the UK was seen to be ‘open for business’ in this regard. They also focused on international airmail when considering this issue, and were keen to keep it affordable.

**What kind of country would we be if we didn’t have a service for sending things round the world?**  
Residential / Small business, London

**Key needs met by international products – airmail in particular =>**

- **SIMPPLICITY:** surface mail and signed-for were felt to over-deliver on needs here as having an effective airmail service was felt to be enough to meet customers core needs.
- **RANGE OF PRODUCTS/FLEXIBILITY:** surface mail and signed-for over-deliver on needs here, again – as above – with airmail being seen to be offering enough to fulfil the need customers have to send items abroad.
- **AFFORDABILITY:** currently meets needs well in respect of airmail.
- **FITS IN WITH DEMANDS OF MODERN LIFE:** where global sending is more common, people needed this facility. Focused on airmail, need is well met and participants are keen to preserve it.
- **TRUSTWORTHINESS:** the airmail service currently meets needs well.
- **SPEED:** currently the airmail service meets needs well.
- **CONTROL:** surface mail and international signed-for are felt to be over-delivering, with international airmail felt to be sufficient to meet core needs.
- **PREDICTABILITY:** similarly, surface mail and international signed-for are felt to be over-delivering.

**4.10 Redelivery (including collecting from delivery offices and requesting redelivery to an address or post office)**

**Importance:** Participants felt this service to be **essential**

**Extent meeting user needs:** Generally not meeting core customers’ needs.

Currently the parcel delivery service was **not felt to be meeting residential users’ needs for receiving post.**

People described the current system as “absurd”; delivery hours are unsuitable for parcels to be delivered first time and then unsuitable for them to be collected at convenient times.

**Everybody knows most people work between the hours of 8:00am and 4:00pm but yet they’re adamant they come between these hours, but nine times out of ten, no one’s in.**  
Residential / Small business, Gifford
This was largely due to a perception of **unpredictability** of delivery days and times, which typically lead to people missing deliveries, and then having to travel to a delivery office, with inconvenient opening hours.

However, there was **little awareness that one could request redelivery** to one’s own address or have a parcel sent to one’s local post office - this lack of awareness may well add to the frustrations associated with going to the delivery office. Redelivery to one’s own address actually tended to be spontaneously suggested by workshop participants as an improvement to Royal Mail’s service.

These issues were particularly important for **people in deep rural areas**, who often had a long way to travel to their nearest collection centre. They mentioned that they lose time and money travelling to the delivery office.

The younger person we spoke to in London who has mobility issues and uses crutches finds going to the delivery office expensive and it can take half a day. Taking the time to do it can lead to delays, which may mean she misses deadlines to return items, such as clothes that do not fit. She urged either calling ahead or delivering after working hours, and more persistence in trying to deliver:

**I would like Royal Mail to accommodate people with disabilities - by that I mean saving us having to go to the post office if we get a parcel delivered elsewhere.**

*Participant with mobility issues, London*

As well as comments from participants themselves, general public participants spoke up on behalf of other groups they perceived to be disadvantaged – **elderly people, especially those on low incomes or with disabilities**. A special service with more flexibility to deliver to disabled or elderly people was suggested in several residential workshops.

**Small businesses**, who cannot always maintain a manned reception, also felt they needed a more efficient system of delivery of parcels to their address. Some who had attempted to get a parcel redelivered had not always found the service helpful:

**I once tried that with a phone number and I phoned up the 0845 number and I think Royal Mail probably earned about £x from me that day and I just kept going from pillar to post and then eventually they went, sorry, we can’t help you, goodbye.**

*Residential / Small business, Gifford*

Overall participants called for **alteration and improvement** of the service to better ensure that people could receive their mail efficiently; particularly in terms of **changes to delivery office hours**. There is also a point to make that better communication of
the services which actually exist might help meet consumers’ needs as they could use the redelivery function more appropriately themselves if they knew what was available.

**Key needs met by redelivery =>**

- **SIMPLICITY:** This need is not being met. Customers often felt that it was unclear ‘what next’ once a parcel or letter had failed to be signed for, and call for a simple service that makes it very clear what is expected of them next.

- **RANGE OF PRODUCTS/ FLEXIBILITY:** Helps create a range of products so that consumers have a variety of ways in which to get their mail, although raising awareness of these options would help better meet this need.

- **AFFORDABILITY:** currently meets needs well; participants believe it should not be charged for.

- **FITS IN WITH DEMANDS OF MODERN LIFE:** Customers stress that in order for redelivery to work effectively, it needs to work around the busy 9-5pm life that many lead i.e. by allowing users to specify delivery slots. This need is not being met at the moment. Greater flexibility is called for, in particular when it comes to collections from delivery offices.

- **SPEED:** Customers felt a great sense of frustration and not being able to access their goods/property at the earliest opportunity. This need is not currently being met.

- **CONTROL:** At best, delivers on this need but could do so better. The frustration of not being able to access their goods/property at the earliest opportunity and a lack of awareness of the options led respondents led to a view that the universal postal service should give them the control that they are able to receive from rival postal/delivery providers (courier companies). Better awareness of the service would help better meet the need for control.

**4.11 Redirection**

**Importance:** Participants felt this service to be **essential.**

**Extent meeting user needs:** Generally felt to be meeting core customer needs.

A service which is affordable and which prevents users’ post going to previous addresses is seen to meet key needs of everyone in society. While participants agreed that they did not use this service all the time, on those occasions when it was necessary (moving home) they said it was a real need, because it is difficult to inform everyone of your new address quickly in the period after moving. Participants cited positive experiences using this service.
Everything just went to my new address and it was very good and then you had that period of time where you could phone everyone and change your address and you didn’t have to like do it in a day or something, you could spend a couple of weeks trying to get organised, so I did like that; it was a good service

Residential / Small business, Gifford

If I was going to move house I’d want to make sure I receive my mail

Residential / Small business, Oban

Participants argued that this was a real need that they could not meet elsewhere. Some organisations who have been informed of a change of address do not always take notice, so the service cannot simply be substituted by postal users taking more care to inform everyone.

I finally moved from Glasgow to my present address in 2010. Despite having gone through the exercise of having informed everybody we still got humungous quantities of mail sent to us through the direction service. And the fact that Royal Mail actually provides that service, even though you have to pay for it, is very, very important

Residential / Small business, Oban

Some participants found that the service was already too expensive; they felt it was important to preserve as a universal service accessible to all rather than letting the market provide potentially more expensive services. Indeed, redirection was also felt to price-out some customers who may be in particular ‘need and might not be able to afford it.

You say you might move house, well people move for all sorts of reasons, you could be fleeing an abusive relationship, so you need to be able to have your letters sent on

Residential / Small Business, London

Key needs met by redirection =>

• RANGE OF PRODUCTS/ FLEXIBILITY: Whilst many customers feel that they could try and alert people in advance that they are changing their address; they feel that it is important for a universal postal service to facilitate an alternative option for when this does not work.

• AFFORDABILITY: Customers, at the time of moving home often have a lot of expenses, and having an affordable service that was accessible to all was felt
to be a core need. Participants said they wanted the service to go no higher in cost.

- **FIT WITH THE DEMANDS OF MODERN LIFE:** Customers feel that moving around is more and more common, particularly at certain times of life, and as such this is a core service that meets this need.

- **TRUSTWORTHINESS:** Particularly in the case of valuable or sensitive items, customers were keen to ensure there was an opportunity to avoid items falling into the wrong hands. Royal Mail is seen as well suited to providing this service.

### 4.12 Certificate of posting

**Importance:** This product allows for claims of compensation if an item is lost or delayed by Royal Mail.

**Extent meeting user needs:** Felt to be slightly over delivering.

Not everyone knew about this and among those who did it was felt to be **nice to have**, their reasons being:-

- There was still the perception that if an item goes missing, a certificate of posting does not determine whether it was the receiver or Royal Mail which was at fault. They did not know they needed a Certificate of Posting for compensation.

- Even when the compensation procedure did work, it was found to require considerable administration and participants doubted if it would work smoothly.

**In order to claim off your insurance you need get your receipt and then you need to get the customer to sign an insurance form; you need to get your original invoice. To get any money back from Royal Mail for them losing your package is a nightmare.**

**Residential / Small business, Gifford**

The **product** was felt to have some use for online (Ebay) sellers and also people on low incomes who need to prove that they sent information to the benefit department for example.

Participants’ perception was that certificate of posting will not determine who is accountable if a receiver claims not to have received their item. Recorded delivery was felt to meet this need better, although users of Certificates of Posting still went for this option as it is a free service.
Key needs met by certificate of posting=>

- **AFFORDABLE**: For those who know about it, it is a free option and so meets needs in this area. Potentially, this over-delivers because customers are happy to pay for tracking services where they have the opportunity.

- **TRUSTWORTHINESS**: For those who know about it, it reassures that Royal Mail are able to track where the item was delivered to. Meets need.

- **CONTROL**: For those who know about it, it reassures that if something goes wrong compensation is in order. Meets need here.

### 4.13 Return to Sender

**Importance**: Participants felt that this service was merely **nice to have** whilst a minority classed it as **essential**, reasoning that it is a vital way of retrieving post that has gone astray, and a way of allowing a postal customer to take steps so that the same postal problem does not happen over and over again.

**Extent meeting user needs**: Felt to be slightly over delivering.

*One had our address on but someone else’s name from like the hospital or something so I had to return it to sender, it may have been test results or something. It’s quite important to have that service to post it back*

Residential / Small business, Gifford

When thinking about their own mail getting sent to the wrong address, participants tended to value Return to Sender highly. If mail containing one’s personal details is left at the wrong address, and there is no way that the person who has wrongly received this can alert the sender to the mistake, participants worried that there would be a danger of fraud and that their own sensitive or personal information might get into the ‘wrong hands’.

It is also seen as important for people leading turbulent lives, who will not be able to inform everyone of their movements:

**At work we have a refuge and we have a lot of women coming in and then they move and then we don’t know where they are so we wouldn’t be able to track them.**

Residential / Small business, Caernarfon

Those who thought the Return to Sender service was merely **nice to have** imagined themselves **receiving** wrongly-addressed letters. They appreciated that it was useful to signal to the sender of a letter that the recipient is not known at the address, knowing that the sender would get that information, and stop sending post. They were concerned that without the service, they may suffer irritation by continually receiving
mail addressed wrongly to the same person time after time. They acknowledged that this was at worst inconvenient, rather than a core need.

**Key needs met by Return to Sender =>**

- **RANGE OF PRODUCTS/FLEXIBILITY:** Respondents argued that whilst this was not an ‘essential’ Royal Mail service, they nevertheless felt it fulfilled an important role and was a useful product that demonstrated Royal Mail was catering for the needs of a wide range of customer situations.

- **FITS IN WITH DEMANDS OF MODERN LIFE:** Many customers cite the pressures of moving address and the challenges keeping on top of correspondence. The service is felt to deliver well though potentially over-delivers as there are so many ways of substituting (e.g. phoning a company who has sent a wrong letter to your address).

- **TRUSTWORTHINESS:** Customers are wary of the potential for personal information to fall into the wrong hands should important documents go astray, as such are keen for a service that enables the return of mis-addressed items. They trust Royal Mail and this need is met.

**4.14 Keepsafe**

Participants had in most cases not heard of this service, although once participants had discussed the service, it was often felt to be **important**. However, as it was not being used it cannot be described as an ‘essential’ service.

**Extent meeting user needs:** Felt to be over delivering.

Most felt that it was merely **nice to have** on the grounds that alternative arrangements can always be made, if required; and certainly participants felt that the market would be likely to provide services, there was no need for a universal obligation to make a Keepsafe service affordable or provided to all, especially in a time of straitened finances.

Participants argued that it would avoid letters piling up on the doormat.

**I didn’t know that one; that’s quite useful to know, a burglar seeing a pile of mail**

   Residential / Small business, Gifford

It was felt to be an important service for **elderly** people who did not have relatives or friends who could collect their post or agree to take in redirected mail.
Some rural people were also quite dismissive of the service, on the assumption that a neighbour could always collect one’s post, although some realised that urban users may well not know their neighbours.

**Key needs =>**

- **RANGE OF PRODUCTS/FLEXIBILITY:** Whilst some felt it fulfilled a core need for the postal service to support a range of scenarios and flexibly fit in with customers’ lives, for others it over delivers as an additional product in the range of ways to manage your post.
- **TRUSTWORTHINESS:** Customers agree that items posted are often of significant personal value and as such feel that a service which ensures they can be kept safe served to meet their need for a postal service which was trusted. Meets the need here.
- **CONTROL:** Some customers do not feel comfortable with potentially important documentation lying around whilst they are not around for long periods of time and would rather their post was securely stored elsewhere ready for them to collect upon their return. For these customers, it meets their control needs – but for the majority, over-delivers.

### 4.15 Poste Restante

Participants knew very little about this service. They generally thought it was nice to have, because they felt that those who would use it are likely to be wealthy enough to travel and therefore would not require a universal service to provide them with this facility – they could use other services that the market can provide.

**Extent meeting user needs:** Felt to be over delivering on core customers needs.

A minority, on the other hand, reasoned that those in the traveller community or people who are homeless may be relying on this service; but it was felt to be of minority use and so not as essential as others.

**Key needs =>**

- **RANGE OF PRODUCTS/FLEXIBILITY:** as with other services, seen to over-deliver here as many were not aware of it and most stated they were unlikely to use it in the future.
- **AFFORDABLE:** seen to over deliver, if the service exists there is no call for it to be free.
- **TRUSTWORTHINESS:** as with other services because Royal Mail is trusted this need is met.
- **CONTROL:** for the minority who would need it – otherwise over-delivers.
4.16 Summary

The chart below illustrates the ranking of the services people thought were essential – from most to least essential. It notes which of the key needs the service meets, and where, in analysis, we consider it is under or over delivering on needs as set out above.

How far each universal service meets core needs

<table>
<thead>
<tr>
<th>Service/Need</th>
<th>Simplicity</th>
<th>Range</th>
<th>Affordability</th>
<th>Fit modern life</th>
<th>Trustworthy</th>
<th>Speed</th>
<th>Control</th>
<th>Predictable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st &amp; 2nd class stamp</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Six delivery/collection days/times</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Delivery times</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
</tr>
<tr>
<td>Collection times</td>
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<td>✓</td>
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<td>✓</td>
</tr>
<tr>
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<tr>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

KEY ✓ = Meeting need    ✓✓ = Over delivering    ✗ = Not meeting need
The following chart illustrates the ranking of the other services those that participants called ‘nice to have’. These met fewer of the core needs; some were not relevant; and services were perceived to over-deliver on others.

### ‘Nice to have’ services meet needs

<table>
<thead>
<tr>
<th>Service/Need</th>
<th>Simplicity</th>
<th>Range</th>
<th>Affordability</th>
<th>Fit modern life</th>
<th>Trustworthy</th>
<th>Speed</th>
<th>Control</th>
<th>Predictable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate of posting</td>
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<td></td>
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<td>Return to sender</td>
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<td>Keep safe</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postrestante</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**KEY** ✓ = Meeting need, ✓✓ = Over delivering, ✗ = Not meeting need
Future Scenarios
5. Future Scenarios

KEY FINDINGS

Four of the scenarios were felt to meet needs.

- **Replacing 1st and 2nd class post with a single two day service**: the most popular idea. Spontaneously, participants suggested creating a single ‘two-day’ universal stamp early in discussions.

- **Reducing collection and delivery days from six to five**: felt to be acceptable by residential users who believed that people would ultimately adapt, and that this arrangement would still meet user needs. Small businesses voiced greater concerns about losing a day, although most came around to the idea that businesses would adapt.

- **Post being collected from post boxes in an area at the same time it is delivered to addresses (which would mean in many cases the collection times would be earlier)*** and **Post being delivered up until 5pm (an hour or two later than the current rules)**. These two scenarios make alterations to the times at which deliveries and collections are made and were both felt to be acceptable on balance, though not felt to be compatible with each other as this would impact **SPEED** and **CONTROL**.

They were both acceptable to the majority of residential customers who tended to deal with post in the evening and were not overly concerned with speed of delivery.

However, small/medium business customers had concerns. They imagined mail would be delayed, given that they cannot negotiate their own earlier deliveries with Royal Mail like larger firms do.

The fifth scenario:

- **Changing 1st class so that local mail is delivered the next day, but national mail takes two days**: was not considered to be acceptable. It was seen as unfair, and also it contradicted participants’ desire for **SIMPLICITY**.
This chapter provides a discussion of reaction to the five possible, hypothetical future scenarios that may meet users needs today; we explore how well each scenario would meet the stated needs of users.

5.1 In summary

On balance, respondents felt that four of the five hypothetical future scenarios would be acceptable and, on balance, provide a postal service that would meet customer's core needs. These were;

- A single two-day stamp;
- A 5 days per week service;
- Shifting to the same collection and delivery times; and
- Shifting to later delivery times.

There was, however, one proposed future scenario which met with universal disapproval - that of making changes to local and national 1st class delivery targets.

Responses to the scenarios are discussed in detail below.

5.2 Scenario 1: Popular among all users

"Replace current 1st and 2nd class with a single two-day postal service”

Supporting information given:-

- This would save on transportation costs as Royal Mail would have more time to transport mail, so could take more by road rather than by air; and
- Mail needing to be delivered the next day would need to be sent using a premium service e.g. special delivery.

That would make more sense - the idea of running two separate services is probably wrong

Large Business Customer, Cardiff

I don’t think it would make a huge difference at all, it sounds like it would save loads and I don’t think anyone would actually miss the first [class stamp] at all

Residential/Small Business Customer, Belfast
### Key arguments used on 2-day stamp

<table>
<thead>
<tr>
<th>For</th>
<th>Against</th>
</tr>
</thead>
</table>
| • Provide a clear transparent service – at the moment, the two-tier service is complicated  
• Simple – spontaneously suggested by a number of groups, would be easy to adapt to  
• Would not adversely impact on too many people  
• Higher delivery targets are positive – matches high customer expectations  
• Would save a lot of money  
• Environmentally friendly & saves sorting  
• Creates an even playing field, consistent for everyone  
• Removes uncertainty (over when things will get there)  
• Maintains a two-tier service if more expensive Special next-day service is also available for emergencies  
• Some believe RM is not currently meeting targets, this would focus attention on targets. | • The only option for next-day would be very expensive, Special Delivery at nearly £6. People on low incomes and businesses would suffer  
• Small businesses felt they would receive cheques later which affects cash flow  
• Perhaps more people would start using couriers for an affordable next day service  
• Effectively removes ‘choice’  
• Concern that they would not meet two-day targets |

### Additional concerns

- **Crisis moments**: Significant discussions on the availability of an **affordable next-day service** for those occasions what there was a real ‘need’ to get something there within 24 hours. Many residential customers felt that they already used a Special Delivery service when something urgently had to arrive the next day, for the peace of mind that it would definitely get there on time, and as such their behaviour would not alter as a result of this change.

- There was concern that people on **low incomes** would effectively be ‘priced out’ of the next day Special Delivery alternative option. Participants felt that often people living on or below the poverty line were more likely to be dealing with regular moments of ‘crisis’ that needed urgent action, so would need more services to meet needs.

- **Businesses** felt there could be a significant knock-on impact on some of the suppliers that they work with, particularly where cheques for products/services were being sent out in the post. Ultimately, they had a sense that this move would ‘slow
the wheels of commerce’ somewhat. There was acknowledgement also, however, that the use of cheques for payment is slowly on the way out, and customers too would adapt:

***I’ve taken back some of the things I’ve said- if it changes to be only a two day post they (the customer) won’t expect it the next day.***

Large/medium Business, London

Amendments and additions from majority of participants to meet needs

- For a simpler system, Royal Mail should aim to deliver 100% of mail within a two-day period.

- The availability of a more ‘affordable’ next day alternative in times of crisis would be crucial in ensuring certain groups were not adversely affected by this change. Participants suggested, to meet the needs of low income groups, a scaled-down special delivery service, which was not trackable or insured, but carried a guarantee that it would arrive the next day.

5.3 Scenario Two: Broadly meets needs of users

**“Reduce to 5 collection and delivery days each week. All other services remain the same”**

Supporting information presented:

- Less mail is sent (collected) on a Saturday largely due to lower volumes of business mail;

- Less mail tends to be delivered on a Tuesday – a result of the lower volumes posted on a Saturday;

- As such the cost per item to collect and deliver is more expensive on these days

**It wouldn’t matter to me, we’re used to five working days in the week in everything else - the banks and everything, they’re five days a week**
Residential/Small Business Customer, Lisbellaw
### Key arguments used on 5 days-a-week service

**For**
- 6-days perceived to be ‘exceptional’ level of service – imagined to be more than other nations
- Potentially over-delivering on current needs – certainly no need for 7 day service
- Assumed to be about losing Saturday – not acceptable to lose Tuesday
- Other services and utilities allow us to contact them only on weekdays so no reason why the post should be 6
- Makes sense to most people – can easily see the logic and the potential for significant cost savings

**Against**
- Busy people use Saturday to ‘do their admin’, it is the only time/day they are in to receive parcels
- Small businesses are not in a ‘5-day’ world and feel this change would be detrimental to their business (customers expect 7 day a week service)
- People will have to rely on couriers if a RM service is not available. Respondents feel this would ultimately make sending or receiving mail on days when RM was not available more expensive.

### Additional concerns

The ‘full-time worker’, the large group of customers of working age who were largely at work during Monday to Friday feel Saturday is the only real day they can use postal services and receive deliveries. As such, losing a Saturday delivery\(^9\) would make it very difficult (if not impossible) for them to receive parcels, especially given restrictive delivery office hours, and so this would be an unwanted change. However, many full-time working participants were keen to stress that they could learn to work with a new system if this came to pass and still find a way of meeting their needs.

**Small businesses** were concerned that they would struggle to maintain their own six or seven day a week working patterns with a two-day postal hiatus. This was particularly so for those reliant on sending out goods and services to customers wanting to receive a parcel on a Saturday. The concern here was that in order to meet this customer expectation they would need to use a courier - which would in turn

\(^9\) Royal Mail is not currently required to deliver parcels on a Saturday, though this does happen in some instances. This was not however mentioned by respondents during the course of the research.
increase the overall costs of their service. Their fear here was that this would make their service less competitive – with a risk that customers may look elsewhere (perhaps abroad, or to companies which due to their large scale can employ couriers at a discounted rate) for a more affordable option. Other small business customers were reliant on receiving post on a Saturday in order to process an item or use it over the weekend. They were similarly concerned that this change would prove to be detrimental to efficient operation.

Amendments and additions from majority of participants to meet needs

Saturday was felt to be the most appropriate day to drop should this scenario be adopted, therefore leaving Royal Mail to fall in line with a more traditional 5-day Monday – Friday cycle. Dropping Tuesday from the delivery and collections was felt to be too much of a detriment to business customers, for whom Tuesday is a key working day;

I just don’t see why you would cut out Tuesday; it seems a bit random, like surely businesses need it on a Tuesday, the second day of the week

Residential/Small Business Customer, Belfast

For residential customers, as a compromise, stop delivering/collecting letters on a Saturday but add Saturday delivery of parcels to the USO.

Many participants argued that to support this in practice, delivery offices should open later into the evening (until at least 8pm) and all day Saturday in order for people to receive parcels and other signed-for goods outside of regular work hours.
5.4 Scenario Three – Meets residential customer needs, some small business concerns

“Post boxes emptied at the same time as mail is delivered in that area”

Supporting information presented:

- Many post boxes have very little mail posted on a daily basis which means the average cost of collection is rising. Collecting from these post boxes at the same time as delivering in that area would reduce the cost of collection; and
- You would only be able to respond to mail on the same day as it is received by posting in town/post offices/using premium services e.g. special delivery.

In haulage they say if a lorry is going anywhere empty it’s losing money, therefore if a post van is going back from its destination empty, its losing money so they should empty the post box

Residential/Small Business Customer, Belfast

Hey, the postbox could send an electronic message to say “THERE IS POST IN HERE” and theyd know to collect it.

Residential/Small Business Customer, Norwich

People don’t know what they’re posting out until the end of the day - so if you're in a business that you have orders coming in daily - if your postman comes at half ten but you get the majority of your orders after lunch, then you’re losing out

Residential/Small Business Customer, Belfast

Key arguments used on same collection/delivery time

For

- Makes environmental and financial sense
- Perception that it cuts waste and inefficiency
- Will help promote consistency in deliveries
- Some rural customers already coping with this mode of operation – feel they have adapted and it works well for them

Against

- Will inconvenience some people – could make them use alternative services, result in lower volumes/sales for Royal Mail
- Not good for small business, reduces planning time and ability to act in the afternoon – to turn things around quickly for customers
- Large businesses are set-up to process the post in the morning and afternoon, could affect smooth business running
- (When full implications are understood), could make the whole posting process more complicated and delivery times hard to predict.

NB: Many participants did not understand the implications of this idea spontaneously – that it might result in earlier ‘last collection’ times and therefore limit their posting opportunities. Some positive feedback is therefore mainly about the benefits of simplicity, as participants understood it.
Additional concerns

- **Residential customers** calculate the length of time a letter will take starting when they drop the letter in the box. If they are expecting, for instance, a three-day arrival time, they do not expect to have to calculate as follows - ‘Three days starts from tomorrow lunchtime, when the post will be collected from this box, no hang on, it’s Friday, so it will be collected on Monday, now what time is the collection...?’. Participants argued that a service demanding this level of calculation would not meet their needs, as they would not be able to plan and control how they use the post. Therefore, once they understand that same time collection and delivery might lead to longer gaps between collections and delivery of recipients mail i.e. any mail posted in local boxes after their mail had been delivered would not be collected until the following day, some argue that this change in conjunction with other changes might make the service overly complicated as a whole. They also set a boundary on how speedy they need the service to be. In practice, residential customers acknowledged that their post was **not usually time-sensitive**, and three days would be more than enough for most post. In addition very few were able to give examples of when they might need to respond to mail they received in the morning via mail that same day. However, some perceived that if, for example, this scenario, the 2-day stamp, and the change to 5 days service all happened at once, a 2-day-stamped letter might actually take a week to get there, if you post it at the wrong time of the day or week. This was felt to push the boundary too far and would not meet their stated need for a speedy service.

- **Small and medium sized businesses** who are not large enough to arrange their own late afternoon collection times (or indeed their own ‘early’ morning deliveries) would lose out on the ability to receive items and act on them that same postal day in a convenient fashion. There would be an added cost to them of travelling to a central box or office in order to get a letter or parcel out in the post at a later time (after the daily collection/delivery).

- **Rural customers** or those with mobility issues for whom it may be a struggle to get to a central post box should they require a later collection.

**Amendments and additions from majority of participants to meet needs**

- Clear communication around the exact timing of the delivery/collection was felt to be key.
● Some creative suggestions: e.g. Royal Mail investing in webcams in post boxes, to streamline postal rounds so that collections are made where relevant—which would make the service run more efficiently for everyone.

5.5 Scenario Four– Meets residential needs, some business concerns

“The rules would state that post had to be delivered between 9am and 5pm (an hour or two later than current rules)”

Supporting information presented:

- This would save on transportation costs as Royal Mail would have more time to transport mail, so could take more by road rather than air; and
- People in some areas will not receive their mail until 5pm

You don’t have the time, you don’t get looking at it until another time, so realistically it doesn’t have an impact on me anymore because when I’m getting home, that’s when I’m having my spare time.

Residential/Small Business Customer, Belfast

Normally if you decrease the quality of a service, you tend to decrease the price. Overall there is a delay, [yet] the price is the same

Large Business Customer, Cardiff

Key arguments used on later delivery times

For
- Once delivery times shifted from the morning, lateness does not really matter to residential customers, so this would have little impact so long as it arrives before people arrive home in the evening.
- Consumers and small businesses say people would adapt
- Makes sense from a cost point of view
- Can see the environmental benefits of potentially fewer deliveries

Against
- Small businesses and those medium ones without their own delivery slot with RM will have to wait later in the day to process post - reduce their ability to turn things around quickly
- The final recipient of that letter/product may be losing days – it all has a knock-on down the line
- Just adds to the general sense that the postal service is slowly deteriorating and not becoming more efficient
- Perceptions that staff might work more slowly – not sure it would promote efficiency

50 Current Royal Mail targets are based on delivery by a certain time in the afternoon c. 3pm-4pm depending on the area
Additional concerns

In general, business customers rely on and value their early morning delivery slots, and would be unhappy at the prospect of delays and subsequent knock-on to business operation.

- **Small business/self-employed:** a number of small business participants were very concerned that this would have a real detrimental impact on their business, for example, those who were reliant on prompt receipt of machine parts for a garage; or those who needed to send samples out immediately, to complete the service on the same day.

- **Medium-sized businesses:** were concerned that there was little time available in the day as it is to ‘turn around’ morning post. There were concerns here that adding in further delay to delivery times would put more pressure on certain elements of the business and result in delays to goods or services that otherwise would have moved on swiftly that same day as a result of an earlier delivery.

- **Large businesses:** were less concerned about immediate impact on their own operations (feeling that they were able to negotiate their own early morning delivery times outside of the regular postal ‘round’), but instead expressed concern for those further on ‘down the chain’ for whom a series of one-two hour delays would result in a day or mores delay to their receipt of the end product or even payment (where invoices or cheques were concerned). There was concern that this would be a scenario that may result in a general slowing-down of the wheels of commerce. Some larger businesses did feel that they themselves would lose out, for example those whose post arrives to a central site and then they have to move it around several buildings. This would mean, in practice, another day added to delivery times. While large businesses said they would adapt, they also wanted to register their concern to Royal Mail – they felt that this change would result in a slower service, but at the same price, which they felt was unfair.

**Amendments and additions from majority of participants to meet needs**

- More flexibility from Royal Mail when working with smaller businesses.
5.6 Scenario Five: seen as unfair and confusing by all

“To me that’s just rebranding the first class. Well it’s making it second class.”

Residential/Small Business, Lisbellaw

The great thing about having an online shop is that you can compete with the big chain stores which are all over the country ... [in this scenario] people will start shopping again on geography, where the shops are.

Large Business Customer, Cardiff

“1st class service would change, so that local mail is delivered next day, but national mail would take 2 days.”

Supporting information presented:

- A lot of mail is delivered by air to meet the current targets set by Royal Mail – increasing the time allowed for national delivery would mean less use of air transport and lower costs;

- People living in remote areas may be more likely to receive their 1st class mail in two days due to the greater distance the mail has to travel

That’s just a guessing game, you’re saying I wonder is this going to go tomorrow or the day after or yesterday, you know.

Large Business Customer, Belfast

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Key arguments used on change to local / national 1st class targets

For

- Can see the logic in that it will save money
- Would reduce carbon footprint
- Maintains an affordable two-tier service
- Good to improve on delivery targets
- Many people (especially rural) assume 1st class will take up to 2 days anyway, so will not feel like any significant change to them

Against

- Too complicated an operational process – participants imagined it would be confusing, and liable to go wrong. How would customers and sorting machines work out what is ‘local’?
- Would be too close to 2nd class, would not feel very different
- Unfair on rural people – wouldn’t not affect people in London where everything probably ‘local’
- Not making things ‘better’ but eroding the service/standards
**Additional concerns**

The changes suggested within this scenario were almost universally met with confusion and concern. The scenario appeared to be at odds with the aim of other scenarios, where consumers could quickly identify the tangible benefits and quickly consider how it might impact on their own lifestyles, livelihoods and behaviour. Participants struggled to identify how they would work out what was likely to get there the next day, what was likely to take longer, and in which instances they would need to pay a premium for a guaranteed next day delivery. While the other service changes mentioned above in scenarios were tolerable and did not impact the core stated user needs, this service seemed to create a sense of unfairness, plus too much of a sense of uncertainty to meet needs.

*Residential customers* felt that this service would *not* meet their stated need for a **clear and simple** service. They agreed that they did not necessarily need next day delivery all the time; but they wanted to ensure that if something was called 1st class it would mean ‘next day delivery’. They agreed that at the moment 1st class does not always mean this, but they wanted to ensure that the targets did not slip any further. This option, they felt, retained the 1st class name but provided an unclear and 2nd class service at the same cost, so would create confusion and lack of control. Fundamentally, it was seen as **unfair** to those living in different places in the country and seemed to go against the universal service principle of providing a service that everyone could access. While those in *rural areas* themselves admitted that they could in practice work around letters arriving in 2 days rather than 1 day, participants in other locations nevertheless felt this would be unfair.

*Businesses* felt that this scenario would unfairly discriminate against businesses trying to interact with and be competitive for customers who were *not* local. They would no longer be able to operate in rural areas on the same footing as urban companies; their products/services might become more expensive (unfairly so when compared to ‘local competitors) if Special Delivery had to be used. *Businesses* also complained that they would not be able to manage the expectations of customers and suppliers by predicting how long the letter might take to arrive. Plus they felt they might waste time looking-up whether or not a given postcode was categorised as local or national for them.

**Amendments and additions from majority of participants to meet needs**

- Very clear systems/guidance for customers to work out quickly whether their mail would arrive the next day or within two days.
Societal benefits of a universal postal service
6. Societal benefits of a universal postal service

**KEY FINDINGS**

When considering the societal benefits of the postal service, participants did not spontaneously suggest a number of different benefits. The idea of Royal Mail as a national institution was thought to have benefits in terms of national identity and pride, but no other clear social benefits.

**Connecting communities:** For most participants this is not a relevant social benefit (except for older people or contacting people abroad); there are seen to be other ways nowadays of being connected.

**Supporting democracy:** Participants found it hard to grasp how this would be supported by the postal services. While it might contribute, there are other mechanisms nowadays. They could see that in an emergency the post could be deployed and that this was of benefit.

**Helping people to ‘run their lives’:** Participants thought of elderly people as benefiting the most as for others substitution of electronic communications and phone is a daily reality. People felt this would become less and less important. It was perceived to be a greater social benefit to help older or digitally disadvantaged people to learn more about new ways of communicating, so that nobody is left behind.

**Keeping rural communities alive:** Most agreed (especially in rural areas) that the postal service performs this social benefit, partly by allowing businesses to run in rural areas and residents to access the modern benefits of internet shopping. This was particularly notable in Scotland which participants felt has so many very remote communities.

**Keeping an eye on vulnerable people:** Elderly people, and others who would appreciate regular human contact are perceived to benefit most from having a postman visiting regularly. Many also agreed that in remote and rural areas where issues of personal safety and security were felt to be significantly more relevant, the postal service could play a role.
In this chapter, we discuss participants’ views on the broader societal benefits of the postal service. Firstly, we explore societal benefits mentioned spontaneously, and secondly, refer to a series of potential benefits presented to participants towards the end of discussions.

6.1 Spontaneous views of social benefits

Participants in the general public interviews and workshops were asked what they thought the social benefit of having a universal postal service might be. Spontaneously, not many ideas were initially forthcoming – with respondents struggling to identify with the phrase ‘societal benefit’. During earlier discussions, however, respondents had mentioned a range of benefits that they considered Royal Mail was responsible for bringing/supporting, these include:

- Providing a cost effective universal service that was accessible to all. By existing in the first place – respondents felt that Royal Mail was fulfilling a key societal benefit. They felt that it was vital that people kept on using and supporting the Royal Mail to ensure that it was able to continue to support a cost-effective postal service that all could continue to benefit from.

- Continuing to support and promote the growth of UK businesses by ensuring they are able to keep their costs at a low/competitive level was felt to be a crucial benefit. In addition, the Royal Mail was felt to be key in enabling UK businesses to compete globally, again by virtue of maintaining core operational costs at a low/competitive level.

- Helping protect people from identity theft and fraud – and ensure they are able to continue to receive important post even when changing addresses. For people who move home and want to redirect their post to a new address to ensure important documents are not lost, the ‘redirection’ service provided by the Royal Mail is felt to be providing a wide-ranging societal benefit for all.

For most participants these were related to perceptions of nationhood and nostalgia. A minority, particularly older participants, mentioned the Royal connection of Royal Mail and said that the postal service meant something to them emotionally which was of broader social benefit. This emotional benefit was seen as a reason why this participant believed postal services should be preserved, even if user needs move on.
Up there it says ‘Royal Mail’. Now, British people are generally conservative, people of our generation. Whether you’re a republican or a monarchist, Royal Mail means something important to [us], and we don’t want to see this service degraded. So that’s me as a romantic person looking at it emotionally ....

Residential / Small business, Oban

Other participants mentioned that the postal service was the last of the nationally-owned pieces of infrastructure in the country and that having such large-scale social projects was a benefit in itself. When pressed on what the actual benefit to society was, however, participants did not have strong views, mentioning again pride and nostalgia.

We were all brought up on the basis of competition, thinking it’s better for the consumer, but that hasn’t worked for other things like railways. Royal Mail is one of the last things we have that isn’t predicated on this - which is a good thing.

Residential / Small business, Norwich

They were then presented with five perceived social benefits of Royal Mail and asked to respond. Key discussion points on each are outlined below.

6.1 Connecting communities

“The postal service helps communities feel more connected to each other as everyone can send and receive letters and packets”.

Participants generally tended to feel that whilst the postal service did play a key role in connecting communities, other forms of communication like the telephone, email and social networking were now far more pivotal.

Customers were very rarely now using the postal service as their primary method of communication. Participants generally noted the inexorable rise of technology, and younger participants were perfectly accepting that other means of communication had overtaken the post.

You don’t get pen-pals any more... social networks are massive just now

Residential / Small business, Gifford

The statement was felt to be slightly more applicable to rural communities than urban, but mostly to elderly people in general;
There are lots of older people who don’t know their way round a computer, so they need that [the postal service] for contact with their family wherever they be. For a lot of them, it’s their only contact with the world

Residential / Small business, Oban

However, elderly people too were increasingly seen to be moving away from written/postal correspondence – preferring the telephone and indeed online modes of communication;

I’m not sending as much as I used to. All my friends of course, I’d rather pick up the phone and just phone them

Elderly couple with mobility issues, Dunbar

However, sending and receiving something tangible, such as a letter, was felt to have a special value which they felt email communication could not match, and was spontaneously mentioned by several participants;

I have two or three friends in Glasgow that I’m in contact with and quite often if one of them’s not well or something I’ll put something in a Jiffy bag, a silly thing with a badge on it and I write something silly on it... and they get a laugh and they’re “Oh that was really nice to get that.” I like doing that.

Residential / Small business, Oban

I think for the older generation it’s just such an important part of life that they can put pen to paper and post it. My mother keeps in touch with my aunty who lives in Australia, it makes such a massive difference to my mum that she’s got these letters from Aunty Mary.

Residential / Small business, Oban

Thus whilst on balance the postal service was not felt to be a significant contributor to communities staying connected, it was felt to offer some clear benefits—the ability to send gifts or even tangible letters – which other modes of communication such as the internet or telephone cannot provide. These are benefits which can have an important part to play in maintaining people’s - particularly the elderly’s - wellbeing.
6.2 Supporting democracy

“The postal service supports a functioning democracy, as everyone is able to communicate with the Government or press, no matter where they are. For example writing to their MP or a newspaper, or being contacted by post about local elections”.

The majority of participants felt that phone and email, or personally visiting MPs at their regular surgeries allowed people to engage in the democratic process. There was some doubt over whether or not the postal service played an ‘essential part’ – certainly it was felt to contribute towards this aim;

I don’t think it would affect democracy if there was no Royal Mail as there are so many other ways of contacting...texting and having your say

Residential / Small business, Gifford

If Royal Mail was to vanish tomorrow I don’t think people would just never contact their MP, or you wouldn’t hear from them, because they walk round and knock on your door anyway

Residential / Small business, Gifford

In contrast, one participant mentioned spontaneously that he felt compelled to use Recorded Delivery when in communication with his MP to ensure full accountability;

I just had the letter today from XX MP. I wrote to him recorded delivery. Anybody who’s involved in any kind of ethical activity you want to track what you’re doing, you want to keep it on file, you want to give every letter a reference number so you can say, no you said at RT 17 I refer it a few months ago, that’s not what you said then. Also any third party that I name in a letter, if I say, I heard from Councillor so and so I will copy that letter to the third party. And I’ll often send that recorded delivery so that he can’t say that he didn’t know that I had copied him in.

Residential / Small business, Oban

As well as radio and television, it was mentioned that the post has the unusual status of being capable of contacting ‘everyone’ in the UK, perhaps concerning a national emergency – particularly when compared to attempting to use online means;

When the government want to send out a message, they can do it by post, but if they sent out an email, what are the chances of everybody receiving it?

Residential / Small business, London
Although outside of exceptional circumstances when they would accept ‘state’ communication through the post there were a number of participants who felt that there was too much coming through their doors concerning ‘politics’. In particular, some participants were not that keen on receiving canvassing leaflets from local politicians, many classing this along with junk mail – and treating it as such.

In summary, it was generally thought that although the postal service is felt to play a role in supporting democracy, there are too many other effective alternatives for this to be a fundamental social benefit of the postal service.

6.3 Helping you to ‘run your life’

“The postal service ensures everyone is able to communicate with vital services, such as utilities companies, banks, lawyers and other services in order to ‘run your life’.”

This statement was felt to be more relevant for the older generation.11

For the older generation, pensioners, they just stick to what they know and they wait for their bill coming in

Residential / Small business, Gifford

It was noted that people in receipt of Government benefits, would typically be receiving post rather than emails from the relevant departments.12 Solicitors too were also thought to still prefer to use letters rather than email, and some mentioned NHS appointments, but outside of these possible exceptions, participants typically did not feel the statement to ring true, as most of them were using the telephone or online methods to run their lives.

Those living in more rural communities, however, felt that their lives were made much more convenient through the provision of postal services which facilitated the receipt of goods which would otherwise be hard to come by:

For a rural area the online shopping market is a big market. So, you know, most people, instead of jumping in the car and spending money on fuel to go to Glasgow for a day shopping now they go online and spend a couple of hours shopping online, so they get their parcels delivered to their door

Residential / Small business, Oban

11 It should be noted that the groups did generally seem aware of the large numbers of people in the UK who are ‘digitally excluded’: 8.2 million people have never even been online, and a third of whom are under 65 [http://raceonline2012.org/research accessed 10th May 2012]
12 Although the new Universal Credit system is aimed in part at moving the benefit system online [http://www.dwp.gov.uk/docs/universal-credit-chapter4.pdf accessed 10th May 2012]
In summary, it was generally thought that although the postal service is felt to play a role in supporting people to ‘run their lives’, the majority felt that other means were far more pivotal in this modern era for this to be a fundamental social benefit of the postal service. Participants felt that people’s reliance on the postal service in this regard would diminish with time as more and more come to live their lives fully ‘online’. Finally, it was felt that as society changes, it is important that older people are helped to understand the changing market so they do not suffer a detriment (e.g. what is a courier and how do we use them?).

6.4 Keeping rural areas alive

“Because the postal service covers the whole of the UK this means businesses can locate in rural areas and so keep rural areas alive”.

Those living in rural areas strongly agreed that the post was performing this important social benefit, particularly those in rural Scotland where there are many remote communities. The importance of Royal Mail’s universal service obligation to these was spontaneously mentioned;

It’s the Hebrides in Scotland. You know, it’d be a fortune surely to get a courier out there and they need something like Royal Mail out there.

Residential / Small business, Gifford

Crucially here, respondents in deep rural areas were keen to stress the importance of Post Offices in facilitating access to Royal Mail’s services – and therefore it is often difficult to discuss the postal service without including Post Offices within that discussion;

I’m from YY Island. I manufacture XXXXX’s and use the postal service to distribute those through the United Kingdom and the rest of the world. It’s a problem for me [the] Post Offices which Royal Mail use and their demise in rural places worries me ... I’ve got one order for a XXXXX, if someone’s paid for they expect me to dispatch it as soon as possible and [without the local Post Office] I would have to come from XX Island, across on the ferry, get the bus, whatever, and then into Oban, 36 mile trip there and back, a chunk out of my day and a chunk out of the profit. The postal services in rural areas matter because that helps to support a local business which helps to support the community.

Residential / Small business, Oban
Similar to the previous societal benefit under discussion however, the internet was felt to have as much, if not more of a role in keeping rural areas alive;

**The big advantages for business is not having to pay for high rents on fancy buildings they can be set up anywhere because of the internet and plus they can go into these rural areas and work from wherever they want to.**

Residential / Small business, Gifford

Generally though, participants did feel that Royal Mail’s universal service obligation was very beneficial to **rural communities**, and did play a key role in their economic viability.

### 6.5 Safety and security

>“Safety and security: postmen\textsuperscript{13} can keep an eye on vulnerable people”.

This element of Royal Mail’s service was felt to be genuinely important, and participants often knew someone who benefited personally from such contact;

**I feel a lot of elderly people like their postman coming every day, I know my dad does he knows his postman by name and you know he is there to meet him when he gets his mail**

Residential / Small business, Gifford

Several participants had had personal experiences of postmen playing sometimes a potentially life-saving role;

**I’m a diabetic, and I used to pass out quite a lot, and once or twice the postman has sorted me out**

Residential / Small business, Gifford

**Sometimes: You see my postman knows me now; for three months I was housebound and for a month of that I couldn’t get out my bed, so he used to come in and bring it in to me. Sometimes he would be the only person I would see.**

Residential / Small business, Oban

It was those in **rural communities** who tended to be on personal terms with their postman. It was noted that this benefit does tend to require contact with the same **regular postman**, which is one element of the service which participants had generally mentioned as an important contributing factor to trusting the service.

\textsuperscript{13} By postmen we mean postmen and women
It’s a routine that they pick up on, it’s not saying to the postman ‘Go out and have a look at all your elderly’, it’s just like if you notice that the milk hasn’t been lifted or you see that the post from yesterday is still stuck in the door.

Residential / Small business, Belfast

Although some felt that this societal benefit was less likely to occur in cities;

My postman literally is up and down my street in like 10 minutes; I have an elderly neighbour and I don’t think he would notice if something was wrong.

Residential / Small business, Belfast

Some argued that such cases provide a good argument for continuing to provide six day deliveries, although groups disputed whether fulfilling this role, beneficial though it can be, should affect policies;

I don't mean to sound really horrible but that's not in their job description, to keep an eye on old people ... They're just normal men who post letters.

Residential / Small business, Belfast

Others were more concerned that such an important element of Royal Mail’s service, although admittedly an unintended side-benefit, was so often overlooked;

We don't notice any of this stuff happening, where we notice is that the price of stamps are going up, that's the general public problem. We are all sitting here griping at the fact that stamps are about 60p, but we are not contemplating the fact of the little old lady who's fallen and can’t get up, that no one has visited

Residential / Small business, Gifford

Generally though, participants did feel that the postman (or woman) was a very important figure for a number of particularly vulnerable people and were keen to ensure that this level of ‘community contact’ was preserved where feasible.
Conclusions
7. Conclusions

This final chapter reflects on key learning and messages for Ofcom derived from the body of research as a whole.

7.1 Understanding of core customer requirements

Customers clearly still have core needs from the postal service, despite the fact that they are not using it as much as they were. It is still a fundamental part of how some people interact with each other and society and particularly those without the know-how to utilise alternative forms of technology and communication. It still enables certain core groups to ‘run their lives’, though all are aware that this is changing rapidly.

There are a variety of functions for which the post is still necessary. Different user groups say that they will continue to need to use the postal services because there will be some things for which substitution will never be possible.

These continuing needs of key groups, which we argue will not alter in the near future, are:

- **Vulnerable people**, who are on low incomes, and who do not have much contingency to use expensive courier services; plus those who are not online and who do not know the range of services which exist so cannot make informed consumer choices about the services to use. When they are experiencing a crisis requiring documentation to be sent urgently, they need to have access to an affordable ‘crisis next day service’.

- **Elderly people**, particularly those who are not online – rely on the postal service to connect with society and ‘run their lives’, and while this is changing it is important to continue to ensure the current needs of these people are being met.

- **Young and working people** need to have core services which fit with the demands of modern life (for example access to delivery offices outside of working hours).

- **Businesses** need control and predictability (around collection/delivery) to ensure smooth and efficient operations.
7.2 Moving forward and engaging with customers

Engaging customers over significant challenges and potential changes to a core service, which many hold in high regard, is going to be a challenge – particularly given the increasingly competitive customer-driven world within which the postal service now operates. The research points towards three areas to keep in mind;

1. Dealing with the ‘double-whammy’ – customers being ‘hit’ twice

There are concerns that customers will not react well to being told the service may need to ‘reduce’ having recently been hit with a significant price rise.

_It, kind of, leaves a bad taste in your mouth, that [they are] actually increasing the cost and they want to reduce the service, you know, I think it’s take, take, take._

_Residential/Small Business Customer, Dunbar_

Many would expect a reduction or cut to the level and quality of a service to result in some form of saving for the customer. A key message that participants identify with was the sense of **protecting against further price rises in the future** – something that as the UK moves through further into recession, they are keen to safeguard against.

2. Be creative, dynamic, and entrepreneurial

Consumers are used to ‘suppliers of services’ constantly looking for ways to improve, change, adapt and move-with-the-times.

_Rather than reducing their services to save money they should be looking for ways to be cleverer that people will use their services more. That’s the way I see it. They’re taking the wrong approach to it I think_

_Residential/Small Business Customer, Lisbellew_

There is an expectation that the postal service should be embracing new technologies to improve its services and bring a greater customer ‘experience’, one which follows general lifestyle changes in terms of work/living patterns and behaviours and use of new technology.

This presents an opportunity to communicate the challenges and changes effectively and demonstrate a positive series of customer-focussed steps. The discourse could include dynamic terms – **improvement, streamlining, progress, advancement**....

_They need to give off the perception that they’re making things better._

_Large Business Customer, Cardiff_
3. Use customers’ desire to protect a ‘national institution’.

Users were, on the whole, keen to explore ways to ensure the postal service is able to continue to meet users’ needs in the face of declining volumes of mail. This reflects much latent goodwill towards the organisation on the part of participants.

The focus of the study was to explore whether any changes to the USO would meet users’ needs. However, reactions to the scenarios did not occur in a vacuum, and people’s preconceptions about whether Royal Mail was being run efficiently or not, as well as other considerations, tended to influence the way in which they calculated their needs and assessed how they might be met in future.

This provides valuable learning on how Royal Mail might communicate with postal users and reflects the way in which the public feel they have a stake in postal services beyond simply consuming them. Users tell us that they need to believe Royal Mail is operating as efficiently as possible internally before they feel able to support significant changes to the core services offered to the public. Many participants were sceptical that all had been done to save money internally, expressing a view that their needs would be better met overall, through every aspect of service provision, if the operation was run as efficiently as possible.

While participants were not asked about the finances of Royal Mail, this theme emerged in every session. It is important context for participants’ views and gives clues as to how any proposed service changes might be seen by the wider public.

Participants were on balance happy with the future scenarios discussed and felt them to be workable in practice and that they would not adversely affect the majority in society. Indeed, with a number of scenarios, they were positive about the opportunity to explore ways in which Royal Mail could meet user needs while benefiting everyone in society. Synchronising collection/deliveries in particular, was a possible scenario which resonated with the general view of what ‘makes sense’ and provides a good illustration of how, for many, scenarios which meet needs while cutting out perceived ‘wastage’ were well received.

Ultimately, however, customers felt that they would adapt to any proposed changes to the postal service and work around the new offering – in the same way that customers have adapted to later delivery times in recent years.

You wouldn’t be long getting used to it.

Residential/Small Business Customer, Lisbellaw