Understanding the needs of postal service users

A report of findings from qualitative research, with a focus on potentially vulnerable groups

October 2023

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Summary

An acceleration of trends highlighted in the Review of User Needs research – with a greater distinction between letters and parcels

LETTERS: PARTICIPANTS STATED FEWER BEING SENT/RECEIVED ACROSS THE BOARD

- Continued shift towards digital alternatives, with less reliance overall

- Rarely need anything urgently, rarely use additional services

- BUT acknowledge that some official letters are vital e.g. passport

- Rely solely on Royal Mail (and Post office)

PARCELS: GREATER RELIANCE - PARTICULARLY RECEIVING

- Continued growth in online shopping and selling – part of daily life

- Not an obvious/easy alternative – other than going to the physical shop etc.

- May not strictly depend on parcels but can make life easier/better

- Often prefer to use Royal Mail - but aware of the numerous competitors

SOME MORE VULNERABLE USERS CAN BE MORE DEPENDENT ON POSTAL SERVICES

- Those without internet are less able to access digital alternatives in the place of letters

- Those that are older or have mobility issues are less able to get out to the shops and may rely more on parcels

- Those in rural remote areas (and those in Northern Ireland) may have fewer options and may rely more on Royal Mail

- Are often open to changes within the USO (including a one class service) but some groups can be slightly more reluctant to change

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Overall willingness to reduce some services and standards- particularly for letters but could be more protective of parcels

Potential USO of the future

In the interests of keeping prices down and only paying for what was required- most were open to reducing some services and standard levels- particularly for letters

Less scope to reduce services when it comes to parcels given the ever-growing reliance for many. Current standards are largely felt to be acceptable- but sense that Royal Mail may risk falling behind competitors in terms of flexibility and innovations if they don't follow the trends

It was important for most to retain the core features of the universal service – including uniform pricing to ensure reliability and certainty

ADJUST-MENTS	LETTERS	PARCELS
Potential reductions	Openness to consider amongst both typical and most vulnerable audiences • One class service / combined • Reduction in number of days for collection and delivery (to 4/5) • Overall, would need deliveries/collections every 2/3 days • Potential to drop services such as return to sender • Some vulnerable audiences most dependent on letters for healthcare appointments/correspondence want to ensure they will not miss out	• One class service / combined (for some amongst both typical and vulnerable audiences) • Some of the vulnerable groups most reliant on parcels may be less accepting of this – especially if they do not have access to competitor services (e.g. in Northern Ireland)
Potential additions	• None	• Improvements to delivery mechanisms in terms of flexibility of receipt • For some vulnerable audiences: option to register vulnerability or additional requirements to ensure smoother service TO REMAIN COMPETITIVE • Improve digital options in terms of tracking / self-serve etc • Some call for deliveries / collections at the weekend - if RM want to be competitive

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2 Background and objectives

Background and objectives

In late 2019, Jigsaw Research conducted the previous Postal User Needs research for Ofcom.

Since then, the UK has a seen a lot of change, most notably in the form of the Covid-19 pandemic (and lockdown) and the current cost of living crisis. This has provided the necessity for people to turn more towards new ways of doing things and to adopt digital services as alternatives to sending and receiving letters and cards – and turning to online shopping and receiving more parcels.

Research was therefore commissioned to review how people currently use postal services, to understand if the USO is still fit-for-purpose and to identify how it may need to evolve and adapt in this new landscape.

This research needed to focus in on specific vulnerable and/or dependent groups to understand their relationship with postal services and how these may have changed.

Key elements to the research:

1. **Exploring usage and key needs from postal services –** i.e. what are people sending and receiving nowadays, which services do they value the most, what matters to them and how reliant they feel on these

2. **Understanding the use of commonly used digital alternatives,** and to what extent people are switching to these vs. use of postal services and why

3. **Understanding the role of Royal Mail vs. competitors** (in the parcel market); what do they do well/less well and how do they compare. Including looking at price sensitivity amidst recent changes

4. **Exploring the value of the USO for them and society,** and to what extent it currently meets their needs. To uncover any needs that are not currently fulfilled and what kind of changes may be required to meet needs (and keep prices down)

Summary of research approach: a focus on vulnerable and dependent users

8 x online group discussions with typical users

These groups were conducted with those classified as 'typical' users. That is, those that use postal services but did not feel particularly dependent on them and had access to digital alternatives.

The groups were split by low/medium and medium/high users of postal services and by younger (under 39) and older (40+) participants. Groups covered eight urban and suburban locations across the four nations.

These were conducted online via Zoom and lasted 90 minutes.

Pre task warm up exercise

All research participants were asked to complete a pre task exercise to reflect on their usage of postal services. This included noting down what they typically send and receive, which services they use and value the most, as well as any areas of frustration, or anything they'd like to see changed.

This ensured that participants were thinking about the subject matter in advance to aid with discussions and meant that we had a clear view on individual usage patterns. All were given the option to complete the task via email or via pen and paper.

38 x depth interviews with vulnerable and dependent users

30 x depth interviews with those that could be defined as 'vulnerable' on the basis of restricted mobility, being deaf or with severe hearing loss, without internet, in a rural or remote location or with low income.

8 x depths were conducted with those that felt that they were dependent on postal services in some way and would struggle to get by without them.

Participants were able to take part in a way that best suited them. 20 interviews took place online or via telephone and 18 face to face. Interviews lasted around 60 minutes.

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Sample: groups and depths

Groups: Typical users	Age	User type	Location
1	Younger	Light/medium	London
2	Older	Medium/heavy	Leeds
3	Younger	Medium/heavy	Sutton Coldfield
4	Older	Light/medium	Plymouth
5	Younger	Light/medium	Londonderry
6	Older	Medium/heavy	Cardiff
7	Younger	Medium/heavy	Glasgow
8	Older	Light/medium	Aberdeen

Interviews: Vulnerable	Age	Age	Location
1-6	Low income	At least five per age bracket across depths: • 16-24 • 25-34 • 35-44 • 45-64 • 65+	Split by location: • London/ South East • West England • East Midlands • North England • Wales • Scotland • Northern Ireland
7-12	No internet		
13-18	Mobility restricted		
19-24	Rural/remote		
25-30	Deaf/hearing loss		
31-38	Dependent		

» Mixed gender for groups, good split male/female for depths

» Usage based on post sent and received

» Mix of SEG across sessions

» Natural fall out of SEG

» Rather than being a representative sample that provides the 'average' or 'typical' user view, this piece of research was designed to understand the needs of all user groups including those that would be deemed 'vulnerable' or more dependent

» Fieldwork took place between 11th August and the 4th September 2023

Light user: sending 1-2 letters and/or parcels in the last 3 months.
Medium users: sending 3-5 and upper medium users 6-9 letters and/or parcels in the last 3 months. Heavy users: sending 10+ letters and/or parcels in the last 3 months

Stimulus was deployed across sessions to facilitate understanding of the USO and the essentialness of key features

We utilised a 'deliberative light' approach in order to educate participants about the postal Universal Service Obligation (USO) and the services and standards within that.

We therefore developed a set of stimulus to be gradually introduced across the sessions for consistency. This was refined after the first few pilot sessions to ensure it was as easy to understand as possible.

1
Overall explanation of Universal Service Obligations – and the general requirements for Royal Mail under the Postal USO.

2
Context to the research and why it is important for Ofcom to stay abreast of changing user needs and to ensure people only pay for what they need.

3
Detailed overview of the different features of the USO including delivery and collection of letters and parcels (six and five days respectively), universal pricing, first and second-class services etc.

4
Sorting exercise to help discern which features were deemed essential, nice to have and not required.

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3 Comparisons to
2019 research findings

Overall, there was a lot of commonality compared to our 2019 research

Downturn in the number of letters being sent and received but increases seen in relation to parcels.

Warmth and affection for Royal Mail as most longstanding, reliable service.

Royal Mail generally seen as affordable and reasonable value for money for letters and parcels.

Support for the universal service as a way to ensure the main standards are maintained for users.

Universal support for delivering to all addresses and majority support for uniform pricing.

The 2019 Review of User Needs research can be found here: https://www.ofcom.org.uk/__data/assets/pdf_file/0017/208214/2020-review-of-postal-user-needs-qualitative-report.pdf)

But some substantive differences also emerged

Changes in usage patterns and needs

Overall, participants reported that the number of <u>letters</u> being sent and received was continuing to fall (particularly items sent). This was largely due to increased use of digital alternatives:

- Many felt that they could get by without letters most of the time
- Therefore, there was less importance attached overall

There was an even greater reliance on sending and in particularly receiving <u>parcels</u>. Parcels were seen as an essential part of peoples' lives driven by online shopping (and possibly increase in selling online).

Participants felt they were slightly more price conscious at this time.

In some cases, there was more of a sense of emotional reliance on postal services – a human connection compared to some digital alternatives:

- Possibly this has increased as the practical benefits of letters recede – or as a result of the lockdown when we were less able to connect on a personal level.

This impacts on use of providers and perceptions of the USO

Royal Mail was seen as less dominant than it was:

- Particularly in the parcel market with greater awareness and use of the competitor services

Overall, there was support for the USO, but also some push back from a minority of participants who were concerned about only paying for what they need.

There was more of a distinction between what is needed from the USO from a letters and parcels perspective:

- For letters, there was more flexibility regarding a one single class of service as number of letters/parcels being sent is continuing to decline
- For parcels, current USO services/standards were thought to work to deliver a basic service
- But raised the question around what is needed from the USO generally vs. what is required to remain competitive in the parcel market.

Plus, as described, there was greater emphasis on specific vulnerable user groups in this research vs. our 2019 research

4 Context: The role of postal services

Reliance on postal services varied

Not reliant	Reliant/somewhat reliant	Dependent
For those that said they send and receive very little post generally – including vulnerable users. Reliance on sending and receiving **letters** tends to be low for the most part, many felt they could largely get by without this by switching to digital alternatives.	Those that said they regularly send and receive **parcels** tended to feel 'reliant' because there is not an obvious/convenient alternative. This tended to be regular online shoppers and/or those selling on eBay/Vinted. This could extend to **letters** for certain, irregular items where there was no current alterative such as passports/driving licences and so forth. Some also had a strong preference for certain items to be posted to them. For example, hard copies of bills.	Those that genuinely felt that they would struggle to get by and take part in society without postal services. **This could be letters or parcels or both.** This included those with mobility issues, chronic health conditions, those in rural areas (that may also feel reliant on Royal Mail more specifically), those without internet/digital skills and older participants. **This is the minority.**

There is a difference between 'reliance' and 'dependence' in this context. Reliant may not mean 'life or death' but it may be about how you want to live your life. Dependent tends to mean it's more vital to get by and take part in society.

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Postal services could play an emotional as well as practical role for some

Postal services

I think I could manage paperless. I think I could… but I don't know about e-cards and things like that. I don't think they bring any joy. So, I would still want to send a card or a letter to someone to let them know that I care… there's nothing better than something handwritten really.

Mobility Restricted, 60s, England

"

Connection

- For some, particularly the elderly and less mobile, but also those with family further away – post could hold emotional and practical value
- It ensures they feel connected with the outside world and with their loved ones
- It could be something to look forward to
- Used to keep in touch. For example, sending a quick postcard or gift to say 'thinking of you'
- The 'postie' also played a role here as a regular/familiar visitor

Reassurance

- Even those well able to use digital alternative could feel more comfortable receiving 'hard copies' in the post
- Particularly for:
  - important bills or financial documents where they are keen to have a record and feel better able to keep track
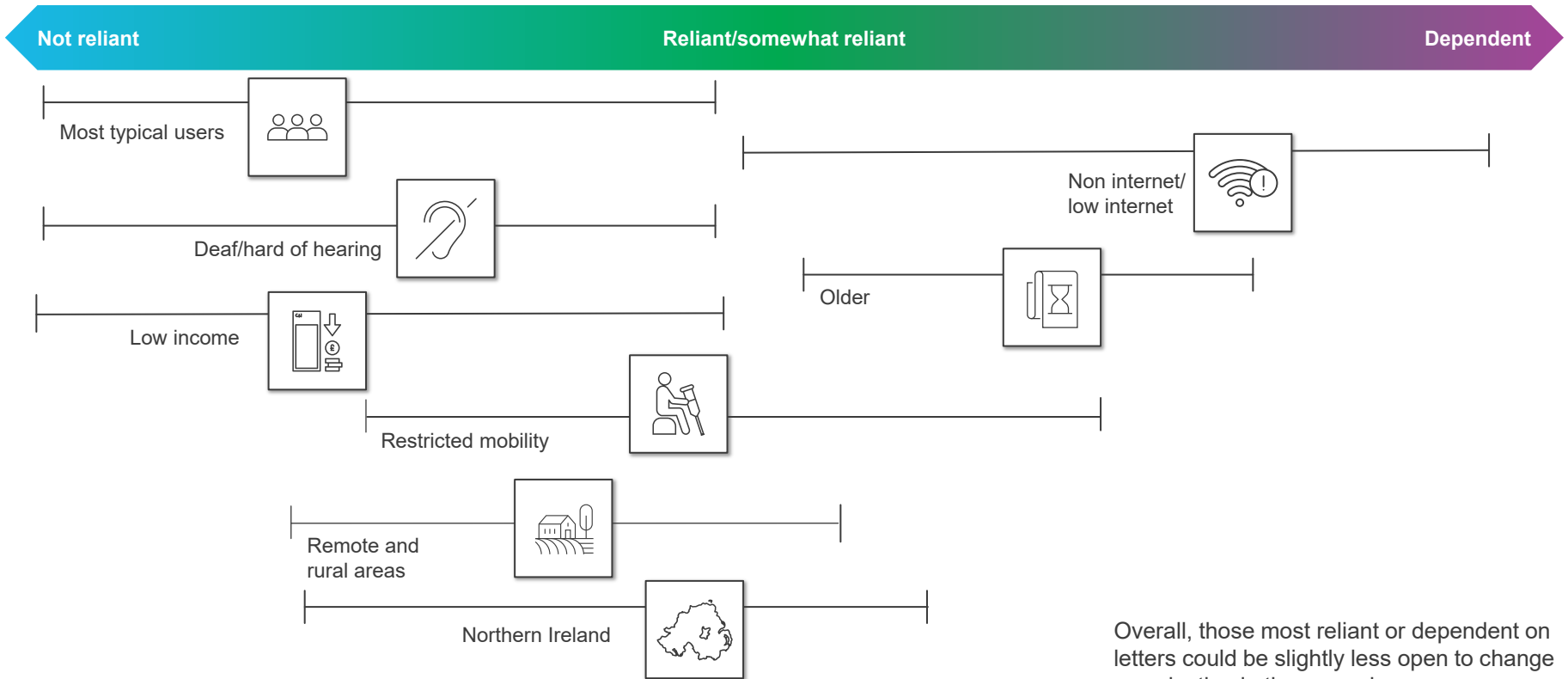 - 'official' communications, especially anything medical where they can be keen not to miss things

More personal/meaningful

- While the volume of cards sent may have declined, they were still seen to hold value
- Sending a card (or something in the post) is often felt to hold more meaning than digital alternatives (less true for younger generation)
- Could feel more human and personal, providing more of a genuine link to the other individual
- More likely to be reserved for closer friends and family
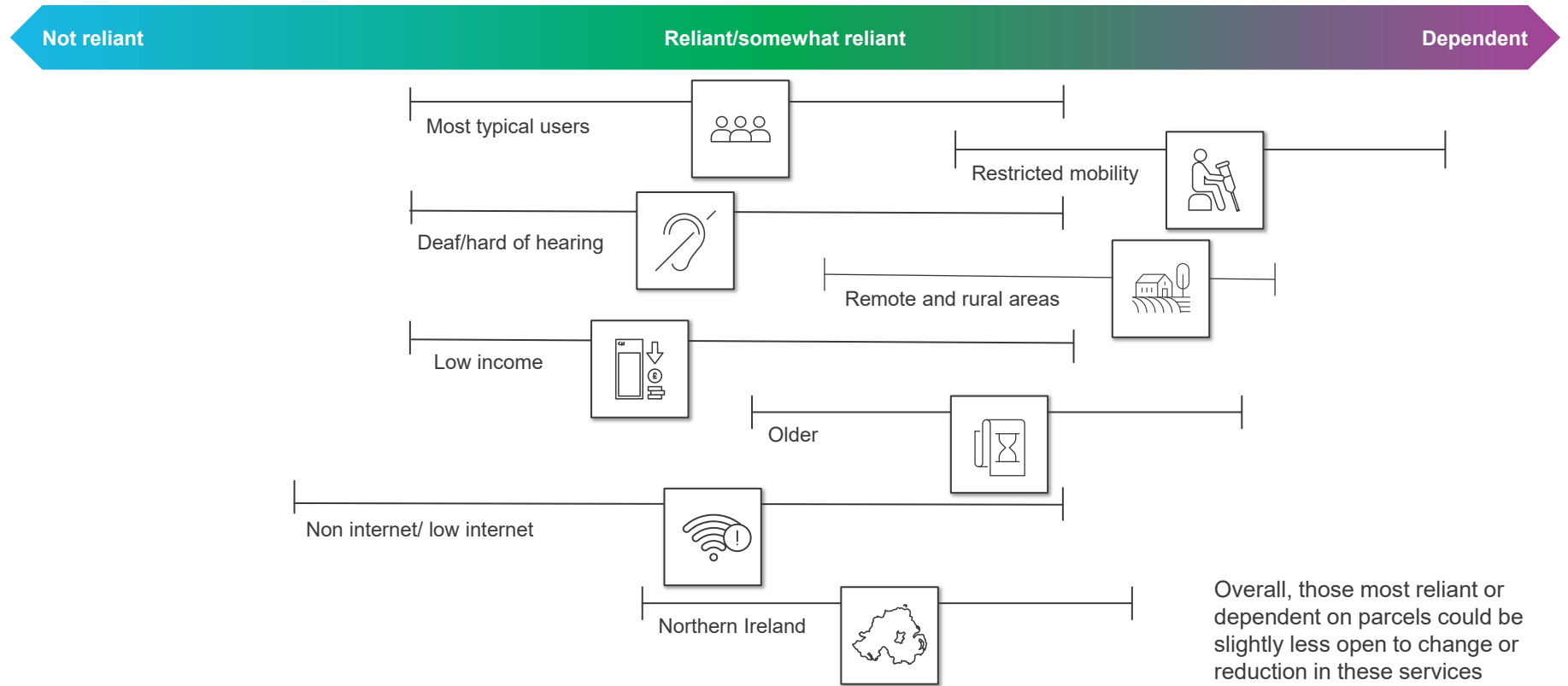
As a citizen

- Sense of Royal Mail being part of our heritage remained. Although this was less prevalent in younger users.
- With a rise in competition, decline in the reliance on letters and issues faced by Royal Mail (strikes, Covid) the sense of the post as a social unifier felt less strong than it once did
- Participants were often keen to protect the postal service as a citizen, particularly when it comes to older generations/the less connected

Different groups in society have different levels of reliance on <u>letters and cards</u> compared to typical users

Not reliant   Reliant/somewhat reliant   Dependent

Most typical users

Deaf/hard of hearing

Low income

Restricted mobility

Remote and rural areas

Northern Ireland

Non internet/low internet

Older

Overall, those most reliant or dependent on letters could be slightly less open to change or reduction in these services

Different groups in society have different levels of reliance on <u>parcels</u> compared to typical users

Low internet users may be more practically and emotionally reliant on postal services

Who are they?

- Tend to be older/retired, less tech savvy generally
- May have worked in jobs that did not require use of tech/internet
- May have data on their phone to do basic tasks (e.g. using Google) but nothing more elaborate)
- Others in household may use the internet

General impact

- For the most part, have made a decision not to have internet – have gotten by so far without it
- Means they need to physically go to the shops if they need anything
- Call up companies/organisations rather than email
- This is how they have always operated so don't always feel that they are missing out in any way

Impact on use of postal services

- Tend to rely more on postal services especially for letters in the absence of digital alternatives
- More often in terms of 'official' letters and communications with banks/council/NHS and sometimes to pay bills etc.
- Feel more confident in having physical documents and can worry about things like scams/hacking or emails getting lost
- More likely to see the value in sending personal post too – i.e. birthday cards/gifts and letters as prefer a more human connection
- That said, some also happy to communicate with companies via phone where that is an option
- Some also had family members/friends that were able to facilitate internet use if required- for example submitting electricity readings

Possible additional requirements

- No additional requirements as such
- But may be less willing to reduce service levels given heavier reliance on post (letters) for some
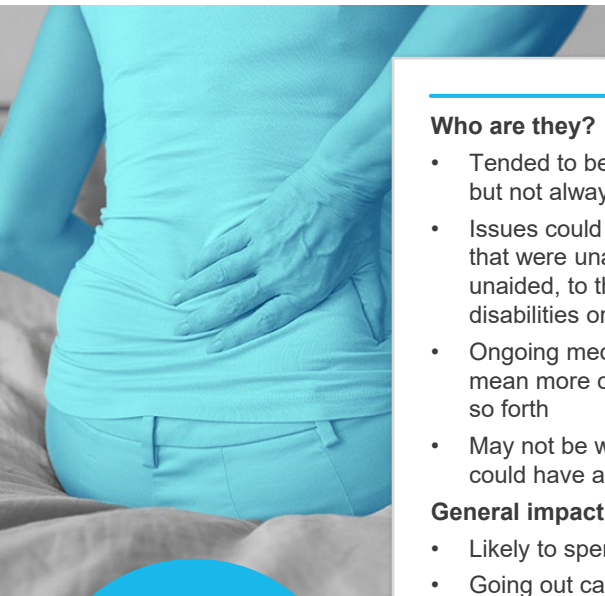
I'm quite a practical person, but my daughter is very good and will help me with some things. She'll sit with the iPad and submit my meter readings for me…

I like to have things in my hand. Then I know where it is. With cards, you want to be able to put them up and see them. You can't do that with an email.

No Internet, 70s, Scotland

"

More dependent users | **Restricted mobility users**

People with restricted mobility were more reliant on the post for both letters and parcels

Who are they?

- Tended to be older age participants but not always
- Issues could range from to those that were unable to walk very far unaided, to those with severe disabilities or were bedbound
- Ongoing medical conditions could mean more contact with hospitals and so forth
- May not be working and as such could have a low income

General impact

- Likely to spend more time at home
- Going out can be more of an upheaval - emotionally and physically
- Many were not able to venture very far or to busy places
- Can be more reliant on communications generally as a means of contact/connection with the outside world

Impact on use of postal services

- Tend to rely on online shopping and receive a lot of parcels as often not able to have these items otherwise
- Rely on letters for hospital appointments and benefits
- Some issues with delivery as not able to get to the door in time. Some had found workarounds e.g. Ring doorbell. Some sat by door at usual delivery time
- Others had issues with sending parcels/returning items if they were unable to get out and about. A minority of participants had started using collection services to overcome this
- Postal services also support emotional wellbeing:
  - look forward to deliveries
  - access to shops otherwise out of reach
  - human contact/connection

Possible additional requirements

- Ability to register with provider/ Royal Mail as mobility restricted to ensure that postman/woman is aware
- Option to select where you would like the postman/woman to leave parcels (beyond with neighbour)
- Promote relevant services such as collection services and how they work

So initially I didn't have a Ring doorbell so I couldn't say 'can you leave it on the doorstep because I can't move' or anything like that. So, I used to look at when it was roughly due to be delivered and make sure that within the couple of hours I could listen out and then shout out of the window to ask them to leave it.

Mobility Restricted, 60s, England

"

The postal service and the Royal Mail is much more important to rural users, especially those in isolated homes.

Who are they?

- Mix of people living in villages and isolated cottages/farms

General impact

- Impact depends on remoteness:
  - in villages, tend to have basic shops and generally a post office but need to drive further for more/bigger shops
  - In isolated homes, may have to drive to a village for any shops
- Overall, all have less access to shopping options
- Often have limited mobile coverage
- In isolated homes, communications generally are often more important for keeping connected

Impact on use of postal services

- Tend to rely on online shopping more than town dwellers by necessity
- Similar to typical users in terms of frequency of hospital/official documents
- Those in isolated homes have very limited choice:
  - Royal Mail
  - Occasionally EVRi (seems to depend on local staff situation)
  - (often Amazon)
- In snow often cut-off totally from post
- In villages more likely that other providers would deliver but not guaranteed
- Local post office opening hours had more impact than in towns as there is often no other option

Possible additional requirements

- Option to select where you would like the postman/woman to leave parcels (beyond with neighbour)
- Relevant services pushed for example collection services and how they work
- Little need for more/different delivery days/times

I live in Snowdonia, the nearest shop is in the village 25 minutes' drive away…

The post is really important to us because of where we live, to go to the cinema or clothes shopping is 90 minutes each way…

Royal Mail is the only one really, EVRi pretends to deliver here – I waited 3 months for my birthday present

Remote, 60s, Wales

Older users need the post more from an emotional perspective, but practical needs are similar to typical users.

Who are they?
- Users in their 60s and upwards
- Often less tech savvy but not always
- May be living alone or be more isolated and/or spend more time at home

General impact
- Some find it harder to adopt new technologies:
  – However, COVID-19 'forced' many to adopt digital communications
- Most are more likely to be sending/receiving health related letters
- And most tend to trust paper more than digital for important communications

Impact on use of postal services
- Generally, tend to value the physical elements of letters more than other groups:
  – More emotional meaning for cards/letters
  – More solid/tangible/trustworthy for health-related letters etc.
  – More secure and less chance of it going missing/falling into the wrong hands
  – Overall feeling of nostalgia or fondness for post
- Like the comfort and familiarity of the post:
  – Grown up with it, used to it
  – Also more likely to value the human contact of 'posties' and post office staff
- However, did not seem to have any greater needs regarding delivery days/times than typical users

Possible additional requirements
- Similar to typical users in many ways
- But can be more reluctant to reduce services levels (at least initially)
- May be more price sensitive and tend to worry more about price increases
- Overall, can be quite protective of Royal Mail and want to see it continue

The words that are in there [a card] – you really believe that the person… if they've chosen those words when they went to buy it then that is what they thought of you. I've gotten really sentimental! The Royal Mail service gives lots of pleasure to lots of people.

Low income, 70s, Scotland

"

More dependent users (of Royal Mail) | **Northern Ireland**

Who are they?

- Research participants interviewed in Belfast and Derry/Londonderry and surrounding towns and villages

General impact

- Of course, Northern Ireland has a similar mix of typical and other users
- However, it is in a different situation to the rest of the UK given that it's on an island
- The current political climate (notably Brexit and tensions over Stormont) add to the complexity of the situation

Research suggests that Royal Mail is more important to participants in NI in terms of the service it provides than other parts of the UK

Impact on use of postal services

- The key issue for participants in NI was that not all private providers (and courier companies) will deliver to NI
- This has less impact on letters
- But considerable impact on parcels
- This impacts on who they can buy goods from when online shopping:
  - Some mention that if they're trying to sell online, being from NI can discourage buyers
- They also have less choice of provider when sending and receiving parcels
- Royal Mail is therefore considerably more important in terms of meeting postal needs
- Some NI participants felt stronger than other UK participants with regards to keeping the Uniform Price:
  - Both for price reasons – and also politically

Possible additional requirements

- Consider increasing days/hours of parcel delivery (as no alternatives available)
- Option to select where you would like the postman/woman to leave parcels (beyond with neighbour)
- Relevant services pushed for example, collection services and how they work

Lots of couriers and sellers refuse to deliver to Northern Ireland. They say it's because their courier won't deliver here and I say use Royal Mail I'll pay more.

Suburban, 60s, NI

Keep one price otherwise they'll charge us more here to send from here to the rest of the country and that's not fair.

Suburban, 40s, NI

'Vulnerable' but less dependent | **Deaf or with hearing loss**

Deaf/hard of hearing users were similar to typical users in their usage and reliance on postal services

Who are they?
- Tended to be a mix of ages
- Ranging from totally deaf (using sign language) to those reliant on hearing aids/implants
- Condition cause by a mix of disease/medical condition or accident (e.g. gunfire)

General impact
- Most were working/active with similar lives to that of typical users
- Those with hearing aids often stated that their hearing loss had little impact on them
- Mostly they had learnt to manage
- Often using digital communications both for text and audio/visual
- Video conferencing was OK for many
- Some preferred mobile or landline

Impact on use of postal services
- Generally similar to typical users in use of both letters and parcels
- Reliance was therefore similar to that of typical users

I am profoundly deaf so if I lost a package for example, if a package got lost I would face lots of barriers in contacting the relevant parties to find out who has got my package. Often these services are inaccessible so I can't get in touch with them… Also if the driver of the delivery services tries to call you that is not helpful, I like to follow the driver delivery service [on tracking]… a text service or email service is valuable to let me know if they are going to have to cancel or rearrange a delivery.

Suburban, Female, 49, Wales "

Possible additional requirements
- Similar to typical users, e.g. option to select where you would like the postman/woman to leave parcels
- Would like to option to register as deaf/hearing loss so that the postman/woman is aware (and doesn't phone etc.)
- Those with most severe hearing loss wanted a way of getting in touch that didn't involve having to ring up (e.g. if you needed to complain/make an enquiry)
- Could also see tracking and Signed For options as more important so that they could avoid missing parcels/calling up
- One person wanted to see more tech/self-serve options as they could struggle to hear/understand the person behind the counter in the Post Office

'Vulnerable' but less dependent | **Low income**

Low income users, although more price conscious generally, were similar to typical users

Who are they?

- Often this group crosses over with those with low mobility and older people as often not working/receiving benefits
- Also includes one parent families and young people just getting started

General impact

- More price sensitive than other users
  - Both when sending and receiving (e.g. if have a choice of provider)
- Often selling unwanted items on Vinted and other sites to raise extra money
- Online shopping is often a way to get good deals/make money go further

Impact on use of postal services

- Generally similar to typical users in use of both letters and parcels
- Reliance was therefore similar to that of typical users
- Tended to be better informed of the cost of letters, but generally were able to afford 1st class or premium delivery when occasionally needed
- For parcels, less aware of costs, but tended to choose cheaper options when given choice
- Affordability is more of an issue, but tend to be able to choose options in their price range when required

Possible additional requirements

- Similar to typical users so no additional requirements per se
- Large cost increases may have more 'detrimental' impact

I switched to second class now…If I was to make a change it would be to give old age pensioners a discount on their postage… why not? We're the ones using it because we're old school, and many people don't know how to use the internet, or people my age anyway.

Low income, 70s, Scotland

"

5 Use of and needs from the postal service

Letters: While fewer letters were sent and received, they can still be important

Trend identified in previous research of fewer letters being sent has continued

- Sending even fewer letters as more is done digitally – accelerated by lockdowns and increased cost of postage (for some)

- The sending and receiving of personal letters has declined even among the older participants

- Apart from older/least digitally connected most are happy interacting with companies online. The benefits include speed, convenience and cost efficiency

- Some would open any letters straight away often through good practice rather than need

- Others leave all bar the more 'important' looking items (official looking letters or personal post) in a pile to deal with when have time

Post was still relied upon for certain types of letters/small packets

These tended to be:

- 'Official' communications:
  - Letters that require a signature – digital signatures have increased since the previous research but not universal
  - Passports, driving licence, bank cards and legal documents where the post can still be preferred
  - Official letters/bills – where participants were keen to track
  - Hospital appointments/medical letters where much of the communication is still by post

- Personal:
  - Cards/postcards – although have also declined and more being sent using online services across all age groups
  - Sending small presents for birthdays etc.

> *I think maybe less so [important] with cards and letters and things, they're less in need because you can send things like electronic cards which could take the need away.*
>
> **Typical users, younger, Londonderry**

> *Passport renewals and things like that, you have to use the post… but otherwise, I'll just do it online really… I've pretty much gone paperless.*
>
> **Mobility restricted, 60s, England**

> *The last thing I would have been looking for [in the post] was a letter from the bank. We'd opened a new account and we needed the bank cards.*
>
> **Rural, 40s, England**

Parcels: Users were becoming increasingly reliant on parcels

The volume of parcels had increased for most

- Most felt that sending/receiving parcels is an increasingly important part of their lives:
  - An increased use of online shopping among all age groups means that the volume of parcels received is felt to have increased
  - For early adopters, a sense that it increased some time ago and remains high
- Option for delivery could open up a wider range of choices and options:
  - Some of these retailers are online only
  - Enable users to access products from non-local providers
- Any parcels received were generally expected (and looked forward to) so people tend to open them straight away

Still received more items than they sent – but volume is increasing for some

- For all bar the online hobby sellers, a significant portion of parcels being sent are returns:
  - Pre-paid postage for purchase returns is increasingly the norm, although there can still be a choice of provider
- An increase in casual online selling (using services such as eBay, Depop and Vinted) were also driving an increase in parcels sent:
  - Economic pressures (and to lesser degree environmental concerns) were driving users to sell goods that are no longer needed
  - Often charging postage on top so may be less price sensitive
- Personal items being sent to those far away

I don't know if dependent is the right word… it's just so convenient and most of the things just make my life easier. So being able to order something rather than think 'oh I'll be in town in three or four days so I might be able to find it in Wilkinson's' or whatever.

Typical users, Older, Cardiff

It's probably the parcels [that are most important] because with everything else there's an online substitute… but if I want a physical product, it has to be sent. I do most of my shopping online, the stuff I'm buying from Amazon or eBay, or Vinted…

Dependent user, 30s, Belfast

It's mainly parcels that I send…I make natural products that I can then sell on eBay and Etsy and thinks like that. And I use Vinted for clothes. I pay for it and print the labels… but it's coming from them.

England Dependent user, 30s, London

Many used 1st class and typically do so out of habit, but 2nd class is being increasingly chosen as an alternative

First or Second Class

- Often, 1st Class is used as much out of habit as need for speed

- However also felt to:

  - Be more certain. It generally arrives the next day or the day after whereas less certain how long 2nd class takes

  - Be more trusted. Felt that post sent 1st class is less likely to go missing (although more of a perception than reality)

  - Signify something is important to those receiving it and that the sender values the receiver

- Occasional mentions that the time taken to receive an item can also depend on local collection times, particularly if they are early

Some users were starting to use 2nd class more than 1st

- Cost of living and increased prices of stamps have encouraged some people to use more 2nd class post

- Varies for letters and parcels:

  - Letters: cards and personal letters often not time sensitive if planned ahead

  - Parcels: if the user plans ahead, they can send earlier, and speed less important if returning items

- Slight perception that the difference between them has eroded somewhat. 1st or 2nd Class items can both take a couple of days

- However, for others sending fewer items the price difference between 1st and 2nd Class doesn't feel worth 'risking' 2nd Class

STRAT 7
JGSW
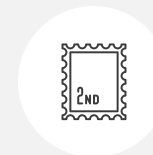
Use of other USO services was more limited

Signed For is used and valued when it is important to know that the recipient has received the item:

- For online sellers to avoid later disputes

- For (often occasional) important letters and documents which are not necessarily valuable you just need to know it has arrived

- On other occasions a certificate of posting is sufficient

Special Delivery tends to be reserved for more valuable documents/parcels when:

- Higher level of insurance is required

- It is a particularly important item and you need to ensure it is not lost and gets there by a specific time e.g. passports or legal items

- But sometimes used when Signed For would have been sufficient, simply because people don't know what the difference is, so go for the more expensive option 'to be on the safe side'

There were few spontaneous mentions of other services beyond these:

- Many simply ask at the Post Office if they need advice about which services to use

STRAT 7
JIGSW

Parcels needs also remained consistent – although expectations had often increased

Expectations had often increased

- The most regular users acknowledged that their expectations had increased as the competition continues to evolve:
  - Amazon has set the bar with next day deliveries and lockers, others with real time tracking and convenient drop off/ access points
- Keen to receive items as quickly as possible:
  - However, users receiving items often acknowledge they are more likely to 'want' not 'need' next day delivery
  - Delivery times for parcels were sometimes less important as long as it is within a few days but sometimes need something next day
- Reliability and certainty typically remain the most important factors when both sending and receiving:
  - Being confident it will arrive in time and in good condition

Simplicity, peace of mind and ease of use were also important

- Ease of **receiving** had become even more important as people return to the office:
  - **Flexibility with drop off**: being able to have alternatives to a neighbour for drop off (e.g. Amazon lockers)
  - **Ease of pick up**: close and out of hours locations to pick up if can't deliver (e.g. local stores)
  - **Control over delivery**: having specified delivery slots, and detailed tracking so you don't have to wait in
  - **Time of day of receipt** is rarely an issue – receiving later is often more convenient as more likely to be at home
- Similarly, when **sending items**, convenient drop off points (ideally with extended hours), choices over printing labels and options for signed for services/proof of posting if required are all important

There were few unmet needs

- Service was largely felt to be working well but some issues around receiving parcels:
  - Having to go to the post office and the hours of opening can be a minor hassle for those working full time
  - Noted by a minority who held a belief that Royal Mail doesn't deliver on Saturdays and depots don't open late, so difficult for shift workers or those working longer hours
  - Some complaints over the receipt of parcels and not being left if you're not there
- Some groups with additional needs would welcome a better system for receipt of items (those with mobility issues) and to contact Royal Mail (and others) should there be an issue

Key needs for letters remained consistent with research conducted in 2019

Requirements were rarely urgent

There was strong acknowledgement that most letters were not urgent so delivery speed was rarely critical.

There were infrequent exceptions when a next day service was still required:

- Greetings cards when the user is late in sending

- When something is particularly important and/or urgent

  - Some used Signed For post to be sure the item has been received

Users were typically less price sensitive on these more urgent occasions. They tended to be important but occasional and/or they are willing to trade off premium price vs lack of planning

Reliability and convenience were often key

Reliability was particularly important for those items being sent/received in the post:

- Participants were selecting the post as a trusted source of sending/receiving

- When sending items, they needed to be sure it will get there and have a reasonable idea when it will arrive

- When receiving it was vital that things like bills, official documents and hospital appointments arrive in good time

- Typically, it doesn't matter what time of day it is received. A minority liked to receive letters in good time to action them but most did not mind

No real unmet needs

Users generally had no or very few unmet needs:

- They want to retain a reliable and regular postal service

- But recognised that they are relying on it less

Occasionally urgent post gets delayed in arriving e.g. a hospital appointment.

There was an occasional mention of early collection times from post boxes but not a major issue given that for urgent items have the option to go to the Post Office.

Overall seen as a good and reliable service

6

The role of Royal Mail and price sensitivity

Overall, Royal Mail was seen as trustworthy and reliable

The most trusted provider – and often the 'go-to'.

Consistently high standards – gets there in one piece.

Securely delivered to the door.

Long heritage of expertise.

Local 'postie' provides a human connection.

Good customer service/ recourse if something goes wrong.

Good value for what you get.

Relationship with Post Office – so convenient and familiar place to post parcels/premium letters.

I don't know why but I feel quite a loyalty to Royal Mail. If I'm sending things that I've sold, I'll use 2nd class Signed For because I think it's quite good value, it's safe and I think it's insured, so I quite like that.

30s, dependent, Belfast

I think it's what you're familiar with. Royal Mail has been around for a very very long time. Historically, it's always been Royal Mail that people have used. I think it's what you know, and that's what the people of the UK know.
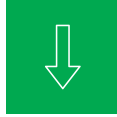
Typical Users, Older, Aberdeen

But also felt to be lagging behind competitors

Less innovative vs. competitors:

- Very few mentioned the Royal Mail app

- Sense you needed to go into a post office to buy services

- Not able to select specific delivery slots

- Perception that tracking options are either not available or are poorer than other providers

Less flexible in terms of delivery:

- Will not leave the parcel when you're not there

- Not aware of RM using lockers facilities or any other facilities

- Usually at the same time of day when you're less likely to be home

- Perception held by some that they don't deliver on Saturdays

Also, in terms of collection – very low awareness of collection from the door.

Access points (i.e. Post Offices) less convenient than competition:

- Depending on location – fewer post office counters vs. local convenience store options (EVRi)

- Depots often far away with limited opening hours and parking facilities

For a minority – seen as (more) expensive:

- For parcels – some competitors may be seen as cheaper e.g. EVRi and Yodel

Overall sense that Royal Mail felt somewhat 'old school' or old fashioned and less future facing although participants also tended to be forgiving here

STRAT7
JGSW

Royal Mail and Post Office services could be hard to disaggregate

Royal Mail and the Post Office could be confused and conflated

Not always recognised as different/separate companies

Go hand-in-hand and provide overlapping/complementary services

Often spontaneously referenced the Post Office

Sometimes talked about 'the Post Office' when they meant Royal Mail

The Post Office was often seen as key benefit of using Royal Mail

Extension of the 'human connection' via those serving the counter

Often thought to offer helpful and friendly advice (e.g. when to use Signed For vs. Special Delivery)

Can provide reassurance in terms of delivery times/price/weight (for parcels) which may otherwise be difficult to ascertain

Useful to purchase other post related items such as envelopes/ bubble wrap etc.

Royal Mail was still seen as offering reasonable value for money for letters and cards

- Participants were generally more price sensitive towards most things given the current economic climate
- Awareness of price of stamps (both 1st and 2nd class) was still relatively low – but there was greater awareness than in the Review of User Needs research in 2019:
  - Many were still not sure, guessing at 70p and up
  - Some knew the price of 1st class stamps had increased to over £1
  - Minority knew exact price
- Lack of awareness was driven by:
  - Infrequent buying of stamps
  - Buying in books and/or with other shopping
- Although there was a general increase in price sensitivity, this was often offset by the fact that they were sending fewer cards and letters:
  - Therefore, the price increases have had less practical impact
  - Generally, still felt to be affordable to send letters/cards as required

- However, there was a generally feeling that prices have gone up:
  - And that RM is not as good value for money as it used to be (esp. those aware that 1st class is over £1)
- The users most likely to see sending letters as 'significantly' more expensive were:
  - Older people/lower income people
  - Those selling from home (using large letters)
  - Those sending seasonally – when sending Christmas cards
- A minority had changed what they did when using postal service including:
  - Switched to second class
  - Reduced number of letters sent
  - Stopped sending large letters

STRAT7
JGSW

Royal Mail was still seen as more expensive for parcels, but reliability and convenience justified it for most

Requirements were rarely urgent

Despite the importance of parcels, awareness of price tended to be lower than for letters/cards:

- Could be because the price varies by size/weight and is not 'set'

- Only a minority knew the approximate cost of sending a small parcel 1st class

Highlights the fact that for most, focus is on receiving parcels – rather than sending:

- And there was often little choice in provider when returning items

Reliability and convenience are often key

When used, Royal Mail was felt to be slightly more expensive/more premium:

- But as generally not frequently used this was not a big deal for most

- And perceived benefits of reliability (trust) and convenience generally justify the cost vs cheaper providers

More were seeking out competitors to send parcels for cost reasons, but this was a minority overall:

- Tended to be more cost conscious and 'tech savvy', and/or for small scale online selling

Premium delivery services were seen as more expensive, but low frequency of use meant this was not a major concern

Premium delivery services

- Low awareness of the price of Special Delivery and Signed For – and therefore most were not aware of cost difference between the two

- Some spontaneously mentioned that the cost of Special Delivery was 'quite expensive', especially for letters (more so than in previous research)

- That said, price was generally not seen as an issue as these services were rarely used for the most part

- For many, the premium was justified by the speed, peace of mind (trust) and belief that Royal Mail will 'pay up' if a problem occurs

- Cost of Special Delivery and Signed For therefore not seen as prohibitive currently. But if 1st class (next day) is withdrawn it may be an issue for some

Redirection

- Very low levels of awareness of costs for redirection

- Amongst those who had recently used it, it was felt to be expensive but not prohibitively so:

  - Valued and 'worth it' for the peace of mind

  - No one had decided not to use it because of its price
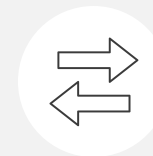
Key competitors: EVRi

Overview
- EVRi was well known – mentioned more often than other competitors
- Participants had variable perceptions of the quality of service provided
- Many were aware of the rebranding – had led to improvements for some
- Others still saw the service as less reliable than Royal Mail:
  - Perceived quality of service seems to be driven by their local driver
- Sometimes participants were choosing EVRi over Royal Mail, driven by either price, convenience or both

Positives
Receiving…
- Delivers at the weekend, at different times of day (may be more convenient)
- Drivers will leave the parcel in their preferred place if not at home (rather than take it to depot)
- More easily able to track parcels
- If collecting, can collect from local shops (closer, long opening hours)
- In some cases – regular delivery driver knows their needs

Sending…
- Can send from local shops (may have longer opening hours than post offices)
- Local shops may have equipment to enable sender to self-serve
- Generally seen as lower price than RM

Negatives
Receiving…
- Some report that parcels are more likely to get lost than via Royal Mail
- Also reports of:
  - parcels being damaged
  - parcels being delivered to wrong address or being left in plain sight
  - photos of indeterminate locations being used as proof of delivery
- More difficult to contact customer service and get resolution if a problem
- Don't deliver to NI or remote areas

Sending…
- Most had little experience of sending

EVRi is competing more than other providers with RM, but still questions over quality and reliability

STRAT 7
JGSW

Could be hard to differentiate between other competitors in the parcel market

Participants were often aware of a number of different providers operating in their local area including EVRi, DPD, DHL, Yodel, FedEx (and Amazon).

Overall sense that some provided a better, more professional service than others – for example DPD and DHL often named here.

But often only receiving parcels from these providers (rather than actively using to send) – and so differences between these services can be blurred.

Some felt that the likes of DPD and DHL offered good tracking options and often text you a time slot so that you know when to expect your parcel.

Some providers were more familiar than others – depending on where you live and which companies you order from.

Overall, most felt that they were well catered for in this market – apart from those in the most remote areas.

7 The role of the USO and the services and standards required

A reminder of the key elements that were researched

Overview of the Postal USO

- Royal Mail currently operates under a postal USO – this means it is required to provide certain services and meet certain minimum standards for some of the services it provides

- The Universal Service covers both letters and parcels/packets

- Minimum of one collection from all post boxes/Post Offices at specified collection times, six days a week for letters (Mon to Sat) and five days a week for parcels (Mon to Fri)

- Minimum of one delivery to all UK addresses six days a week for letters (Mon to Sat) and five days a week for parcels (Mon to Fri)

- Royal Mail must provide these services at the same price to all (uniform pricing) – so, one price goes anywhere i.e. the cost of a stamp is the same regardless of where you send your letter or parcel to within the UK

Specifics features of the USO explored

- Next day delivery (First Class) services

- Slower than next day (within three days, Second Class) services

- Signed For (an add on to First and Second Class. Also known as Recorded delivery. Signed For includes proof of delivery via a signature from the receiver and compensation of up to £50)

- Special Delivery (registered, insured and guaranteed by 1pm next day, tracked throughout)

- Certificate of Posting (proof of posting)

- Return to sender provision

- Redirection service (paid for service which allows people to redirect mail to an alternative address for a certain period of time)

As per previous research most were unaware of the postal USO – but were supportive once explained and understood

1 Maintains and protects overall standards for the user

2 Reinforces trust in Royal Mail and makes 'sense' for them

3 Sets a benchmark for all providers to work towards

4 Uniform pricing ensures simplicity and ease of use

5 Feels fair and reasonable for all

6 Unifies all parts of the UK

Those living in areas where other providers offer an inferior service due to their location experience the benefits of the USO first hand – ensures they still receive a regular postal service. Even low users of the post support these basic principles.

Some lack of awareness/knowledge around some services within the USO

There were a wide range of opinions in regards to the importance of services as per the 2019 Research

Many didn't have a complete knowledge of:

- The current delivery and collection standards for 1st and 2nd class

- The range of services available – and the prices of these

- The details of the features of individual services e.g. difference between Signed For and Special Delivery

- These often needed to be explained as part of the research

They were typically using these services infrequently –and may opt for the most expensive option for reassurance

This could lead some participants to see all services as 'essential' or 'nice to have'…

- As they didn't have enough knowledge to take the decision to reduce a service

If participants had actively used a service and/or saw a strong social value to it, they tended to see it as more important

Some could struggle to see how some of these services related to parcels as they may have only used them for letters e.g. redirection services

Response to uniform pricing was largely positive – but it did also have a few detractors

Key benefits to uniform pricing

Simplicity of the pricing structure:

- One price regardless of where you send it to and from
- Allows for self-service (letters)
- Avoids any unnecessary complexity – particularly for parcels which already requires some calculation
- Avoids risk of getting it wrong and under/over-paying
- Not sure how it would work otherwise – based on mileage?

> *I think they should keep it as it is… and that wherever you send it to is one price. If I'm sending something to Aberdeen and then something to Brighton, I'd have to look that up so I think it's easier if it's all the same.*
>
> **Typical users, older, Plymouth**
>
> ❝

Feels fair for ALL users:

- Sense that we all benefit at some point
- But also – can be out of your control as to where you need to send official letters – can be anywhere in the UK
- Some recognise that those living in urban areas end up subsidising others but feels reasonable not to penalise people based on where they live
- Relatively low expense – so not putting people out too much

> *I think I can understand why there is no other competition for delivering letters as who could deliver a letter from one end of Scotland to the other for £1.10? When you realise how many remote areas there are, it certainly feels like good value for money.*
>
> **Typical users, Older, Aberdeen**
>
> ❝

Potential downsides to uniform pricing

Can actually feel unfair for a few:

- Potentially paying more (or less) than is required
- Sense that everyone should simply pay for what they've used
  - Occasional suggestions that a two tier postal service would be fairer e.g. more local vs. longer distance
- Could be thinking about personal circumstances or others in society that may have less money and be sending locally
- Indicative of the cost of living crisis?

> *I wouldn't be opposed to them charging more for things that they're sending further away to be honest. That sort of makes sense doesn't it? That you're paying for a service – if something takes half an hour to deliver compared something that is going to the other side of the country. I would probably expect to pay more.*
>
> **Rural, 40s, England**
>
> ❝

STRAT 7
JGSW

Reviewing the USO in light of current needs

Most felt that the USO was meeting current needs and should be protected to ensure decent minimum standards for users.

Once the context is fully explored and participants understood the need for the USO to adapt to fit changing needs – they were typically quite willing to explore amendments – even in the form of reductions to the service.

This was true for vulnerable and dependent groups as well as typical users although some groups could be a bit less accepting of changes.

In addition, letters and parcels were often treated quite differently…

Letters

Participants, both typical and vulnerable, were often spontaneously willing to reduce some of the services and standards when it comes to letters.

Particularly in terms of having only one class of service and reducing the number of days for delivery and collection (as long as a faster/more frequent service remains for the occasional urgent items). Those most reliant on letters for hospital appointments could be a little less open to changes and would need reassurance that they wouldn't miss out.

Most did not call for any new additions to the USO here.

Parcels

Could be a question of what is needed from the USO vs. what is needed to be competitive in the market.

Generally, more reluctant to reduce services/service levels as sending/receiving parcels is more valued. This is especially true for some vulnerable groups most reliant on parcels e.g. mobility restricted.

As it stands, USO model works for users and meets basic requirements.

BUT many are conscious that other providers are offering more in terms of flexibility and technology – which RM may need to offer if they want some sense of parity.

Overall, most felt that one class of service would meet needs but considerable debate about what could look like

Across segments, participants often spontaneously suggested that the current system of having 1st and 2nd Class post seemed redundant or old-fashioned – and potentially increased the cost of services.

There was also some uncertainty around the difference in quality of service between the two classes – and some didn't feel that there was enough of a price difference to make it worthwhile.

This is particularly true for **letters** – down to the lower volumes being sent – but can also extend to **parcels**.

Most favoured ➤ **Least favoured**

Combined 1st/2nd Class

Most envisaged that this would be a middle ground between the two current services.

That is arriving within two days, and would cost more than 2nd class and less than 1st class (85-90p).

Best of both worlds – fitting with most peoples' needs at a cheaper price.

Most did not feel that this would significantly diminish the service.

First class only

Most tending to use 1st class anyway.

Often seen as the more reliable and therefore more valuable service (vs. 2nd).

For those using infrequently – no real concern about higher price.

Retains some sense of status quo – feels easier/safer (than a new combined service).

Second class only

Cheaper than sending 1st class.

From experience – usually arrives sooner than three days anyway.

Would still meet needs for many – up to the sender to be better organised to account for deadlines/birthdays.

Could be used in combination with Special Delivery when need more urgent/guaranteed delivery.

Most were willing and open for a one class of service for letters. This could extend to parcels too – especially for sending which was often less urgent. There tended to be more use of special delivery for parcels of a certain value anyway.

STRAT7
JGSW

There was some willingness to reduce collection and delivery standard levels but only for letters

Letters

- Most were willing to accept fewer days a week for delivery and collection – as they rarely need anything urgently
- 4-5 days would suit the needs of most and does not need to include the weekend as unlikely to engage with post then anyway
- Some were more willing to reduce collection days over delivery days on the basis that they are less in control of what is being delivered.
- Most do not take into account interdependencies of these service standards i.e. impact of reducing collection AND delivery
- But overall sense that receiving letters every 2-3 days would be acceptable for the majority including most vulnerable groups. Those most likely to rely on the post for medical correspondence- such as older age participants and those with chronic mobility problems could be most reluctant.

I think that most people would be accepting of a delivery of letters maybe only once or twice a week, but Royal mail just needs to be transparent about that and say that… and people would just need to get organised.

Typical users, older, Aberdeen "

Parcels

- Current standards (five days per week) was seen as acceptable for many with no spontaneous push back on this – especially as they can access competitor services if they require faster delivery (6/7 days)
- Others question why the service requirement is six days per week for letters and only five days per week for parcels given the value placed on parcels:
  - Therefore some demand for six days a week parcel delivery requirement
- Awareness of other providers operating at the weekend which means that they have alternatives if needed
- Highlights the need for Royal Mail to consider what is needed vs. what is competitive

I think you have to keep these standards for parcels given that the parcel market is booming. And I think you need to give people more of a choice in terms of delivery times as they'll just go elsewhere…

Dependent user, 30s Belfast "

Special Delivery and Signed For were often seen as essential options for both letters and parcels – especially if a combined service is adopted

Special Delivery

- Recognised as an important service for urgent/important items
- Including items of value – both letters and parcels
- Even those using are not always sure of all its features – many see as the most secure/all-encompassing service as use it even when they don't need all the features

'Signed For' (Recorded Delivery)

- Recognised as an important service when need proof of receipt
- Contractual, governmental and legal matters often require it
- The 'Signature' often seen as raising the gravitas of a letter
- Often used when sending goods sold online to confirm arrival

Both services tend to be used infrequently (except by those doing a lot of online selling).

1

But can be seen as vital when they are required – no alternative options.

2

Some can confuse the two services – and tend to see Special Delivery as more valuable.

3

Some call to merge the two services for ease – with different levels i.e. signed for, insured, and next day delivery by 1pm.

4

Sense that these services would become more important if a combined service (i.e. merging 1st and 2nd class stamps) is adopted – especially 'next day' option.

5

But a few worry about the cost of this as Special Delivery can be seen as pricey.

6

STRAT 7
JGSW

Most users felt they did not need any additional services, but a minority stated that they did value them

Certificate of posting

- Low awareness for the most part
- Once explained – some are not clear on the benefit and how they could use it
- However, those using postal services most often (typically hobby sellers) can see the value
  - way to prove that something was at least sent – and it doesn't cost anything
  - required by some buyers
- Many could see how this would be a useful option to use instead of Signed For

Redirection services

- Would be used very infrequently if at all – thus, not considered essential for the most part:
  - plus have the option to change address with key companies prior to the move
  - feeling that you're not likely to miss anything important anyway
- However – others felt the service was much more valuable:
  - depends on the circumstances of the move i.e. if you have to leave quickly/to avoid domestic abuse
  - a service that you're paying a reasonable amount of money for as a 'one-off' – so should be made available/is worth it for Royal Mail

Return to sender

- Some could feel that this wasn't needed anymore:
  - how often do important items go astray/to the wrong address?
  - people would update their address with organisations if they felt it was important
  - also, not sure how well the service works. Some claim that they continue to receive items for previous occupants even when they have tried to return them in the past
- Others however feel that it offers security – and that they write their return address on the back of post just in case
- What do you do with post that isn't for you otherwise? Is it illegal to throw it away?

Overall perceived importance of services within the USO – letters

Essential

One class service – either combined, 1st or 2nd class

A registered and insured service (Special Delivery guaranteed next day by 1pm)

First and second class Signed For (also known as Recorded Delivery)

Uniform pricing

Nice to have

Redirection service

Certificate of Posting (proof of posting)

Not needed

Choice of 1st or 2nd class service

Return to sender provision

Overall perceived importance of services within the USO – parcels

Essential

- One class service – either combined, 1st or 2nd class
- A registered and insured service (Special Delivery guaranteed next day by 1pm)
- First and second class Signed For (also known as Recorded Delivery)
- Uniform pricing

Nice to have

- Redirection service
- Certificate of Posting (proof of posting)
- Choice of 1st or 2nd class service

Not needed

- Return to sender provision

New additions to the USO

Letters

No new requirements – generally meeting current needs (and more open to reducing some services/service standards.

Parcels

Key needs are generally met – but may be room for improvement particularly in terms of flexibility around the delivery of parcels:

- Options to leave items in safe places/to avoid being redirected to the depot – this could include local shops or lockers as well
- Better opening hours for post offices counters and depots
- Option to register any additional requirements e.g. mobility issues
- Different options to contact customer services if required

In terms of sending:

- Promote collection/and other self-serve options

If Royal Mail wishes to be competitive – may also want to think about:

- Days of delivery – other providers cover the weekend
- Better use of technology inc. tracking options and delivery slots

STRAT7
JGSW