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24 May 2005

### **YOUR VIEWS ON POSTCOMM'S COMPETITIVE MARKET REVIEW 2005**

Dear Stakeholder,

As a key stakeholder in the postal services market, Postcomm continues to seek your views on how the postal market is developing, and what we might do to further the interest of postal users through promoting effective competition, while ensuring customers continue to benefit from a universal service.

Over the next year or so, Postcomm will need to make several important decisions that will influence the way the postal market develops. For instance, in the autumn we will issue final proposals for Royal Mail's 2006 price and service quality control. Postcomm is furthermore reviewing its approach to making third party access to Royal Mail's network work effectively for postal users. Postcomm is also currently consulting on common operational procedures. Further work is being undertaken to safeguard the mail of customers through the development of a code of practice for mail integrity.

The issues on which Postcomm would like your views are set out in the Annex to this letter. Please do not feel restricted by these questions; we want to know which issues are particularly important to you. Your views will feed into proposals Postcomm will publish in the autumn.

This will be an opportunity for you to ensure that we take account of all relevant issues in the 2005 Competitive Market Review. Your views continue to be invaluable to us in identifying and understanding key issues, identifying barriers to entry and switching, and helping us to develop policies to promote effective competition in the postal market.

Postcomm would welcome these views no later than 22 July 2005 addressed to:

Mr Richard Moriarty  
Director  
Competition & Regulation  
Postcomm  
Hercules House  
6 Hercules Road  
London SE1 7DB

Your response will remain confidential. Postcomm will not disclose your name in any reference to responses to this questionnaire, without seeking your prior permission.

If you are not the person who deals with mail issues in your organisation, please could I ask you to pass this to the appropriate person – and let us know, so we know who to contact in future.

If you have any questions regarding this review please contact Pav Dhesi (either on 0207 593 2120 or via [pav.dhesi@psc.gov.uk](mailto:pav.dhesi@psc.gov.uk)).

We look forward to hearing your views.

Yours sincerely



**Sarah Chambers**  
**Chief Executive**

## ***Annex 1: Questionnaire***

- I) Where competition has developed, and for which types of customers.
1. What developments in competition in the UK postal market are you aware of? What have been the benefits, or are the likely benefits, to postal users? And the shortcomings, if any?
  2. [Q for Operators] How responsive have you found customers to services offered by you? What did you do to approach customers? How did you target them? Please specify this in terms of geographic area, industry sector, size of company etc.
  3. [Q for Operators] Are you able to compete effectively or do you still experience barriers to entry? If you have experienced barriers to entry, what are they and why are they important? Please specify this per service, customer group etc. How do you believe these barriers can be minimised?
  4. [Q to Customers: Have you been approached by alternative providers? How (type of medium)? How often? How responsive have you found alternative operators to your specific requirements? Please also specify as far as possible, what your specific needs are.
  5. [Q to Customers] Have you switched any of your mail (all or part) to alternative operators? (If no, please go to Q6). If yes, what are the main reason(s) why you switched to an alternative provider? How has this affected your business model? How satisfied are you with the service provided by the alternative provider? Will you continue to use one or more alternative suppliers? How much of your total mailings do you expect to send through with alternative providers over the next 2 years? Depending on? Critical success factors?

6. [Q to Customers who have not used alternative providers] Why did you stay with Royal Mail? What would lead you to switch some of your mailings to alternative providers? Please specify the relative importance of the following: price, quality, and innovation.
7. [Q to Customers] How safe do you believe your mail is when carried by Royal Mail? And by alternative providers?
8. Are you aware of innovation in the market, responding to customers needs? Please specify. What are your specific needs in this respect?

II) Royal Mail's response to competition and the regulatory regime.

9. Have you noticed any change in Royal Mail's behaviour as a result of the introduction of competition?
10. Has there been any effect (detrimental or otherwise) on Royal Mail's provision of the universal service obligation as a direct result of competition? If so what, and why?

III) How competition is likely to develop in the medium-term (including whether any particular forms of competition, access or end-to-end, are more likely in the UK postal markets) and what the likely benefits are for postal users

11. How do you think the UK postal market will develop in the future?
12. How do you think competition will develop in the future? In which areas of the market do you expect this to be successful? Why?
13. Do you think a particular form of competition (access or end-to-end) is more likely to develop in the UK postal market? Why might this be the case? Do you have a preference and if so why?

14. [Q for potential entrants] What is your likely entry strategy? What services will you offer, and which customers are you likely to target?
15. [Q for Operators] How successful has your entry strategy been so far? What is your medium term strategy? What services are you likely to offer, and which customers are you likely to target? Do you see barriers to entry and what will you do to overcome them?
16. Looking to the future, where do you think innovation is likely? Why? What types of new products or services are likely to emerge?

IV) What regulatory measures Postcomm can take to improve the prospects for effective and sustainable competition benefiting postal users and leading to innovation.

17. Are there aspects of the current regulatory regime restricting the development of competition or encouraging unsustainable competition? If so, what are they and how are they restricting the development of competition or encouraging unsustainable competition?
18. What regulatory measures should Postcomm focus on to deliver effective and sustainable competition? Can you rank these in order of importance?
19. How will you judge the success of these regulatory measures?