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Dear Helen,

REVIEW OF ROYAL MAIL COLLECTION AND DELIVERY TIMES

Please find attached MUA's formal response to Postcomm's consultation regarding its Review of Royal Mail's Collection and Delivery Times.

Please note this response has been put together utilising the results of an internal questionnaire sent to membership, asking them the key questions posed by Postcomm in its consultation document. Please bear in mind, in certain areas the results reflect the individual views of mainly large volume mailers, and in places opinion will naturally vary dependent on each organisations own operational mailing requirements.

In recognition of this fact, the final results of the questionnaire have subsequently been discussed in wider forum at MUA's Inland Committee, and where possible members have attempted to gain a consensus opinion on the more diverse views submitted in the original questionnaire responses. Hopefully, this will make Postcomm's analytical job easier.

I hope that these findings will be helpful to you in your research. If you have any further questions do not hesitate to get in contact.

With best regards,

Jeremy Partridge
Executive Director
Mail Users' Association

Questionnaire on Collection and Delivery Times – Final Results:
November 2006

Collection times:

- **What are the most important elements of the collections postal service for you and/or your business?**

MUA Response

Members considered timeliness, reliability, and flexibility were the most important elements of the collection operation:

- Timeliness in terms of customers being able to ensure the carrier turns up at the specified time, and not before;
- Reliability in terms of them being able to take away all of the mail and process it that day. In respect to reliability, members would also note as Royal Mail insist customers provide it with a forecast of mail volumes expected to enter the system, they see no reason why this cannot be achieved;
- And flexibility in terms of being able to provide scope in time critical collections that meet customer own business requirements, in order to ensure customers are able to maximise the business day.

Members also believe there is a need for business customers to be able to negotiate later collection times with prior notice.

- **What are your essential needs (either as a sender and/or a recipient of mail) for collection times?**

MUA Response

Members consider their essential needs as senders of mail lie in their ability to send mail at times that suit their own business needs. There is strong opinion around the fact that businesses need to maximise the working day, and therefore it is critical the collection windows meet those needs. Otherwise resources are poorly managed, with the loss of vital processing windows that enable them to deliver quality to their own customers, and so maintain customer confidence.

Indeed, some customers are presently having to compromise on the products and services they use, for instance in one case a company is having to use Packetsort (LAT 5.15pm), rather than Mailsort 1 services (LAT between 12-1.00pm), in order to benefit from later collection times.

As recipients of mail, members consider it is essential customers, and other organisations they deal with, are able to send mail with the confidence that it will arrive within an agreed timeframe – i.e. next day if it is 1st Class, and within three days if it is 2nd Class.

- **Have you noticed any change in your collection times over the last two years? Has this had any effect on you or your business (if it has please explain how)?**

MUA Response

Responses to this question were varied. One member company had not experienced any changes to collection times, stating that these had been consistent over the last two years. They also noted that when they had high volume mail runs they were able to agree with Royal Mail additional collection times which sometimes included Saturdays (when appropriate).

Another company stated some of their collection times had been brought forward, and that this had had a negative impact on their business, in terms of customer transactions not being able to be processed overnight, causing disruptions in their processing operations.

One company noted that within the two year window, they had managed to secure a later acceptance time, which was no longer dependent on volume, or restricted to certain months of the year.

- **If collection times are brought forward at your nearest post box would you be able to make use of other collection points (post boxes or Post Offices near where you live, near your work etc) that have later collection times? If not, please explain why.**

MUA Response

Although this question is not directly relevant to business mailers, members did make a number of comments.

- ‘A metered mailbox is within a 5 minute walk from our office, and can be used if required’.
- ‘No, the volume of work we dispatch would mean it is not viable to utilise other collection points’.
- ‘Use of Post boxes or PO’s may cause us some Health and Safety risks and potential protection of data issues for our staff’.

- **How important is it for you to be able to respond to mail on the same day that you receive it?**

MUA Response

All respondents indicated they wish to have the capability to respond to customers on the same day they received mail. However, a number considered this to be vital to the smooth running of their operations. Some companies were reliant on this because they have agreed SLA’s with other organisations they fulfilled for, whilst others considered this facility to be absolutely critical in enhancing the opportunity for their businesses to meet customer demands i.e. their customers expected immediate responses to their correspondence. Other companies focussed on the importance of being able to process cheques on the same day as they are received.

- **Would you be prepared to pay more for a guaranteed collection time of no earlier than 5.30pm? What would you consider to be an acceptable increase in the price of a 1st Class stamp for this collection time?**

MUA Response

Principally, business customers do not believe they should be charged for a guaranteed collection time. As volume users they qualify for a free collection, and see no reason why they should now be charged for an existing service. One member noted it is a competitive environment and at the very least an end of day collection (i.e. 5.30pm) should be the minimum requirement for customers.

However, members do not consider it appropriate in any way to increase the price of a 1st Class stamp on the back of this assumption.

Some customers may be prepared to consider paying for a 7.00pm collection service, and would welcome introduction of a formal procedure for negotiating one off later acceptance times where necessary, to accommodate their own business needs.

- **Would you expect to pay less for earlier collection times? What would you consider to be a reasonable decrease in the price of a 1st Class stamp if collections were brought forward by three hours?**

MUA Response

Whilst members would prefer not to have earlier collection times, were this to be the case they would only be prepared to accommodate it if price decreases were there as an incentive to prepare mail earlier, and providing there were no increased costs attached to the service.

One member stated a 2-5p decrease to a 1st Class stamp would be a real incentive for the business to look at earlier collection times.

Delivery Times:

- **What are the most important elements of the delivery postal service for you and/or your business?**

MUA Response

The most important elements of the delivery specification were quoted as being:

- That mail is received before 8.00am in the morning, and that it is pre-sorted into different PO boxes;
- The reliability of delivery in respect of guarantees that mail will arrive at its destination, undamaged and without misappropriation.
- And that deliveries are time critical to meet the needs of customers' own business requirements, in order to maximise their business day.

- **What are your essential needs (either as a sender and/or a recipient of mail) for delivery times?**

MUA Response

As with the collection specification, members reemphasised the fact that a lot of their business areas need to ensure they maximise the working day, and therefore it is critical that the delivery window meets business requirements. This delivery window needs to be consistent otherwise companies end up wasting resource and lose important processing time for their customers. One company noted they presently pay for an earlier delivery time, enabling them to have as much production time as possible in the day.

As senders of mail members also need items to reach their destination in an appropriate manner, within the stated timescales. Failure on behalf of the carrier to achieve this, results in additional cost for senders in terms of the resource needed to deal with increased complaint levels.

- **Have you noticed delivery times changing since the implementation of Single Daily Delivery? Has this had any effect on your business (if it has please explain how)?**

MUA Response

Members companies have generally noticed an increase in customer complaints since the introduction of Single Day Delivery, and some have been impacted by increased mail volumes on the second business delivery of the day from Royal Mail. This has apparently had a major impact in at least one company as its business areas are resourced to meet the processing demands. This has had the knock on effect of mail being processed later in the day, meaning resource in the early part of the day is idle, and as a result they are unable to meet the end of day processing requirements in order to meet customer demands.

One member company noted that at the same time as Single Day Delivery was introduced they were advised that if they wanted to continue to have their mail pre-sorted, there would now be an additional charge.

On a more general point, members would note that rural deliveries in many parts of the country now appear to be being extended as far back as 12.00pm, raising the issue of whether the overall outcome of the removal of the 2nd delivery has actually been to remove the 1st delivery instead.

- **Would you expect to pay less for later delivery times, for example, 2.00pm deliveries? What would you consider to be a reasonable decrease in the price of a 1st Class stamp if deliveries are made at this time?**

MUA Response

Only one Member Company answered this question, and their response was that they considered later deliveries would be totally unacceptable to their business, and could potentially have serious implications in delivering the right quality of service to their customers.

Additional Issues:

- **What is more important to you/your business: the time of collection and delivery, or the consistency of the time?**

MUA Response

Members were of the opinion that both were important, however the key point was the provision of collection and delivery times that were able to meet individual business requirements, backed up by the expectation that Royal Mail would then provide a consistency in the quality of service it achieved.