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The Use of Postal Services by Legal Entity Users

Quantitative Research Report – Executive Summary

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OBJECTIVE

Identify the preferences of the users of postal services in Romania – legal entities.



CONTEXT

The information will be used to evaluate the universal service of postal services and to identify the need to introduce new postal services.

METHODOLOGY

Quantitative:

1450 questionnaires

Target population: legal entities from Romania who used postal services as senders

CONCLUSIONS (1.1)

The Use of Postal Services - General Information

- ✓ 4 of 5 legal entities (82%) used postal services as a sender in the previous year.
- ✓ Most used postal services are: sending mail (92%), sending mail with confirmation receipt (82%) and sending registered postal items (76%).
- ✓ In urban areas it can be observed a higher percentage of using the following postal services: sending postal parcels, sending with cash on delivery (the addressee pays for the good via the postal network), sending postal items with declared value, sending via the express service. In rural area it can be observed a higher utilization of: sending simple correspondence, sending mail with confirmation receipt and sending registered postal items (the sender receives proof that the provider delivered/handed over the respective item, based on signature).
- ✓ Regarding Trade companies, we can see a higher usage (compared to Public institutions) of sending postal parcels, sending with cash on delivery service, sending using special delivery service and sending via express service.

CONCLUSIONS (1.2)

The Use of Postal Services - General Information

- ✓ Over half of legal entities (55%) do not perform any operation of postal presorting.
- ✓ The most commonly used operation of presorting is by county or by county seat (26%).
- ✓ The average expenses with postal services for the interviewed legal entities were 3416 RON.
- ✓ Legal entities located in urban areas have higher expenses compared to those in rural areas (by 74%).
- ✓ Trade companies have higher expenses on mailings than institutions: by 92%.

CONCLUSIONS (2.1)

The use of postal services - Most used postal service

- ✓ Postal services most commonly used by legal entities are: sending mail (32%), sending mail with confirmation receipt (27%) and sending postal parcels (24%).
- ✓ 62% of legal entities that sends postal parcels use this postal service several times a week.
- ✓ Over 80% of legal entities sent last year a volume of up to 1000 postal sendings.
- ✓ Satisfaction with the accessibility of prices is moderate. Legal entities are the most satisfied with the accessibility of rates for sending mail (20% very satisfied, 47% satisfied); for the other types of service, satisfaction is in the same range (approx. 60% satisfied & very satisfied).

CONCLUSIONS (2.2)

The use of postal services - Most used postal service

- ✓ About 20% of legal entities postal sendings are directed to individuals, especially sending with cash on delivery (26% on average) and sending registered postal items (26% on average). The fewest references to individuals is done via parcel post shipments (15% on average).
- ✓ The main suppliers of postal services are (in terms of user preferences, both now and in the past): Romanian Post, Fan Courier and Urgent Cargus.
- ✓ Romanian Post is preferred for sending registered postal items (67%) and sending mail with confirmation receipt (65%).
- ✓ For sending postal parcels and sending with cash on delivery, private providers are preferred (Fan Courier approx. 50% and Urgent Cargus approx. 27%), while Romanian Post is preferred by only 4% of users.
- ✓ For sending standard mails the preferences are divided almost equally between the three providers: Romanian Post 31%, Fan Courier 33% and Urgent Cargus 23%.

CONCLUSIONS (2.3)

The use of postal services - Most used postal service

- ✓ For legal entities, the most important criteria to choose the supplier for sending mails are: the coverage, reliability and compliance with time delivery.
- ✓ When a legal entity chooses his supplier for sending mail with confirmation receipt it considers first: coverage, safety and proximity to the place of work.
- ✓ The most important criteria of choosing the supplier when sending postal parcels are the coverage, reliability and speed of postal delivery.

CONCLUSIONS (3.1)

The use of postal services - Last used postal service

- ✓ The most recent postal services used by legal entities are: sending mail (31%), sending mail with confirmation receipt (26%) and sending postal parcels (25%).
- ✓ 58% of legal entities send postal parcels several times a week; more than half of the legal entities sends several times a week simple mails (53%) or sends via cash on delivery (57%).
- ✓ Over 85% of legal entities send last year a volume of up to 1000 postal items. 20% of legal entities send more than 1000 postal parcels.
- ✓ Satisfaction with the accessibility of services prices is moderate. Legal entities are most satisfied with the price for sending standard mails (20% very satisfied, 48% satisfied); for the other types of postal services the satisfaction with the price is in the same range (approx. 60% satisfied & very satisfied).

CONCLUSIONS (3.2)

The use of postal services - Last used postal service

- ✓ Approximately 21% of postal sendings of legal entities is sent to individuals: sending with cash on delivery (average 29%) and sending registered postal items (26%). The smallest amount of sendings to individuals is attained for sending postal parcels and for standard mail (15% on average).
- ✓ The main suppliers of postal services are: Romanian Post, Fan Courier and Urgent Cargus.
- ✓ Romanian Post is preferred for sending registered postal items (75%) and for sending mail with a confirmation receipt (68%).
- ✓ For sending postal parcels and sending with cash on delivery service are preferred the private providers (Fan Courier approx. 50% and Urgent Cargus approx. 30%).
- ✓ For sending standard mail, the preferences are divided almost equally between three providers: Romanian Post 30%, Fan Courier 31% and Urgent Cargus 23%.

CONCLUSIONS (3.3)

The use of postal services - Last used postal service

- ✓ For legal entities the most important criteria to choose the postal supplier: safety (78%), coverage (77%) and timeliness of delivery (75%).
- ✓ When a legal entity chooses the postal supplier for deliveries with confirmation receipt considers first: coverage (80%), safety (76%) and tariffs (71%).
- ✓ The most important criteria of choosing a supplier of sending postal parcels are: speed of delivery of postal items (81%), safety references (80%), timeliness of delivery (81%) and its coverage (81%).

CONCLUSIONS (4)

Postal service providers

- ✓ The most used postal service providers are: Fan Courier (77%), Romanian Post (68%), Urgent Cargus (58%).
- ✓ The company Fan Courier has the best conversion rate from availability in the area into usage (86%).
- ✓ Among main providers of postal services, legal entities are the most satisfied with services offered by Fan Courier (71% satisfied, 35% extremely satisfied).
- ✓ Romanian Post company has one of the lowest satisfaction scores. Just over half (56%) of the legal entities clients of the Romanian Post are satisfied with the services provided, of which 27% are extremely satisfied. Similar satisfaction scores are achieved by other smaller private companies: GLS General Logistics System (60% very satisfied & satisfied), Nemo Express Logistic (57% very satisfied & satisfied), DPD - Dynamic Parcel Distribution (52% satisfied & very satisfied).

CONCLUSIONS (5)

Romanian Post users

- ✓ 60% of legal entities customers of the Romanian Post would change the postal service currently used with a cheaper one, in the same company, if the tariffs for this service would increase with 24% (applying VAT).
- ✓ If the Romanian Post tariffs would increase by 24%, 45% of the customers would give up using Romanian Post postal services.
- ✓ 1 of 3 legal entities customers of Romanian Post considers appropriate the differentiation of tariffs per county or by area of residence.

CONCLUSIONS (6)

The substitutability behavior

- ✓ Over half (59%) of legal entities customers who used the sending standard mail service would continue to use this service even if charges will increase by 10-15%. A quarter of customers (25%) would change the service with an electronic communications service.
- ✓ Three-quarters (75%) of legal entities customers who used the sending postal parcels service would continue to use the service if charges will increase by 10-15%.
- ✓ Over half (52%) of legal entities customers who use the sending registered postal items service would continue to use the service if charges will increase by 10-15%. A quarter of customers (25%) would change the service with an electronic communications service.

CONCLUSIONS (7)

The use of postal services - Past behavior

- ✓ The most used postal services in the past year were: sending mail (37%), sending postal parcels (27%) and sending mail with confirmation receipt (20%).
- ✓ The main reasons for not using in present the sending mail service, although last year they used this service the most frequently: the safety (66%), the quality-price ratio (57%) and the speed of delivery (52%).
- ✓ The legal entities have a high degree of fidelity for the postal service provider used. In the past year only 18% have changed the supplier once, and 9% have changed the supplier more than once.

CONCLUSIONS (8.1)

The use of postal services - Future behavior

- ✓ Almost all legal entities (97%) intent to keep using the current postal service provider for the next 12 months.
- ✓ The main reasons for legal entities to change the postal service provider are: tariffs, break the terms of delivery, delivery time.
- ✓ Three-quarters of legal entities (75%) believe that sending mail is an indispensable postal service. 63% consider the same about sending mail with a confirmation receipt and 60% about sending postal parcels.
- ✓ The main reasons for legal entities to consider indispensable the sending mail service are: tariffs (63%), quality-price ratio (74%) and safety of delivery (80%).

CONCLUSIONS (8.2)

The use of postal services - Future behavior

- ✓ If the current level of tariffs will remain the same, 80% of legal entities consider that the priority mail with delivery within 24 hours service is obligatory. But if the charge for this service would double, only 40% of legal entities will still consider it indispensable.
- ✓ If the current level of tariffs will remain the same, 62% of legal entities consider that the priority mail with delivery within 48 hours service compulsory. But if the charge for this service would double, only 28% of the legal entities will still consider it indispensable.
- ✓ Legal entities believe that all postal providers have to implement the following services in the future: delivery in the same day (regardless of location); international delivery service for money, deliveries with confirmation receipt, etc.; oversized parcel delivery service or special regime (volume / weight / fragile / animals).

Thank you!

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