

Information Notice

An Post's Quality of Service Domestic single piece mail.

Quarter 3, July to September 2003

Document No:	03/135
Date:	21 November 2003

Contents

1	. Fo	reword	. 2
2	2 Co	ommentary on Results	. 3
		Results for 3 rd Quarter of 2003 Further Action required	
3	3 TN	IS mrbi Report	. 5

1 Foreword

The Commission for Communications Regulation (ComReg) is responsible for monitoring An Post's quality of service performance. We appointed TNS mrbi to measure An Post's quality of service for single piece mail¹ in accordance with the principles set out in the European and Irish Standard I.S. EN 13850: 2002².

We are now publishing TNS mrbi's report on the third quarter's performance from July 2003 to September 2003 inclusive. According to this report 76% of single piece mail items were delivered the working day after posting. The cumulative result for the first three quarters of 2003 is 73%, against a target set by ComReg of 94%. This latest report whilst showing a modest improvement, gives no basis for confidence that the required quantum improvement in quality will be achieved.

ComReg has and continues to actively pursue the issue of quality improvements with An Post. At this point in time however, Christmas is the issue of most immediate concern. In response to our requests An Post has submitted a plan to put in place significant extra resources to ensure there is no repetition of last year.

We believe quality is a key element of the long term viability of An Post. The major problems facing An Post are well documented and the newly appointed Chief Executive is now undertaking a major strategic review of the Company's businesses. An Post has assured us that the revised strategic plan provides for the achievement, from mid 2004, of improved quality of service. ComReg is awaiting a detailed timetable from An Post in January 2004.

An Post have also been asked to revise their code of practice in respect of complaints to make provision for compensation and /or reimbursement in the event of loss, damage or undue delay and ComReg expects to receive this revised proposal before the end of this month.

Etain Doyle, Chairperson.

¹ Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small

² 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'

2 Commentary on Results

ComReg is designated with responsibility for the regulation of Universal Postal Services in Ireland. It is required to set and publish quality of service standards³ in relation to the universal service, paying attention in particular to routing times and to the regularity and reliability of services. It is also required to monitor the performance levels achieved against the targets which have been set. It has commissioned TNS mrbi to do this, in accordance with the European and Irish Standard, I.S. EN 13850: 2002 on its behalf.

2.1 Results for 3rd Quarter of 2003

TNS mrbi's report for the third quarter of 2003 shows that 76% of single piece priority mail was delivered the day after posting. 79% of mail for local delivery was delivered the day after posting. Only 73% of single piece priority mail from provincial centres to addresses in Dublin was delivered the day after posting. These figures show a slight improvement over the results for previous quarters.

2003	Target Set	Q1 31.3.03	Q2 30.6.03	Q3 30.9.03	Performance Year to 30.9.03
National Mail (D ⁴ +1)	94%	73%	71%	76%	73%
Local Mail ⁵ (D+1)	94%	76%	75%	79%	76%
All Mail (D+3)	99.5%	n/a	n/a	97%	96%

The table above shows the target set in accordance with ComReg 02/119 for 2003. The Q1 results are published in ComReg 03/58 and Q2 results are published in ComReg 03/107. The Q3 results are as per the attached report on page 5 from TNSmrbi as are the cumulative results for the performance year to date.

As advised previously it is statistically impossible at this stage to achieve the target for 2003. The main imperative for now is to ensure that there is no repetition of the problems that occurred last Christmas. The plans that An Post have put in place for Christmas will require "hands on management" and timely posting by customers for An Post to achieve an acceptable standard over the Christmas period. It is important that these are successful to ensure customer confidence in the service.

2.2 Further Action required

It should be noted that the core policy goal of the Government in respect of the postal sector is to ensure that Irish industry and domestic customers enjoy

³ For complete details of Targets set by Regulator see Appendix B

⁴ D represents the date of deposit

⁵ Local Mail is mail posted within the Greater Dublin Area or within any county council area for delivery within the same area.

competitively priced, high-quality postal services on a par with the highest quality standards in key comparator economies elsewhere in the EU.

The onus is on An Post as the designated universal service provider to offer such a service to its customers. The problems of An Post are now well documented and the newly appointed Chief Executive is now undertaking a major strategic review of the Company's businesses.

ComReg has stressed to An Post the importance of focussing on quality of service for all groups of customers, not just those on the larger customers who can exercise choice or invoke penalties when targets are not achieved. We will continue to exert pressure on An Post to improve its services. An Post has assured us that the revised strategic plan provides for the achievement, from mid 2004, of targeted productivity improvements arising from automation; and the implementation of revised collection and delivery arrangements in urban areas from mid 2004 with completion in all areas by Q3 2005. ComReg is awaiting a detailed timetable for implementation in January 2004.

An Post have also been asked to revise their code of practice in respect of complaints to make provision for compensation and /or reimbursement in the event of loss, damage or undue delay and ComReg expects to receive this revised proposal before the end of this month.

We are also in discussion with the Department of Communications, Marine and Natural Resources about enforcement powers.

3 TNS mrbi Report

Republic Of Ireland Quality Of Postal Service Monitor

Interim Report Items Posted On Or Between 1st January & 30th September, 2003

ComReg



REF: TNS mrbi/6307/03

TABLE OF CONTENTS

REF.	TITLE P	AGE
1.	INTRODUCTION	1
2.	NEXT DAY DELIVERY (D +1): ITEMS POSTED ON OR BETWEEN 1^{ST} JULY & 30^{TH} SEPTEMBER, 2003	2
3.	NEXT DAY DELIVERY (D +1): ITEMS POSTED ON OR BETWEEN 1 ST JANUARY & 30 TH SEPTEMBER, 2003	3
4.	DELIVERY WITHIN THREE DAYS (D +3): ITEMS POSTED ON OR BETWEEN 1^{ST} JULY & 30^{TH} SEPTEMBER, 2003	4
5.	DELIVERY WITHIN THREE DAYS (D +3): ITEMS POSTED ON OR BETWEEN 1 ST JANUARY & 30 TH SEPTEMBER, 2003	5
6.	METHODOLOGY	6
	 6.1. CALCULATION OF TRANSIT TIME 6.2. SAMPLE DESIGN 6.3. GEOGRAPHICAL DISTRIBUTION 6.4. CALCULATION OF RESULTS 	6 6 7 7

TNS mrbi/6307/03

8

7. PROJECT TEAM

1. Introduction

TNS mrbi has been commissioned by ComReg to monitor the quality of postal service in the Republic of Ireland, according to the European and Irish Standard, I.S. EN 13850: 2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'. For monitoring purposes, the universe of post is defined as all single piece priority mail and first class mail posted and delivered in the Republic of Ireland. Monitoring is conducted via a nationwide panel of more than 400 homes and business premises posting and receiving mail on a continuous basis.

This report presents the findings for items posted between 1st January and 30th of September, 2003.

This is the third quality of service report to be issued by TNS mrbi. Reports will be issued on a quarterly and annual basis.

TNS mrbi is an independent provider of business information. TNS mrbi is a fully owned subsidiary of TNS plc.

2. NEXT DAY DELIVERY (D +1): ITEMS POSTED ON OR BETWEEN 1ST JULY & 30TH SEPTEMBER, 2003

		Anywhere	Local (delivery within county of posting)	Dublin County
POSTING	Anywhere Dublin county Outside Dublin county	76% (+/-1.5%) 75% (+/-2.4%) 77% (+/-1.9%)	79% (+/-2.0%) 78% (+/-2.9%) 80% (+/-2.7%)	76% (+/-2.3%) 78% (+/-2.9%) 73% (+/-3.8%)

- 1. () figures in brackets relate to accuracy levels at 95% confidence
- 2. Total number of effective observations 4774
- 3. Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.

3. NEXT DAY DELIVERY (D +1): ITEMS POSTED ON OR BETWEEN 1ST JANUARY & 30TH SEPTEMBER, 2003

		Anywhere	Local (delivery within county of posting)	Dublin County
	Anywhere	73% (+/-1.0%)	76% (+/-1.2%)	72% (+/-1.4%)
POSTING	Dublin county	71% (+/-1.6%)	73% (+/-1.9%)	73% (+/-1.9%)
	Outside Dublin county	74% (+/-1.2%)	79% (+/-1.6%)	69% (+/-2.2%)

- 4. () figures in brackets relate to accuracy levels at 95% confidence
- 5. Total number of effective observations 17252
- 6. Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.

4. DELIVERY WITHIN THREE DAYS (D +3): ITEMS POSTED ON OR BETWEEN 1ST JULY & 30TH SEPTEMBER, 2003

		Anywhere	Local (delivery within county of posting)	Dublin County
	Anywhere	97% (+/-0.6%)	97% (+/-0.8%)	97% (+/-0.9%)
POSTING	Dublin county	97% (+/-0.9%)	98% (+/-1.0%)	98% (+/-1.0%)
	Outside Dublin county	97% (+/-0.8%)	97% (+/-1.2%)	96% (+/-1.7%)

- 7. *() figures in brackets relate to accuracy levels at 95% confidence*
- 8. Total number of effective observations 4774
- 9. Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.

5. DELIVERY WITHIN THREE DAYS (D +3): ITEMS POSTED ON OR BETWEEN 1ST JANUARY & 30TH SEPTEMBER, 2003

		Anywhere	Local (delivery within county of posting)	Dublin County
	Anywhere	96% (+/-0.4%)	96% (+/-0.6%)	95% (+/-0.7%)
POSTING	Dublin county	96% (+/-0.7%)	96% (+/-0.8%)	96% (+/-0.8%)
	Outside Dublin county	96% (+/-0.6%)	97% (+/-0.7%)	94% (+/-1.1%)

- 10. () figures in brackets relate to accuracy levels at 95% confidence
- 11. Total number of effective observations 17252
- 12. Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.

6. METHODOLOGY

The method of monitoring is in full accordance with European and Irish Standard, I.S. EN 13850: 2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'.

6.1 Calculation Of Transit Time

Transit times are calculated according to a five-day working calculation rule; whereby Saturday's, Sunday's and public holidays are subtracted.

6.2 Sample Design

The sample design corresponds with the most accurate and up-to-date estimates of real mail flow and discriminant characteristics available to An Post. The sample employs strict proportionality across all key characteristics. Discriminant characteristics are defined as:

- Method of posting
- Method of addressing
- Envelope colour
- Envelope size
- Method of payment
- Day of week of posting

Regional mail flows are quota controlled with weighting used to restore proportionality.

6.3 Geographical Distribution

Stratified random sampling is employed to achieve the required panel geographical distribution. All addresses are verified with panellists for accuracy and completeness.

6.4 Calculation Of Results

Accuracy of the transit time is assessed by calculating the variance of the estimator and the design factor, taking into account:

- number of points of induction and receiving
- correlation of test items

7. PROJECT TEAM

Ian McShane, Managing Director, TNS mrbi Damian Loscher, Deputy Managing Director, TNS mrbi Maura Murphy, Associate Director, TNS mrbi Michael Brennan, Research Executive, TNS mrbi