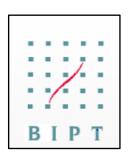# WHY5
r e s e a r c h
IT'S ALL ABOUT PEOPLE

A qualitative study into consumer perspectives in the Belgian postal market

Commissioned by the Belgian Institute for Postal Services and Telecommunications (BIPT)

B I P T

WHY5Research

1.1. Changing habits, needs regarding postal services in general

- We notice a large degree of **functionalisation** of letter post.

  - The **administrative function dominates**. Letters are (almost exclusively) associated with administration (invoices, insurance, doctor's certificates, ...) and unpleasant messages (e.g. registered items).

  - Only a minority still attaches great **emotional value** to letter post. For most people this emotional value **only appears in certain situations**: e.g. a holiday post card, a letter for children who are out camping, ... Personal (emotionally charged) communication has to a large extent been replaced by e-mail/social media/text messages, which are much faster and cheaper. This does not only apply to younger generations, but also to visually impaired people, for instance. In that sense the interpersonal 'communication role' of letters has heavily been reduced and has almost disappeared. An important effect thereof is that the **sense of 'urgency' of letter post has greatly decreased** (except for registered items).

  - This is also connected to the **depersonalisation of the postman's function**: to a majority of people (except sometimes in rural areas) that function does not play a role of social cohesion anymore. Some of the causes are: *(perception of) high time pressure postman, staff rotation, more fluctuation in moment of passing by, ... Certain groups* (e.g. vulnerable group) do want that role to be upgraded again, but that is also driven motivationally (see 'in-depth analysis').

- Parcels are more and more regarded as the general **reference for postal services**.

1.2. Future

- Expectations are that the growing digitalisation will reduce letter post to a **'niche' service** and that the parcel market (now already performing very well, but still showing room for more flexibility) will continue to evolve.

- However, users are open to:

  - **Modern applications** (cf. Mobile Postcard, track & tracing, self-printing of stamps, digitalisation of registered letters, ...).

  - A **strong part of the universal postal service provider played on the parcel market** (also > 10 kg), in which he is given the room to be as competitive as possible through maximum flexibility (e.g. in determining the time of delivery).

  - The further spread of **24H parcel machines**.

1.3. Nuances according to specific target groups

Vulnerable users (physical disability, visually impaired, ...)

- Depending on their degree of disability **they are more sensitive to a reduction of comfort** - by shrinking the postal network (offices, points, red letterboxes). It is important to point out here that the public at large is very sympathetic to their situation. **In general there is a lot of sensitivity towards the needs of vulnerable users**, a situation everyone will be faced with sooner or later.

- Some people are **more dependent** on postal services to stay in touch with the outside world (e.g. certain older people who are less mobile), while others (e.g. many visually impaired people) are **rather digitally oriented**.

Liberal professions

- The majority (in our sample) acts in the same way **as private persons**, especially because the largest part of their communications **has already been digitalised** too (e.g. architects) in recent years, so that communication takes more and more place **by way of e-mail and file transfer** (e.g. WeTransfer). Only official administrative documents are still being sent over the traditional letter post.

SMEs and associations

- Postal services are **to a larger or lesser extent fundamental to their management/operation**.

    - Letters are often still important (normal items) and many letters are registered items (e.g. reminder).

    - Catalogues and direct mail are partly digitalised, but in part they are still sent by mail because this has **more impact** (as opposed to an e-mail, which is easier to ignore).

- Professional users are **interested in digitalising everything as much as possible**.

    - They have the feeling that they still receive/send a lot by traditional mail, purely because the **environment is not mature enough yet** for total digitalisation (legislation, customers, lack of harmonisation of accounting, ...).

    - They put **efficiency and quality of service before price**.

- Larger professional users, who already have optimised their postal context (or think they have), **do not necessarily strive for further professionalisation of bpost parcel services,** because they already have sufficient professional options.

- Smaller professional users often think they **have insufficient volumes** to carry off specific contracts.

- Role of parcels depends on the nature of the business:

  1. Either it is part of the 'core business' (e.g. an e-retailer, an association/non-profit organisation sending out tourist information, a technical or IT company that needs and/or sends a lot of spare parts) and in that case they will have optimised their postal use in function of their needs:

     - based on **contracts with courier services** - which mainly depends on reliability and price;
     - by **selecting the cheapest courier per region/country**;
     - by appealing to a **broker**;
     - by using **as many cost-saving services as possible** (e.g. franking machine, deposit in MassPost centre, ...).

  2. Or it is important but not part of the 'core business' (e.g. a hotel). In that case there is a lot of variation: some work very much 'ad hoc', do not really know what possibilities bpost has to offer or split up their postal services (e.g. urgent cases for courier service, normal post still brought to a post office manually).

  3. Or it is only sporadically important - e.g. an association that does a mailing only a few times a year - so that they reason as private persons or have a very specific solution they do not deviate from.

- In that case bpost is **not perceived as 'company/industry oriented'**, but rather as a (light) '**option**' for domestic items that may be cheaper, but also less reliable and professional. Bpost is mainly appealed to for **non-essential items**. The following reasons are mentioned:

  - **'Track and Trace'** also costs extra if one does not have a contract and besides the track and trace process is more complex when parcels cross the border (e.g. new track and trace number for the new country).

  - **No network abroad:** bpost has to work with other partners over there. This results in a feeling of less 'total solution', more insecurity, less transparency and higher complexity (e.g. changing tracing codes, less clarity about contact, ...).

  - Inefficient **complaint handling**: e.g. little proactivity/options in case of parcel loss or damage.

  - **Lack of proactivity** towards companies: the right solutions are not proposed enough.

The assessment is different though for those who have a contract with bpost and do send large volumes of parcels. In that case the **experience is positive**: efficient, not expensive, ...

1.4. Possible changes to the universal postal service

The scenarios proposed are **perceived as differentiated ways to achieve cost reduction**. The fact that one is rather pleased with bpost entails a high degree of **openness/willingness to follow this thinking exercise** (and cost rationalisation). [1]

Scenario 2 (*Decreasing the delivery frequency for traditional letter post*)
This scenario has been **welcomed most of all with a large margin**. It is **acceptable to nearly everyone**, especially in the light of the sharply decreased relevance and the functionalisation of letter post in general. However, the condition is laid down that an **exception can be made for urgent matters** such as mourning cards, birth announcement cards, unforeseen circumstances, registered items, ... (The possibility of Day + 1 delivery should exist). Finally, one wants to keep some kind of control over the delivery process and therefore delivery should take place on fixed days (e.g. Monday/Wednesday/Friday).

Scenario 5 (*Remove bulk mail from the universal service for professionals)*
It looks like **a logical evolution**, but to professional users it just comes across as rather **abstract**, either because they are unaware of what that removal would lead to, or because they are already operating with (negotiated) contracts. Professional users are **not sure that the tariffs will remain the same** when bulk mail is removed from the universal service.

Scenario 1 *(Less postal points/offices/letterboxes)*
This scenario **generates little enthusiasm, but it is still relatively acceptable** because it is already a reality for some (or a process that is taking place anyway). The perception of this solution **strongly depends on the context** (the current use of postal services, the current distance to a service point).

Scenario 3 (*Eliminate the requirement to serve every address in the territory*) (*e.g. 1 installation per street with one letterbox per house. Solution now used by Sweden for rural areas)*
This scenario generates **little sympathy** because it is **regarded as an important degradation of the basic right as an individual** to benefit from immediate and accessible mail delivery. This scenario gains more support from those who are somehow already familiar with the system in large buildings/complexes or abroad (e.g. US, Spain). It is something that would take quite some time to get used to, but not something that would easily be accepted.

Scenario 4 (*Abolish the requirement to serve the entire territory at affordable and uniform rates) - (This means that the universal postal service provider would be allowed to ask a higher compensation in certain regions – e.g. in the form of special stamps - compared to other regions)*
This scenario faces **strong opposition** mainly emotionally, because it undermines the inclusiveness of the service. Anything manifestly felt as discrimination, encounters opposition. Neither is it clear who would have to pay in that case (addressee or sender). Finally, it also seems very complex and as a consequence seems to strengthen the impression that a 'cumbersome' bureaucracy is lurking behind the universal postal service provider.

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[1] The main purpose of the submitted proposals is not to realise savings, but to formulate adaptations which are needed to adapt to the changing needs of the population.