

Post Office News - September 2017

Ofcom reports on postal market

During 2015-16, the total number of addressed letters sent declined by 4% to 11.8 billion. But nearly 9 in 10 people still say they value the option to use postal services, according to the latest annual Ofcom <u>report</u> on the communications market.

Attitudes to post vary by age, with postal services valued most by older people. 78% of over 75s say they would feel cut off from society if they couldn't send or receive post, compared with 48% of 16-24 year olds.

Overall, adults are sending less post than they were 2 years ago, and 4 in 5 people are spending £20 or less a month on post. Over 6 in 10 (65%) say they are using email more instead of post.

Ofcom finds high and rising levels of online shopping for physical goods, with 23% of adults buying products online at least once a month. The majority, 8 in 10 people, have their purchases delivered to home, but 11% use delivery to a post office and 12% to a parcel shop.

Consumers say post offices are top local service

Research finds post offices are the nation's favourite high street shop and service for the third year running. The Association of Convenience Stores (ACS) <u>survey</u> of UK consumers and local councillors shows that the top 3 services which have the most positive impact locally are post offices, followed by convenience stores and specialist food shops. The poll supports earlier Citizens Advice <u>research</u> finding people rank a post office as more important than a bank branch, library or pub.

The ACS's Community Barometer also shows consumers think it would be beneficial to have more post offices, banks and specialist food shops in their local area. However people would like to see fewer betting shops and pawnbrokers.

The ACS comments that over recent years more convenience stores have been including Post Office services as part of their overall offering, as well as developing services such as deli counters and fresh meat from local suppliers.

Post Office offers fibre broadband

The Post Office has started offering fibre <u>broadband</u> services for the first time. A range of broadband packages are available to consumers, with speeds of up to 76Mbps. Fibre broadband uses fibre optic cables, bringing faster speeds than standard broadband, which is especially useful for streaming services such as film, TV, gaming and music.

Telecoms is one of the Post Office's four service 'pillars', which also include mail, financial services and government services. Post Office telecoms services include the landline HomePhone, e top-ups and phone cards. Telecoms currently yields 13% of total Post Office Ltd <u>turnover</u>.

Local Collect and Christmas planning

Royal Mail is <u>promoting</u> the Post Office's Local Collect service to retailers planning their Christmas business. Businesses can provide consumers with a Local Collect delivery option when shopping online.

Local Collect enables consumers to collect their items from any of the 10,500 post offices offering Local Collect, or at a Royal Mail Enquiry Office. Retailers may charge for the service, but there is no charge payable when consumers collect their item at a post office.

Royal Mail <u>research</u> in 2016 found a significant increase in online shoppers who say they would positively favour a retailer who offered post office collection. 51% of online shoppers said they are likely to use an online retailer who delivers direct to a post office, up from 44% in 2015.

Royal Mail has also <u>published</u> some of the last posting dates for Christmas.

Post developments around the world

- Australia Australia Post is introducing new digital <u>ID</u> technology across a range of companies and government departments. The technology allows people to verify their identity information once, removing the need to repeatedly use several forms of identity to prove who they are or have numerous passwords to access products or services.
- New Zealand New Zealand Post is <u>trialling</u> a new delivery service, enable online shoppers to make an upfront payment entitling them to an unlimited number of purchases with no delivery fee from participating online retailers. NZ Post describes this as a solution to the problem of consumers wanting to buy small things online where the cost of shopping is too high relative to the purchase.
- Netherlands A new PostNL <u>service</u> enables consumers to choose the delivery time of their online order, at the moment of purchase. Using the delivery option 'Delivery by appointment', the consumer chooses the day and 2-hour time slot during which PostNL will deliver the parcel.

More on Citizens Advice post policy work

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