

Business Perception Postal Survey / July 2023

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Press Release

The Malta Communications Authority (MCA) has released the results of its latest business perception survey, conducted in 2023.

These findings provide valuable insights into the perceptions and behaviors of businesses regarding postal services in Malta, facilitating a deeper understanding of the evolving postal market and the needs of postal users.

As the regulator for postal services, the MCA conducts regular research to evaluate the use of postal services by households, businesses, and bulk mailers. This survey is part of a comprehensive series aimed at assessing the satisfaction of businesses with the services provided by MaltaPost and other operators, monitoring various aspects related to postal services, such as price levels, quality, and accessibility. This research aims to inform the decision-making process of the Authority, which directly impacts consumers and businesses.

Survey Methodology

The study involved two separate surveys: a primary survey and a supplementary survey, each with a specific objective aimed at different segments of the business community. The main survey sampled 411 Maltese businesses, with a focus on microenterprises consisting of 1-9 employees. The supplementary survey, on the other hand, targeted 100 medium and large businesses. The interviews were conducted via telephone between January and February 2023.

Both surveys covered topics such as overall business perception and satisfaction with postal services, volume of addressed letter mail and expenditure on this service, use of postcodes, mail delivery speeds and deferred delivery preferences, acceptability of a 5-day delivery week, and post office visits.

The dual survey approach enabled a more comprehensive understanding of the perception of postal services across different business sizes, ensuring a more robust and representative analysis.

Expenditure on addressed letters

In the primary survey, 12% of respondents, and in the booster survey, 27% of respondents reported spending over €500 on addressed letters in the twelve months prior to the survey. This represents an increase compared to the 2019 survey, where 10% of respondents in the main survey and 24% in the booster survey reported spending over €500. On the other hand, there was a significant increase of 16 percentage points in the number of businesses that claimed to have spent less than €5 weekly in the previous 12 months on addressed letters. In other words, more businesses reported spending a smaller amount on addressed letter mail compared to the previous survey in 2019.

Sending and receiving addressed letters

In relation to the volume of addressed letters received by businesses on a weekly basis, 51% of respondents in the main survey reported that the volume remained the same over the twelve-month period prior to the survey, compared to 55% in the booster survey.

With respect to the volume of addressed letters sent on a weekly basis, the main survey revealed that 35% of respondents reported a lower volume, while 34% stated it remained unchanged. In the booster survey, 43% of respondents reported a lower volume, while 44% stated it remained unchanged.

Among those who reported a decrease in the number of letters sent weekly in the primary survey, 94% attributed it to the use of email, while 63% mentioned the availability of online payment facilities as a contributing factor. Similarly, in the booster survey, 88% attributed the decrease to the use of email, while 74% mentioned the availability of online payment facilities. These findings underscore the influence of digital communication methods and the availability of online payment options, which are contributing to the reduction in the volume of addressed letters being sent.

Delivery speeds

The survey included a question asking the participants to indicate their preferred lead-time (in days) for the delivery of addressed letter mail. The findings from the main survey showed that 51% of the respondents considered next day delivery (D+1) to be acceptable, which is consistent with the results from the 2019 survey. However, there was a change in preferences when it comes to 3-day (D+3) and 2-day (D+2) delivery. The main survey finds a 4-percentage-point increase from 2019 to 2023 in the number of respondents who favoured a 3-day delivery (D+3) instead of a 2-day delivery.

Parcel mail

A significant proportion of businesses reported receiving the same amount of parcels as in the 12 months prior to the survey. In the main survey, 41% of respondents indicated similar parcel volumes, while in the booster survey, this figure increased by 15 percentage points to 56%. On the other hand, a notable percentage of businesses stated that they do not receive parcels. In the main survey, 30%

of respondents reported a decrease in parcel reception, while in the booster survey, this percentage decreased by 15 percentage points to 15%.

Moreover, the survey revealed that there was a significant number of businesses reporting an increase in the number of parcels received in the 12 months prior to the survey. In the main survey, this figure was 14% of businesses (up by 3 percentage points since 2019), while in the booster survey, this figure slightly rose to 16% (down by 3 percentage points since 2019).

Difficulties encountered

The survey also explored the difficulties faced by businesses in sending parcels during the post-COVID period compared to the pre-COVID period. A notable percentage of respondents (25% in the main survey and 31% in the booster survey) reported difficulties. Among those that faced challenges, the most frequent difficulties mentioned were excessive delays (78% in the main survey and 100% in the booster survey) and higher shipping costs (75% in the main survey and 73% in the booster survey).

Regarding Brexit-related shipping difficulties, the survey asked businesses about their import/ export activities with the UK. In the main survey, 24% of businesses reported engaging in such activities, while in the booster survey, this percentage rose to 28%. Out of these businesses, a considerable number (67% in the main survey and 57% in the booster survey) reported encountering difficulties with shipping to and from the UK.

Use of the postcode

The main survey has revealed a considerable increase in the use of postcodes in 2023, with 96% of respondents indicating that they include postcodes when sending addressed letters, although not always. This represents a significant increase from the 88% of respondents writing post codes on mail items as reported in 2019.

Registered mail

A significant proportion of businesses (42% in the main survey and 27% in the booster survey) reported not sending registered mail. However, among the businesses that do send registered mail, the most popular frequency was once every 6 months, with 23% in the main survey and 24% in the booster survey adopting this frequency.

Bulk mail

When it comes to bulk mail, a high percentage of businesses (88% in the main survey and 80% in the booster survey) do not make use of the service. Bulk mail is utilised by a small percentage of businesses, with 6% in the primary survey and 12% in the supplementary survey to send 750 or more addressed letters in bulk.

Deferred delivery

Regarding discounted tariff rates for deferred delivery options, in the main survey, 30% of respondents stated their willingness to accept such an arrangement, whereas a notable 23% of respondents expressed their unwillingness to support a deferred delivery period of 2 days, even if accompanied by a lower price. It is worth noting that 47% of survey participants indicated that their preference for delivery speed would depend on the urgency of the mail.

The results of the booster survey indicate that 32% of respondents would choose the cheaper postal option, which is the same as in 2019. Meanwhile, 23% stated that they would not accept a deferred delivery, slightly up from 22% in 2019. Most respondents, or 45%, would opt for a postal service depending on the urgency of the delivery, highlighting the possible need for a more flexible approach to delivery timelines.

Acceptability of a 5-day week

Currently, mail delivery takes place six days a week, from Monday to Saturday. When asked about the feasibility of a 5-day delivery week, 22% of respondents in the main survey consider it inconvenient. Among the remaining 78% of participants, 57% considered a 5-day delivery acceptable, while 21% found it inconvenient but still manageable.

The booster survey revealed that 65% of businesses found a 5-day postal delivery week acceptable, marking a substantial increase of 30% compared to the previous study. Another 23% of respondents stated that while it would be inconvenient, they would still be able to work with such a situation, which is lower than the 39% reported in 2019. These findings highlight a growing acceptance among businesses for a reduced delivery week, suggesting that there is a changing perception regarding the necessary frequency of postal services.

MaltaPost

64% of respondents in the main survey visited one of MaltaPost's post offices in the 12 months preceding the survey, whereas this increased by 2 percentage points to 66% for the booster survey. Of those in the main survey who visited MaltaPost's offices, 85% went to a MaltaPost branch, while 24% went to a MaltaPost sub-post office. In the booster survey, a higher percentage of businesses (79%) reported using MaltaPost branches compared to sub-post offices (29%).

The general reasons for visiting the post office were purchasing stamps (main survey: 61%; booster survey: 62%), collecting parcels (main survey: 43%; booster survey: 42%), and posting letters (main survey: 40%; booster survey: 45%).

Participants were asked whether they had engaged with MaltaPost in the twelve months preceding the survey, and their reasons for contacting the company. 31% of respondents to the main survey and 43% of respondents to the booster survey say they have been in contact with MaltaPost. Around half of respondents in these groupings reached out to inquire about the status of their parcel, while

36% of the main survey and 58% of the booster survey sought information about MaltaPost's products and services.

Utilisation of alternative postal operators

The survey findings shed light on the extent to which businesses have diversified their usage of postal operators beyond MaltaPost in the past year. Notably, there has been a significant increase in the use of alternative operators for addressed letter mail. In 2023, both the primary and supplementary surveys indicated a substantial increase, with 18% (6% in 2019) and 27% (19% in 2019) of respondents, respectively, reporting the adoption of alternative operators. Furthermore, among businesses opting for other operators, varying frequencies of use were observed, with 29% indicating weekly usage and 33% reporting monthly usage in 2023 in the main survey.

Interestingly, the frequency of using alternative operators once every 6 months saw a significant increase to 24% of respondents from the 6% reported in 2019 in the main survey. The data also showed that the weight of the letters played a role in choosing operators, with a higher percentage opting for alternative operators for letters weighing 50g to 100g in both surveys.

When it comes to the operators most used by businesses for parcel services, DHL emerged as the preferred choice. In the main survey, 72% (64% in 2019) of respondents opted for DHL, while in the booster survey, this percentage further increased to 88% (79% in 2019). MaltaPost also remained a popular choice, with 68% of respondents (51% in 2019) in the main survey and 64% (52% in 2019) in the booster survey using their services for parcel delivery. These results suggest a shift in business sending habits, indicating a growing openness to utilising alternative postal operators in addition to MaltaPost for their mailing needs.

Satisfaction with the overall quality of MaltaPost Services

According to the results of the primary survey, 59% of the respondents reported being satisfied with the general quality of postal services, down from 76% in 2019. Similarly, the supplementary survey produced a corresponding outcome, with an equal percentage of participants expressing satisfaction with the postal services offered by MaltaPost, down from 75% in 2019. These results demonstrate that both surveys yielded a consistent level of satisfaction among the respondents regarding postal services.