Ofcom Business Postal Tracker: Annual technical report: Q3 2023 to Q2 2024

General survey description

The Business Postal Tracker Q3 2023 to Q2 2024 aimed to achieve 2,200 individual interviews, representative of the profile of small and medium sized businesses (SMEs) with 0-249 employees across the UK[1], across a fieldwork period of 12 months. This sample size generated a robust dataset with margins of error of +/- 3.39%.

The Business Postal Tracker was carried out using a mixed Computer Aided Telephone Interviewing (CATI) and online (CAWI) methodology, with samples split 25:75 CATI:Online.

The interview lasts 15-25 minutes and covers the following topic areas: volume and use of postal services, reported experience with Royal Mail and other providers, overall satisfaction and change in mail as a communication method. There were no changes to the questionnaire throughout the fieldwork period.

Fieldwork was conducted over four quarters with the sample size for each quarter as follows:

Table 1: Interviews by quarter				
Quarter	**Number of interviews**			
	%	**Total**	**CATI**	**Online**
Q3/2023	22.8%	506	132	374
Q4/2023	26.0%	576	135	441
Q1/2024	22.7%	502	137	365
Q2/2024	28.5%	632	138	494
TOTAL	100%	2216[2]	542	1674

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[1] Businesses with no annual spend on sending postal items were screened out of the survey.

[2] As evident in table 1, not all the quarters met the target of 550 precisely, which has been accounted for in the weighting.

Survey objectives

The research aims to measure the use of postal services amongst businesses in the UK.

Specific objectives are:

- To provide time-trend data that enables Ofcom to monitor these measures over time.
- To provide robust data suitable for publication.
- To provide data to inform Ofcom analysis, reports and decisions.
- To provide analysis by population sub-groups.

Sampling approach and quotas

Considering the profile of businesses in the UK as defined by number of employees (business size), it is heavily skewed towards smaller businesses. If the final interview numbers were allowed to reflect this population it would not be possible to undertake robust analysis with organisations of 10 employees or more. For this reason, quotas were set in order to achieve a sufficient number of responses across all business sizes, and weighting factors calculated to account for this sample design.

The SME market of businesses with 0-249 employees is dominated by those with just the owner as the only employee, with around three quarters of businesses with 0-249 employees being zero employee businesses. The quota profile ensures the sample reflects the make-up of the UK SME market without requiring massive upweighting of the zero employee businesses.

Table 2 details the business profile used, as well as the corresponding quotas set to achieve sufficient numbers in each business size band for analysis, and the resultant implied weight factor for this profile.

Table 2: Yearly quota targets: number of employees					
Business Size	N	%	Natural interview distribution from a sample of 2200	Quotas Set	Implied weight
0	4,278,225	75.59	1663	670	2.48
1-4	880,305	15.55	342	650	0.53
5-9	256,985	4.54	100	220	0.45
10-19	137,420	2.43	53	225	0.24
20-99	95,225	1.68	37	225	0.16
100-249	11,840	0.21	5	210	0.02
Total	5,660,000	100	2200	2200	

Additional sample structure objectives have been set to ensure robust sample sizes annually for each English region, a robust sample size every six months for the three nations other than England, and a robust sample size annually for rural (and urban) businesses in each of the four nations.

As table 3 indicates, sufficient numbers would not be generated from the natural distribution to meet all of these objectives, therefore quotas were set in order to achieve them, allowing for some decrease in effective sample size due to weighting. The ultimate quotas and implied weights are detailed in the same table below.

Table 3: Yearly quota targets: region and nation					
Region/ Nation	N	%	Natural interview distribution from a sample of 2200	Quotas Set	Implied weight
England	5,004,775	88.31	*1413*	1210	1.17
North East	162,755	2.87	*46*	65	0.71
North West	544,765	9.61	*154*	135	1.12
Yorkshire and the Humber	400,650	7.07	*114*	115	0.99
East Midlands	367,725	6.49	*104*	105	0.99
West Midlands	448,155	7.91	*126*	115	1.09
East of England	564,775	9.97	*160*	145	1.08
London	1,096,095	19.34	*309*	205	1.44
South East	873,595	15.41	*246*	165	1.43
South West	546,255	9.64	*154*	135	1.12
Wales	198,635	3.50	*56*	330	0.17
Scotland	331,365	5.85	*94*	350	0.27
Northern Ireland	132,730	2.34	*37*	310	0.12

Using the quotas indicated above, quarterly targets were calculated for Q3 2023 to Q2 2024.

Further controls were placed on the sample to ensure that a mixture of businesses from urban and rural locations are included in the final sample. Business postcode addresses selected for potential inclusion in the survey were classified into urban and rural strata based on the classifications shown in table 4 below. The categories have been devised by the survey sample and statistics provider *UK Geographics*. Population data from UK Census 2011 were overlaid onto the *UK Geographics* categories to provide population distribution estimates by postcode. For the purposes of the Business Postal Tracker, urban regions were considered to be those in categories A-E, while rural locations were defined by categories F-G.

Table 4: ONS urbanity definitions			
Category	**Description**	**Population**	**Incidence (% 16+)**
A	Large City	500,000+	14.71
B	Smaller city or large town	100,000 – 500,000	19.81
C	Medium town	15,000 – 100,000	32.12
D	Small town (within 10 miles of A, B or C)	2,000 – 15,000	17.38
E	Small town (more than 10 miles of A, B or C)	2,000 – 15,000	1.85
F	Rural area (within 10 miles of A, B or C)	500 – 2,000	11.70
G	Rural area (more than 10 miles from A, B or C)	500 – 2,000	2.42

Urbanity was taken into account in the selection of the final sample and used to set quotas on location to ensure a spread of urban and rural locations was interviewed[3].

In order to achieve the required number of final interviews sample was provided by an approved supplier in a minimum 10-to-1 ratio.

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[3] Soft targets were set on urbanity to allow a robust comparison, 88% urban and 12% rural.

Selection of respondents and fieldwork procedure

As the content of the questionnaire asks respondents to estimate the volume of post mailed and the value of contracts with postal service providers, a screening process was undertaken at the start of interviews to ensure that respondents could provide valid responses.

For CATI interviews, after dialling the telephone number for the business indicated on the sample, interviewers were directed to ask those answering if they were able to answer questions about their organisation's mailing processes, volume of postal items sent from the UK from sites for which the business is responsible and spend on mail services. If the initial contact indicated that they were not able to do this, they were asked to pass the call over to someone who was able to answer the questions.

At the start of both CATI and CAWI interviews all respondents must answer several screening questions to demonstrate their eligibility for interview.

During fieldwork, interviews were carried out in strict accordance with the guidelines given to interviewers and according to the Market Research Society (MRS) codes and guidelines, and fieldwork quality control was equally performed in accordance with MRS guidelines. Monitoring the quality of CATI interviews included the witnessing by a supervisor of at least 10% of each of the interviewers' work.
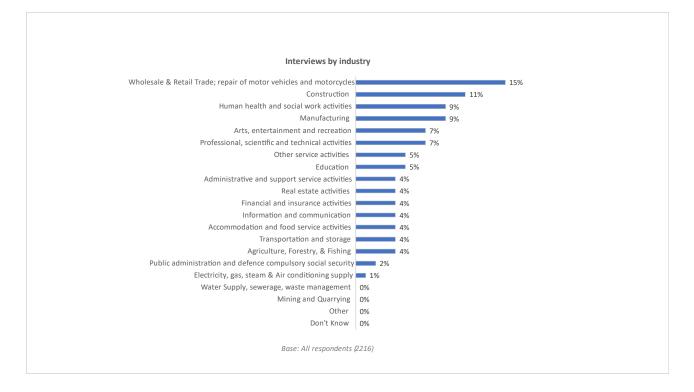
Profile of achieved sample

At the completion of fieldwork, 2,216 individual interviews were achieved. These are broken down by region and business size in table 5.
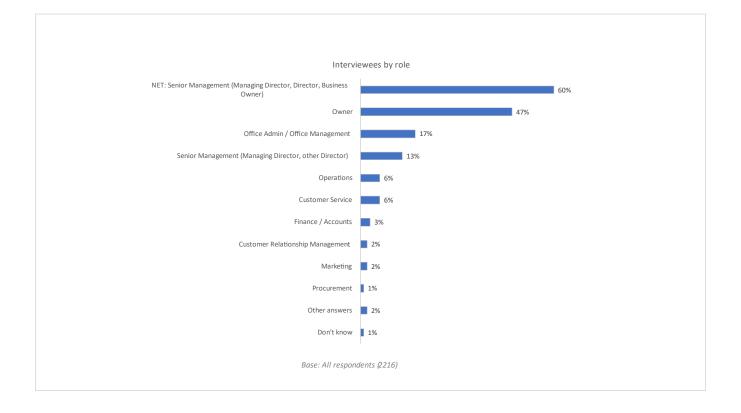
As is evident in table 5, the unweighted sample achieved under-represents smaller businesses and over-represents larger businesses. In addition, while quotas were set in line with tables 2 and 3, some quotas were relaxed to ensure that the overall target number of interviews could be achieved. Weighting factors described below were calculated at the data-processing stage in order to make adjustments to the dataset.

Table 5: Achieved unweighted sample by region and business size								
Region	N	Region - aggregated	Business size				Total	
			0-9		10+			
			N	%	N	%	N	%
Yorkshire and the Humber	121	North	229	10.3%	96	4.3%	325	14.7%
North East	57							
North West	147							
East of England	142	Midlands	293	13.2%	83	3.7%	376	17.0%
East Midlands	116							
West Midlands	118							
Greater London	214	South	403	18.2%	125	5.6%	528	23.8%
South East	177							
South West	137							
Scotland	352	Scotland, Wales and Northern Ireland	598	27.0%	389	17.6%	987	44.5%
Wales	322							
Northern Ireland	313							
Total	2216		1523	68.7%	693	31.3%	2216	100%

The questionnaire used during interviews with businesses also contained some profiling information in order to check that the achieved sample contained a spread of different types of businesses and to ensure that no other factors were influencing results unduly. No firm quotas were set on these factors however.

Interviews were achieved across a range of industries (as indicated in the chart below) and in terms of the personnel with whom interviews were undertaken, the majority were divided between those working in senior management/owners and office administration/management. The majority of interviews (82%) were undertaken at head offices and 97% of those interviewed have an internet connection in the office in which they are based.

Interviews by industry

Industry	%
Wholesale & Retail Trade; repair of motor vehicles and motorcycles	15%
Construction	11%
Human health and social work activities	9%
Manufacturing	9%
Arts, entertainment and recreation	7%
Professional, scientific and technical activities	7%
Other service activities	5%
Education	5%
Administrative and support service activities	4%
Real estate activities	4%
Financial and insurance activities	4%
Information and communication	4%
Accommodation and food service activities	4%
Transportation and storage	4%
Agriculture, Forestry, & Fishing	4%
Public administration and defence compulsory social security	2%
Electricity, gas, steam & Air conditioning supply	1%
Water Supply, sewerage, waste management	0%
Mining and Quarrying	0%
Other	0%
Don't Know	0%

Base: All respondents (2216)

Interviewees by role

Role	Percentage
NET: Senior Management (Managing Director, Director, Business Owner)	60%
Owner	47%
Office Admin / Office Management	17%
Senior Management (Managing Director, other Director)	13%
Operations	6%
Customer Service	6%
Finance / Accounts	3%
Customer Relationship Management	2%
Marketing	2%
Procurement	1%
Other answers	2%
Don't know	1%

Base: All respondents (2216)

Sample efficiency and weighting

Weights were applied to each quarter's data independently in order that final aggregated data is representative of the population of UK businesses, while allowing for quarterly analysis.

It was considered whether any mode adjustments would be appropriate to address differences between methods. Analysis was done at the data processing stage to assess this and it was determined not to be required, therefore data for the two collection modes has been combined as it fell out naturally.

As detailed in the sampling approach, larger companies were deliberately over-sampled to allow robust reporting by size, thus the weighting scheme has been designed to correct for this so that overall results reflect the correct profile of UK businesses.

The profile of businesses in the UK against that of the achieved sample and the associated weighting factors are presented in table 6 below.

Table 6: Profile of businesses for weighting					
	Population Profile		Achieved Sample		Weighting factor
	N	%	N	%	
Business Size					
0-1	4,409,140	77.9	974	44.0	1.77
2-9	996,160	17.6	549	24.8	0.71
10-49	215,080	3.8	364	16.4	0.23
50-99	25,470	0.45	96	4.3	0.10
100-249	14,150	0.25	233	10.5	0.02
Region & Nation					
North	1,108,170	20	325	14.7	1.36
Midlands	1,380,655	24	376	17.0	1.41
South	2,515,945	44	528	23.8	1.85
Wales	198,635	4	352	15.9	0.38
Scotland	331,365	6	322	14.5	0.28
Northern Ireland	132,730	2	313	14.1	0.14
Macro Industry					
Agriculture, Manufacturing & Construction		25	558	25.2	0.99
Retail/ Distribution/ Communication		21	520	23.5	0.89
Hospitality/ Financial/ and Non-financial		54	1138	51.4	1.05
Urbanity					
England – Urban		84	1086	49.0	1.51
England – Rural		16	143	6.5	2.18
Wales – Urban		75	324	14.6	0.34
Wales – Rural		25	28	1.3	0.85
Scotland – Urban		82	260	11.7	0.26
Scotland – Rural		18	62	2.8	1.43
Northern Ireland – Urban		77	280	12.6	0.16
Northern Ireland – Rural		23	33	1.5	0.31

Each quarter is weighted to a base of 500 to ensure each contributes equally to combined results. This means the mean average weight is generally not 1 for any quarter. The modal weight by (Q3-4 2023 and Q1-Q2 2024) is 4.470/4.500/2.503/1.896[4] respectively, and the weights range from 0.00003 for larger businesses to 4.5 for those that are smaller. From Q1 2022 a cap was added to the weighting so the maximum weight is 4.5 (relative to an average weight of 1). The design effect for these weights is 3.14/3.35/2.02/1.94 respectively, giving an effective base of 161/172/249/326 which provides quarterly results accurate to +/- 8% at a 95% confidence level.

Table 7: Weighting details

Quarter	Modal Weight	Lowest Weight	Highest Weight	Design Effect	Effective Base	Results Accuracy
Q3/2023	4.470	0.00003	4.50	3.14	161	+/- 8%
Q4/2023	4.500	0.00013	4.50	3.35	172	+/- 7%
Q1/2024	2.503	0.00464	3.67	2.02	249	+/- 6%
Q2/2024	1.896	0.00301	3.13	1.94	326	+/- 5%

Means for postal spend and number of items sent

The mean figures for postal spend and number of postal items sent are increased substantially by a very small number of businesses providing very high values. Therefore, in addition to means based on all responses, the tables for these measures include a second mean figure excluding the highest responses. For postal spend (QV1B) the second mean excludes responses greater than £300,000+ per month, and for number of postal items sent (QV2A) responses greater than 500,000+ items per month.

Business turnover and affordability by method

CATI respondents were substantially less likely than CAWI respondents to provide their business turnover (C2a) or to have taken any cost-reduction measures in the past three months (QN12), which we attribute to methodological differences.

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[4] The CATI sample heavily oversamples Scotland, Wales and NI, meaning nearly 90% of the CATI sample is in one of these devolved nations. As a result, the large majority of CATI interviews are downweighted in the overall sample. Where this coincides with cells that are upweighted such as smaller companies, it means the CATI sample has a greater potential to be drawn in different directions, and thus generate more larger and more smaller weights for individual respondents.