

**PERCEPTION OF QUALITY OF
POSTAL SERVICES**

- 2001 -

CONTENTS

1. SUMMARY	4
1.1. MAIN FINDINGS	ERROR! BOOKMARK NOT DEFINED.
1.2. RECOMMENDATIONS	ERROR! BOOKMARK NOT DEFINED.
2. INTRODUCTION	9
3. DETAILED ANALYSIS	ERROR! BOOKMARK NOT DEFINED.
3.1. LEVEL OF USE OF POST OFFICES AND POSTAL SERVICES	ERROR! BOOKMARK NOT DEFINED.
3.1.1. <i>Use of Post Offices</i>	<i>Error! Bookmark not defined.</i>
3.1.2. <i>Use of Postal Services in Post Offices</i>	11
3.1.3. <i>Use of Postal Services</i>	<i>Error! Bookmark not defined.</i>
3.1.4. <i>The new postcodes</i>	<i>Error! Bookmark not defined.</i>
3.1.5. <i>Customer support services</i>	<i>Error! Bookmark not defined.</i>
3.2. POST OFFICES	ERROR! BOOKMARK NOT DEFINED.
3.2.1. <i>Location of Post Offices</i>	<i>Error! Bookmark not defined.</i>
3.2.2. <i>Opening Hours of Post Offices</i>	<i>Error! Bookmark not defined.</i>
3.2.3. <i>Condition of Post Offices</i>	<i>Error! Bookmark not defined.</i>
3.2.4. <i>Materials available in Post Offices</i>	<i>Error! Bookmark not defined.</i>
3.2.5. <i>Information affixed in Post Offices</i>	15
3.2.6. <i>Attendance in Post Offices</i>	<i>Error! Bookmark not defined.</i>
3.2.6.1. Appearance and behaviour of employees	ERROR! BOOKMARK NOT DEFINED.
3.2.6.2. Queuing Times	ERROR! BOOKMARK NOT DEFINED.
3.3. POSTAL SERVICES	ERROR! BOOKMARK NOT DEFINED.
3.3.1. <i>Collection of correspondence</i>	<i>Error! Bookmark not defined.</i>
3.3.2. <i>Parcel Service</i>	<i>Error! Bookmark not defined.</i>
3.3.3. <i>Quality of Correspondence Delivery Service</i>	<i>Error! Bookmark not defined.</i>
3.3.3.1. Delivery Times of Non - priority mail	ERROR! BOOKMARK NOT DEFINED.
3.3.3.2. Delivery Times of Priority Mail	ERROR! BOOKMARK NOT DEFINED.
3.3.4. <i>Prices of non-priority and Priority Mail and purchase of stamps</i>	19
3.3.4.1. Prices of Non - priority mail	ERROR! BOOKMARK NOT DEFINED.
3.3.4.2. Prices of Priority Mail	ERROR! BOOKMARK NOT DEFINED.
3.3.4.3. Automatic Stamp Vending Machines	ERROR! BOOKMARK NOT DEFINED.
3.3.5. <i>Daily distribution of correspondence</i>	<i>Error! Bookmark not defined.</i>
3.3.6. <i>Credibility of the services provided</i>	<i>Error! Bookmark not defined.</i>

3.4.	OVERALL ASSESSMENT OF POSTAL SERVICES	ERROR! BOOKMARK NOT DEFINED.
3.4.1.	<i>Overall Assessment of the Postal System</i>	<i>Error! Bookmark not defined.</i>
3.4.2.	<i>Evolution of Postal Services over last 5 years</i>	<i>Error! Bookmark not defined.</i>
4.	METHODOLOGY	ERROR! BOOKMARK NOT DEFINED.
4.1.	UNIVERSE	22
4.2.	SAMPLE	ERROR! BOOKMARK NOT DEFINED.
4.3.	INFORMATION COLLECTION TECHNIQUE	ERROR! BOOKMARK NOT DEFINED.
4.4.	COLLECTION OF INFORMATION	ERROR! BOOKMARK NOT DEFINED.

1. SUMMARY

The objective of this study is to measure consumer satisfaction regarding postal services in 2001, as part of a series of similar studies which have been carried out by the Instituto das Comunicações de Portugal since 1992.

The scope of this study covers the use, quality and prices of the postal services provided by CTT - Correios de Portugal, S.A.

The results were obtained via the organisation of an opinion poll. The fieldwork and data handling was conducted by a specialised company. The sample defined for this study consists of 1080 interviews carried out between March 29 and April 12, 2001. The results have a confidence level of 95% and sampling error of 3%.

1.1. Main Findings

The main conclusions to be drawn from this work are as follows:

1. On a scale of 1 to 20, the overall assessment of the postal services achieved an average of 14, with a majority of those polled (90%) considering that the last 5 years have seen a positive development.
2. Around 40% of those polled declared that they do not use the new postcodes. 41% of this group stated that it was because they never or only rarely send letters, whereas 26% justified this behaviour due to the fact that they do not know the new codes.
3. The main conclusions with regard to use of the post offices or other elements of the postal network are as follows:
 - a) The majority of those polled stated that they visit post offices rarely (39%), or only once per month (27%);
 - b) Approximately 57% of those polled choose to use a post office close to their zone of residence, whereas 14% use post offices

close to their place of work. Amongst those individuals that choose to use a post office beyond their zone of residence/work, 15% state that they have difficulties in locating a post office;

- c) Peak hour in post offices is between 09:00 and 12:00. Approximately 85% of those polled consider that post offices' opening hours are adequate. However in terms of preference for other opening hours for post offices¹, Saturday morning (37%), lunchtime (27%) and late afternoon until 20:00 (21%) were specified;
- d) The services with greatest demand were related to sending letters and payment of services. Around 62% of those polled considered that the existing services in post offices are sufficient. However, the respondents suggested the provision of additional services in post offices such as, an ATM (Multibanco) service, submission of tax returns (IRS), purchase of car stamp duty, submission of lottery tickets (totoloto/totobola), sale of newspapers/magazines, Internet access, etc.
- e) In relation to information on display in post offices, information regarding prices was considered to be insufficiently visible by 35% of those polled. Information regarding main services (27%) and times of last collection of priority mail and non - priority mail (26% and 25% respectively) were also considered to be insufficiently visible.
- f) Around 68% of those polled claimed that it was not easy to find automatic stamp vending machines;
- g) In the Autonomous Regions of Azores and Madeira, 47% of those polled considered that the number of points of collection (post offices and post boxes) were not sufficient;

¹ Multiple replies permitted

- h) The majority of those polled were unaware of the existence of customer support services, specifically the freephone customer support telephone service, the CTT Internet page and the existence of a complaints service in the post offices.
4. With regard to attendance in post offices, the great majority of respondents considered that employees are well presented (67%) and friendly and helpful (78%).

The average perceived queuing time was, for 32% of those polled, a period of 7 to 10 minutes. Around 43% of those polled in the Greater Lisbon Area mentioned this queuing time.

The most commonly perceived maximum queuing time (22% of respondents) was a period of 6 to 10 minutes.

It should be noted that, in accordance with the monitoring of quality of service carried out by CTT in 2000, the average queuing time was 3 minutes and 28 seconds, and peak queuing time was 4 minutes and 1 second.

5. In relation to use of the postal services, the main conclusions were:
- a) Around 47% of those polled sent 1 or more letters per month. Around 21% of respondents never send correspondence. The main reason identified for this limited use of the postal services was preference for use of the telephone (54%);
 - b) Around 54% of those polled claim that they use the post offices' parcel delivery service, and 74% of respondents considered that the price for this service is fair and reasonable;
 - c) Only 17% had an accurate idea of the standard delivery targets for Non - priority mail (D+3, in which D is the day on which the correspondence is deposited by the client in the point of collection);
 - d) Only 45% had an accurate idea of the standard delivery targets for Priority Mail (D+1);

- e) In the Autonomous Regions of Azores and Madeira respondents seemed to be less satisfied with the quality of the priority mail service. Only 75% of respondents claimed that the normal delivery targets announced by CTT (D+2) are fulfilled;
- f) Around 34% were aware of the cost of a stamp for a letter of up to 20 grams by Non - priority mail (PTE 53) during 2001. However, only 60% of these individuals referred to this price in the correct manner. 87% of respondents considered this price to be fair, in view of the quality of service provided. Amongst the other respondents, the great majority (90%) considered the price to be too high;
- g) Only 29% of those polled were aware of the cost of the stamp for a letter of up to 20 grams by Priority Mail (PTE 85) in 2001. However, only 69% of these individuals referred to this price in the correct manner. 83% considered that the price was fair and reasonable, in view of the quality of service provided. Amongst the other respondents, 90% considered the price to be too high;

1.2. Recommendations

Taking into consideration the conclusions presented above, the following recommendations were made to CTT:

- Disseminate greater information, via appropriate channels, about the new postcodes;
- Disseminate information in a more intensive manner, via appropriate channels, in particular post offices and the CTT Internet Site, about the features, prices and levels of quality of the different postal services;
- Affix greater information about delivery times for standard and priority mail and collections times on post boxes and letter collection points,

- and affix information on post boxes and letter collection points for non
- priority mail, directing customers to specific post boxes for priority mail;
 - Provide more information on the freephone customer support telephone service, as well as the CTT Internet Site, and disseminate information in a more intensive manner regarding access to the complaints service;
 - In order to help to reduce queuing time at post offices, promote the use of stamp vending outside post offices, in particular, when appropriate, by acquisition in automatic vending machines;
 - Study the possibility of increasing the number of letter collection points and disseminate, via appropriate channels, the location of existing letter collection points.

2. INTRODUCTION

The objective of this study is to measure consumer satisfaction concerning postal services in 2001, as part of a series of similar studies that have been carried out by the Instituto das Comunicações de Portugal since 1992.

The main aspects considered in the opinion poll were the following:

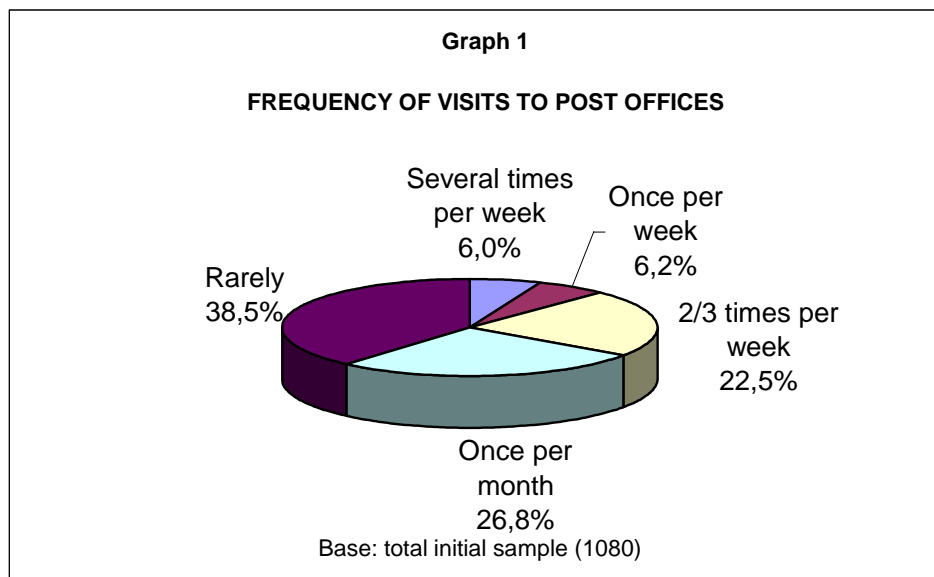
- Level of use of postal services and post offices;
- Perception of quality of post offices, specifically in terms of their location, opening hours, state of conservation and public attendance;
- Perception of quality of postal services, in particular in terms of collection of postal correspondence, quality of delivery services and prices of services.
- New postcodes.

3. DETAILED ANALYSIS

3.1. Level of use of post offices and postal services

3.1.1. Use of post offices

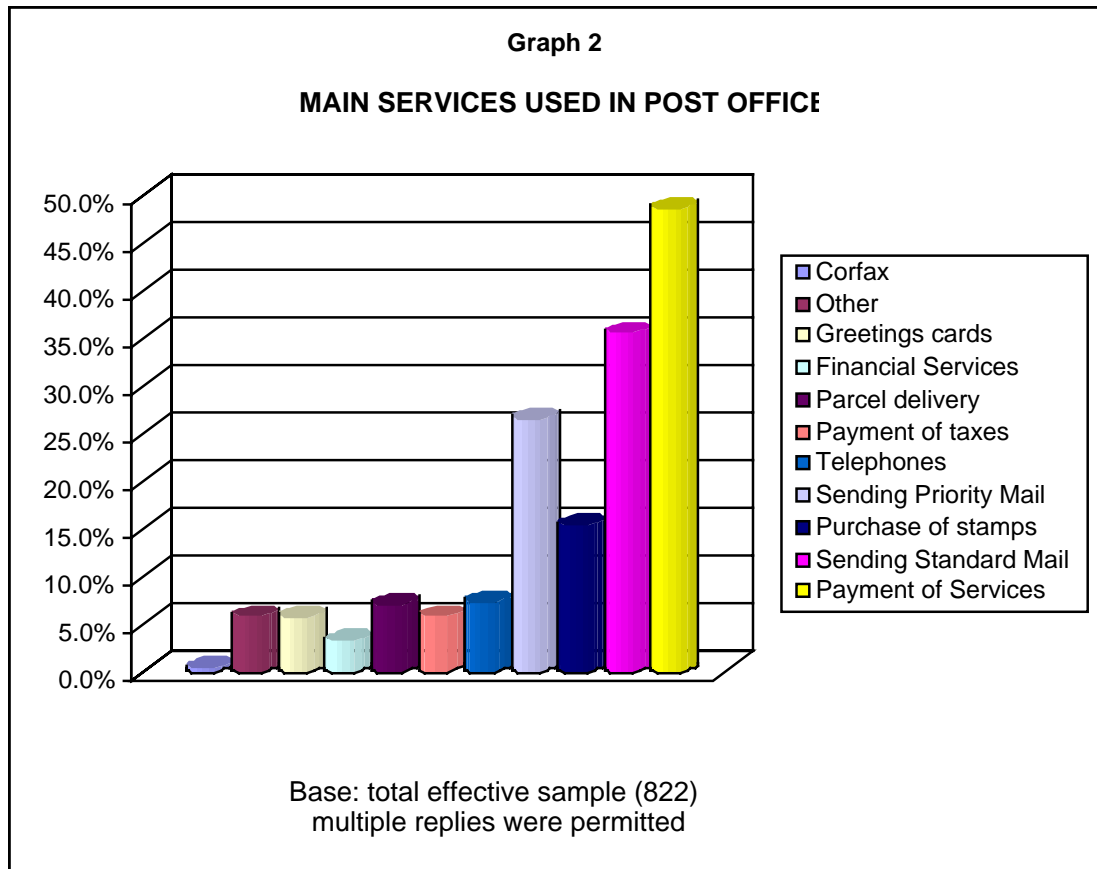
Most of those interviewed stated that they rarely went to post offices (39%), or only once a month (27%).



Regarding the times of the day when those interviewed normally go to post offices: the greatest number (38%) stated that they do so between 9:00 and 12:00, followed by the period between 14:00 and 17:00 (36%) and then the period between 12:00 and 14:00 (12%).

3.1.2. Use of postal services in post offices²

In the post offices, the most requested services are those related to sending letters (615) and payment of services (48%).



Regarding the telephone service available at post offices, 45% of those interviewed stated that they use it. Of these, 97% considered the organisation of the service in terms of queuing time to be positive (both to request a call and to pay for the call).

Around 62% of those polled considered that the services that are currently available in post offices are sufficient. Nonetheless, those polled

² Multiple replies were permitted

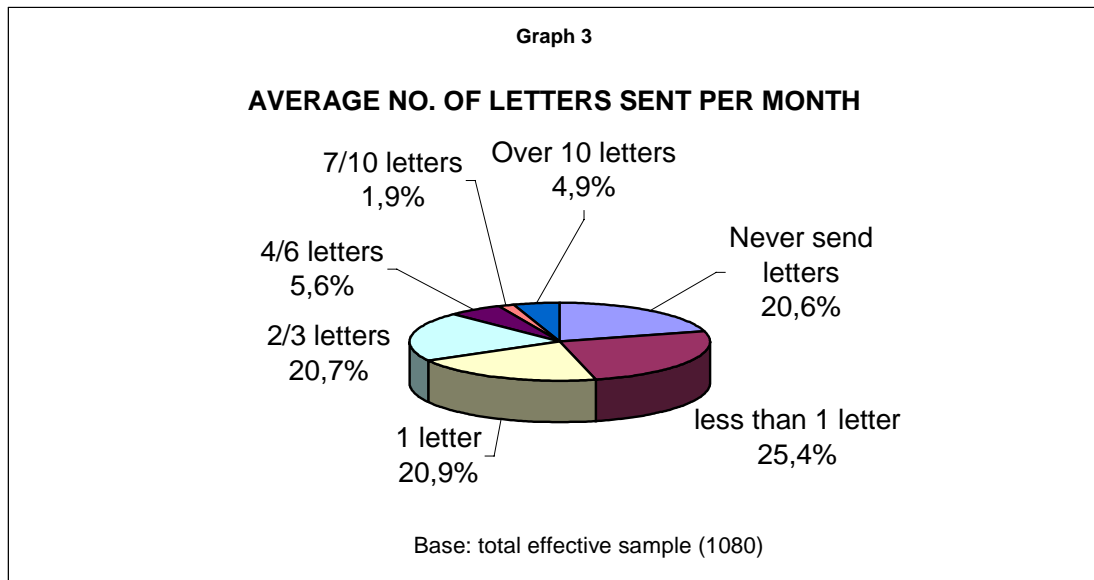
suggested that the following additional services should be provided in post offices:

- The ATM (Multibanco) service; submission of tax returns (IRS); purchase of car stamp duty; submission of lottery tickets (totoloto/totobola); sale of newspapers/magazines; Internet access; renewal of Identity cards; banking services; services specifically catering to elderly people and payment of house rent.

3.1.3. Use of postal services

Around 47% of those polled send a maximum of one letter per month. 21% of respondents never send correspondence.

The main reason identified for this limited use of the postal services was preference for use of the telephone (54%).



3.1.4. The new postcodes

Amongst those polled, around 22% are unaware of the number of digits in the new postcode (7). Around 64% of respondents correctly responded to this question

It should be noted that 40% of those polled claim that they do not use the new postcodes, and 41% of this group justify this behaviour by the fact that they never or only rarely send letters. 26% of this group justify their behaviour because they do not know the new postcodes.

3.1.5. Customer support services

Participants in this opinion poll were questioned regarding their use of the freephone customer support telephone service, the CTT Internet site, and the complaints service available in post offices.

The majority of respondents (80%) are unaware of the freephone customer support telephone service, and this lack of knowledge is even higher in the Greater Oporto Area (88%).

Of those that are familiar with the service, 23% have already used it, and the majority (88%) are satisfied with the clarifications provided.

Around 25% are aware of the existence of CTT's Internet site, and this awareness is even greater in the Autonomous Regions of Azores and Madeira, and the Greater Oporto Area and Greater Lisbon Area. Amongst those consumers that know of the existence of the site, only 6% have already consulted it, having done so for various reasons including general curiosity and identification of postcodes. Amongst those individuals that have already consulted the CTT's site, 77% claim to be satisfied with the presentation of information in the site.

Around 34% of respondents claim that they know of the existence of a complaints service in post offices, and 5% have made use of such services. The main motivation for presentation of complaints was in regards to errors in the distribution of correspondence. Amongst those individuals that have made complaints, 56% were not satisfied with the resolution of the complaints filed, mainly because they considered that there was either no solution to the problems presented or because nothing changed as a result.

By contrast, 31% of those filing complaints were satisfied with the solution of their complaint.

3.2. Post Offices

3.2.1. Location of post offices

Approximately 57% of those polled chose a post office near where they live, whilst 14% go to post offices near their place of work.

Of those using a post office outside their place of residence/work, 14% state that it is not easy to find them.

3.2.2. Post office opening hours

Approximately 85% of those polled considered post office opening hours to be adequate.

Saturday morning was the most commonly mentioned preference for additional opening hours at post offices.

The most commonly mentioned preferences for additional opening hours at post offices³, were Saturday morning (37%), lunchtime (27%) and late afternoon until 20:00 (21%).

3.2.3. Condition of post office buildings

Regarding the exterior and interior condition of post office buildings, opinion was mainly favourable and 99% of those polled found it to be "good" or "reasonable". The most common reason given by those who had a negative opinion about the condition of post office buildings was the fact that they were old and had decaying façades.

³ Multiple replies permitted

3.2.4. Material available at post offices

With regard to the availability of support materials at post offices, around 23% were unaware that they could request pens and 20% were unaware that lists of postal codes could be requested at the counter.

3.2.5. Information affixed at post offices⁴

Regarding the information affixed in post offices, the information considered to be least visible is that regarding prices, mentioned by 35% of those interviewed. Information regarding main services (27%) and times of last collection of priority mail and non - priority mail (26% and 25% respectively) were also considered to be insufficiently visible. Post office opening hours are, according to 87% of the individuals interviewed, the most visible information at post offices.

3.2.6. Attendance in post offices

3.2.6.1. Appearance and behaviour of employees

Around 67% of those polled considered employees' appearance to be good, although they do not use uniforms. Only 2% considered that the employees do not have a good appearance.

Employees are considered to be friendly and helpful when serving customers in 78% of cases but, according to 4% of respondents, they are not.

When asked about two possible methods of organising and distributing services by counter, specific counters for each type of service were chosen by 59% of those polled, essentially because they were faster and more functional.

⁴ Multiple replies permitted

77% of those polled considered that there should be a numbered ticket system for queuing, on the grounds that it would be more practical and more organised and “prevent people from jumping the queue”.

3.2.6.2. Queuing time

The average perceived queuing time was 7 to 10 minutes (in 32% of the cases). Nearly 43% of those polled in the Greater Lisbon Area mentioned this queuing time.

It should be noted that around 24% of all those polled claimed to wait for more than 10 minutes, and this opinion was even higher (31% of cases) amongst those polled in the Autonomous Regions of Azores and Madeira.

The maximum perceived waiting time most frequently cited by those polled, was between 6 and 10 minutes (22%).

For around 23% of those polled in the Lisbon Area, the maximum perceived waiting time was 16 to 20 minutes. For 24% of those polled in the Autonomous Regions of Azores and Madeira the maximum perceived waiting time was between 26 and 30 minutes. The maximum perceived waiting time for around 26% of those polled in the other regions of the country was between 6 and 10 minutes.

For 55% of those polled, the queuing time was considered reasonable. However, a significant number (26%) considered the queuing time to be excessive.

It should be noted that the annual figures monitored in 2000 were 3 minutes 28 seconds for average queuing time, and 4 minutes 1 second for peak queuing time⁵.

⁵ Source: CTT.

3.3. Assessment of postal services

3.3.1. Collection of correspondence

The majority of those polled considered that there were a sufficient number of collection points (post offices and post boxes). However 47% of those polled in the Autonomous Regions of Azores and Madeira held the opposite opinion.

When asked whether they knew of the existence of special post boxes for priority mail, 15% of those polled did not know of their existence. This percentage was even higher for the Autonomous Regions of Azores and Madeira (20%).

3.3.2. Parcel service

Around 54% of those polled stated that they use the parcel service, and considered that letters and parcels were received in a good condition.

Approximately 52% of those polled claimed that they knew of the existence of a home delivery service for parcels, through payment of a supplementary charge.

With regard to the possibility of prolonging the withdrawal period for correspondence/parcels at post offices, through the payment of a supplementary charge, 73% of those polled were not aware of this service.

The price was considered fair, in view of the quality of service provided, by 74% of all those polled. For those who did not consider the price to be fair, the main motive identified was that prices are too high (86%). The remaining considered that the quality of the service is low.

Regarding errors in the distribution of parcels, 13% of all those polled said that they had experienced losses and errors, specifically relating to the receiver and the delivery address. This percentage is significantly higher in the Autonomous Regions of Azores and Madeira (29%).

3.3.3. Quality of the Correspondence Delivery Service

3.3.3.1. Delivery times for Non - priority mail

With regard to delivery times, 40% of those polled claimed to know in how many days a standard letter is supposed to be delivered (3 days). In reality, only 44% of this group had an accurate idea of this period.

When asked about achievement of quality targets for non - priority mail, around 85% considered that they were achieved.

It should be noted that according to the annual monitoring results of service quality in 2000, 97.1% of Non - priority mail correspondence was delivered to its destination 3 days after having been deposited in a correspondence collection point⁶.

3.3.3.2. Delivery times for priority mail

With regard to delivery times, 55% of those polled claimed to know in how many days a priority letter is supposed to be delivered (3 days). It should be noted that 61% of those polled In the Autonomous Regions of Azores and Madeira claimed not to know this period. Of those claiming to know the delivery time for priority mail, 82% had an accurate idea of this period. 61% of those polled In the Autonomous Regions of Azores and Madeira did not respond to this question.

When asked about fulfilment of delivery times for priority mail, the majority of those polled in the Mainland (92%) considered that they were met. In the Autonomous Regions of Azores and Madeira, only 75% of respondents claimed that delivery times were met.

It should be noted that according to the annual monitoring results of service quality in 2000, 96.4% of Priority Mail correspondence was

⁶ Source: CTT.

delivered to its destination 1 day after having been deposited in a correspondence collection point⁷.

3.3.4. Prices of Standard and Priority Mail and purchase of stamps

3.3.4.1. Prices of Non - priority mail

Approximately 34% of those polled claimed to know the price of a stamp for a letter of up to 20g by national non - priority mail. However, only 60% of these respondents actually knew the correct price of a stamp in 2001 (PTE 53). In the Greater Lisbon Area, 37% of those polled claimed to know the price of a stamp, whereas only 43% of this group actually knew the correct price.

In view of the quality of service provided, 87% of those polled considered the price to be fair. Of the remainder, a majority (90%) considered the price to be too high.

3.3.4.2. Prices of Priority Mail

Approximately 29% of those polled claimed to know the price of a stamp for a letter of up to 20g by national priority mail (PTE 85). The respective value in the Autonomous Regions of Azores and Madeira was only 24%. However, only 69% of these respondents actually knew the correct price of a stamp in 2001. It should be noted that in the Autonomous Regions of Azores and Madeira this percentage was only 29%.

In view of the quality of service provided, 83% of those polled considered the price to be fair. Of the remainder, a majority (90%) considered the price to be too high.

⁷ Source: CTT.

3.3.4.3. Automatic stamp vending machines

Approximately 68% of those interviewed said that experienced difficulties in finding an automatic stamp vending machine, this percentage being even higher in the Autonomous Regions of Azores and Madeira (80%).

These machines are most commonly located: inside post offices⁸ (61%), in the street (41%) and the vicinity of post offices (24%).

Around 81% of those interviewed do not usually buy stamps from automatic vending machines, and 87% were unaware that they could benefit from discounts if they bought blocks of 10 standard or priority mail stamps for letters of up to 20 grams from automatic vending machines.

3.3.5. Daily distribution of correspondence

The majority of those polled (88%) consider that the current number of daily deliveries of correspondence is sufficient to meet their needs. Amongst those who hold the contrary opinion, the majority believe that there should be two delivery times: morning and afternoon.

3.3.6. Credibility of the services provided

When questioned on the credibility of the postal services provided, in particular in terms of secrecy, protection and confidentiality of correspondence the majority of those polled stated that they considered the services to be credible (96%).

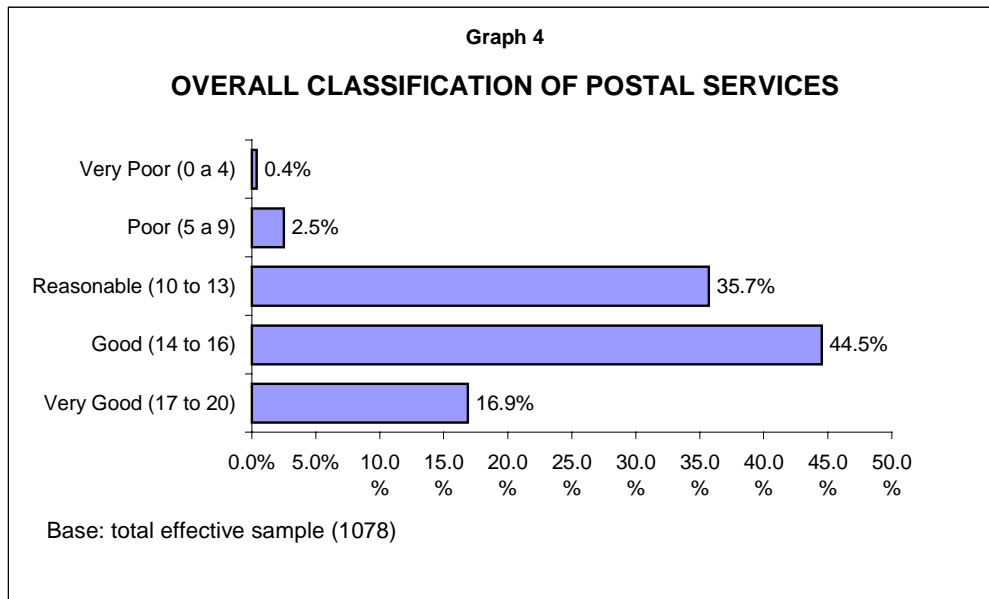
3.4. Overall assessment of postal services

3.4.1. Overall assessment of the postal system

The respondents were asked to provide an overall grade of the postal services, on a scale from 1 to 20. The average grade was 14.00. This figure is slightly higher than the grade recorded in 1999 - 13.73.

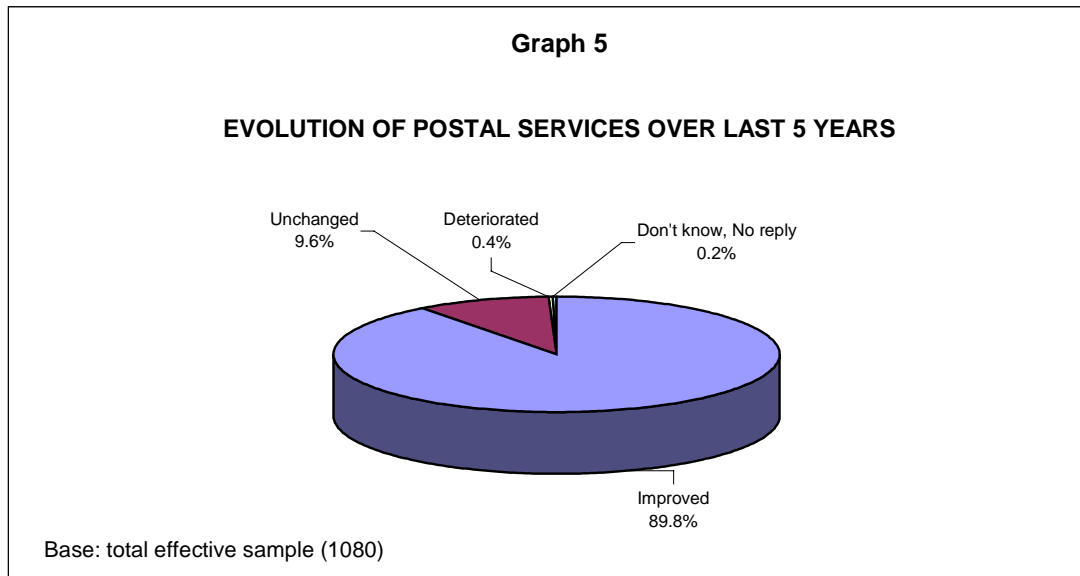
⁸ Multiple replies permitted

On a regional basis, the classification was 13.6 in the Greater Lisbon Area, 15.1 in the Greater Oporto Area, 13.9 in the Rest of the Country and 13.8 in the Autonomous Regions of Azores and Madeira.



3.4.2. . Evolution of postal services over last five years

Regarding the development of the postal services over the last 5 years, a majority of those polled believed that there has been an improvement (89.8%). 9.6% believe that the service has remained the same over the last 5 years and 0.4% consider that it has deteriorated.



4. METHODOLOGY

4.1. Universe

The Universe consists of individuals, of both sexes, aged 15 or above, resident in Portugal (Continent and Autonomous Regions of Azores and Madeira).

4.2. Sample

The sample consists of 1,080 individuals, stratified by region (Greater Lisbon, Greater Oporto, Autonomous Regions of Azores and Madeira and Rest of the Country) and by habitat (population size of locality). Each stratum considered, resulting from the application of these two variables, was assigned a number of interviews in proportion to its weight in the Universe.

The sample has a confidence level of 95%, with a sampling error of 3%. Based on the 1991 Census (INE), the sample distribution, by regions and strata, was as follows:

Table 1 – Distribution of sample by region

REGIONS	Universe (10 ³)	% in universe	sample	% in sample
Greater Lisbon	1.514	19.8	243	22.5
Greater Oporto	934	12.2	156	14.4
Autonomous Regions	365	4.8	71	6.6
Rest of Country	4.826	63.2	610	56.5
Total	7.639	100.0	1080	100.0

Table 2 – Distribution of sample by population strata

POPULATION STRATA	Universe (10 ³)	% in universe	sample	% in sample
-2,000 inhabitants	3.788	49.6	285	26.4
2,000/5,000 inhabitants	698	9.1	113	10.4
5,000/10,000 inhabitants	485	6.3	121	11.2
+10,000 inhabitants	1.703	22.3	310	28.7
City of Lisbon	663	8.7	155	14.4
City of Oporto	302	4.0	96	8.9
Total	7.639	100.0	1080	100.0

The locations were selected at random through a system of systematic sampling, with a random starting point, with exception of the cities of Lisbon and Oporto.

In order to attribute an equal number of interviews to each locality, the total assigned to the habitat/population stratum was divided by the population of each locality selected.

4.3. Information collection technique

The technique used was direct, personal and personalised interviews, with a questionnaire prepared by a specialist company, in collaboration with the Instituto das Comunicações de Portugal.

The questionnaire was subject to a pre-test (pilot survey) before the start of the fieldwork in order to confirm its operability.

As a back-up, all interviewers were provided with an instruction manual.

4.4. Collection of information

Fieldwork took place between March 29 and April 12, 2001.