

PRESS RELEASE / MARCH 2024

Reference Number: MCA/S/24-5247

MAIN FINDINGS FROM AN MCA SURVEY ON THE PERCEPTION OF BUSINESSES USING MALTAPOST'S BULK MAIL SERVICES.

Scope of the survey and main findings

The MCA carries out several perception surveys to assess the use of postal services in Malta as well as the perceived reasonableness of price and quality of service.

The most recent survey concerned the bulk mail service, classified to encompass the delivery of 50 or more mail items, each of the same dimensions (in terms of size, weight and format). MaltaPost is required to offer the bulk mail service in Malta, as this postal activity falls part of the Universal Service that MaltaPost is expected to cover in its role of Universal Service Provider.

The bulk mail service is typically used by business users and entities. The MCA therefore surveyed a number of businesses using the postal bulk mailing service in Malta. For the purpose of the survey, respondents qualify as bulk mailers if these report a minimum of 750 addressed bulk mail letter items in a year (these being earmarked for marketing campaigns, printed bills, statements, and periodical documents amongst others).

Survey respondents reported an increase in the volume of bulk mail letters sent through the bulk mail services when compared to 2021. This is reflected through a 14-percentage point increase in those respondents who sent more than 10,000 mail items in the 12 months prior to the survey, from 25% in 2021 to 39% in 2024.

Furthermore, the overall perception of the price reasonability for the bulk mail services remains positive. 29% of respondents think that the price is either reasonable or very reasonable whilst 51% of respondents have a neutral stand on this aspect. Furthermore, 85% find the shift from a 6-day week to a 5-day week to be either acceptable or a minor inconvenience, and there was an increase in those who prefer the next day delivery.

Most of the businesses participating in the survey are satisfied with the service they are getting.

Fieldwork and sample size

EMCS carried out the survey fieldwork on behalf of the MCA between November 2023 and January 2024. The MCA's 2024 bulk mail survey constitutes a sample of 41 random organizations who made use of MaltaPost's bulk mail services to send addressed mail letters in the 12 months prior to the survey.

Bulk mail volumes

The 2024 bulk mail perception survey targeted businesses that sent at least 750 letters in the year prior to the survey. Compared to the previous survey analysis, which was carried out in 2021, an increase in the number of bulk mail sent was registered in every group except for the smallest mail group category, which comprises of those businesses (i.e. the bulk mailers) that sent out from 750 to a maximum of 1,000 addressed letters in bulk. 36% of the respondents sent out between 1,001 and 5,000 addressed letter mail items, up from 33% in 2021. This was followed by 17% who sent more than 50,000 mail items (10% in 2021) and 15% which sent between 5,001 and 10,000 mail items (13% in 2021).

In terms of changes in the volume of bulk mail in the previous 12 months, 53% responded that the volume of bulk mail remained the same, followed by 27% which reported a decrease and 20% which reported an increase in the volume of bulk mail. Those who stated that they have sent less mail items remains 7% higher than those who reported an increase in bulk mail. Through a weighted average analysis, where the bulk mailers are given a weight from 1 to 5 (1 being the smallest bulk mailers and 5 being the largest), it emerges that 97% of those who sent more and 87% of those who sent fewer bulk mail items fall within the category of those sending more than 10,000 mail items in the 12 months prior to the survey.

The business respondents reporting a decrease in bulk mail (n=11) say this is attributed to higher usage of online platforms. Another reason cited by respondents relates to the use of social media,

at 18% of the respondents. Other reasons included “Messaging Services” and “Other Reasons”, with a score of 9% each. Overall, this indicates that the usage of the bulk mail service is impacted by the continued shift towards digital communications channels is emphasized.

Frequency of use of bulk mail

In comparison to the 2021 perception survey, there were no drastic changes in the frequency of service usage. The share of respondents using the service on a weekly basis rebounded from 20% in 2021 to 32%. This means that the biggest share of respondents in terms of use is that on the weekly cohort. The share of respondents who make use of the service monthly fell from 25% in 2021 to 17% in 2024, accounting for the second most common frequency of use of the service.

The use of postcodes in bulk mail services

The current postcode format was introduced in 2007 and it consists of a combination of three letters and four numbers which represents a specific area code. Its aim lies, among others, in the facilitation of sorting and distributing postal items to reduce the risks of mis-delivered/undelivered items. From 2021 to 2024, there was a shift in the usage of this code by the responding bulk mailers. All bulk mailers in the 2024 survey state that they use postcodes when sending out bulk mail, be it always (32%), sometimes (61%) or rarely (7%). In 2021, 12% of respondents stated they had never made use of postcodes. Of note however, is the decrease in the share of respondents that always use the postcode, from 45% in 2021 to 32% in 2024.

Bulk mail clearance

Changes were observed in the way that the bulk mail is handed for clearance for distribution by MaltaPost. Starting with the sorting trends, a significant shift was noted in how the bulk mailers sort their mail before they hand them to MaltaPost. Whereas in 2021, 75% of respondents pre-sorted their bulk mail by postcode before actually handing the mail to MaltaPost, just 44% did so in 2024. Furthermore, 80% of respondents in the 2024 survey said that they drop off their bulk mail at the MaltaPost head office, compared to 63% in 2021.

Expenditure and price reasonableness

On average, 39% of survey respondents say that they spent between €1,001 and €5,000 on bulk mail services annually, followed by 17% who said that they spent between €500 to €1,000. Another 15% say they spent more than €25,000. An effective comparability analysis cannot be made with

the responses of the 2021 survey, as then, 70% had stated that they did not know how much they spent (the 'do not know' option was not available in the 2024 survey).

In relation to the price of bulk mail services, participants were asked how reasonable they perceive the price to be. Similar to findings in previous years, about half (51%) are at a neutral stance about the topic. Even though there was a decrease in those who perceive the price to be "very reasonable" (from 15% in 2021 to 5% in 2024), it is noted that in 2024, 20% perceive the price to be not reasonable whereas 29% perceive the price to be reasonable or very reasonable.

Acceptable lead-time

A shift has been noted in what respondents perceive to be an acceptable lead-time from when the bulk mail item is posted to when it is delivered. A 6-percentage point increase and a 9-percentage point decrease was noted amongst those bulk mailers who considered a one-day and a two-day lead time to be acceptable from 2021 to 2024, with 46% of the respondents opting for the next-day delivery option and another 46% opting for a two-day lead-time in 2024. In contrast, only 7% think that a lead-time of 3 days is acceptable.

Six to five day service availability

15% of survey respondents see a transition from a 6-day to a 5-day delivery week as a major inconvenience, down from 37% in 2021. Another 20% and 24% of respondents state that such a change would be either a minor inconvenience or a workable inconvenience. 41% of respondents perceive this change to be acceptable compared to 47% in 2021.

10% of survey respondents think that it would be reasonable for the price of bulk mail to increase in order to maintain the current 6-day week frequency of delivery, down from 25% in 2021.

Quality of service and complaints handling

59% of the respondents are either satisfied (44%) or very satisfied (15%) with MaltaPost's bulk mail service, decreasing by 9 percentage points between 2021 and 2024.

90% of the respondents stated that they have never lodged a complaint with MaltaPost with regards to the bulk mail service. Those who made a formal complaint largely did so in light of the reliability of the service (75%), regularity of the service (25%), due to undelivered mail (25%), and due to the price of the service (25%). Such results should be interpreted with caution as the analysis is based on a small sample size of $n=4$.

Intention of future use of bulk mail services

All the participants of the survey were also asked whether they intend to make use of the bulk mail service throughout the coming 12 months. 40 out of 41 surveyed businesses responded positively. In the 2021 survey, 83% of respondents said that they will be making use of the service in the following year. Just below half of the respondents expect bulk mail volumes to remain the same over the next 12 months. On the other hand, 32% and 20% expect the volumes of bulk mail letters to decrease and increase respectively over the next 12 months. In 2021, 9% stated that they expected bulk mail volumes to decrease.

Environmental considerations

All survey participants were also asked about their willingness to contribute an additional 1 cent per letter for displaying an officially endorsed environmentally friendly logo on the envelope, knowing that these funds will be allocated towards an environmental initiative. 56% responded positively in this regard. The 2024 Bulk Mail perception survey was the first time that a question of the sort was asked to bulk mailers.

For a more comprehensive picture of this survey, a presentation of the main findings is available in presentation format on the MCA [website](#).