

# Quality of Service and Consumers' Needs: Recent Evidence from France

Magali Cecchet<sup>a</sup>, Mette Damgaard\*, Nicole Doise<sup>a</sup>, Julien Coulier<sup>b</sup>, Lionel Janin<sup>b</sup>, Patrice Muller\*, Nicola Shorland<sup>b</sup> and Gregory P. Swinand\*

\*London Economics, <sup>a</sup>-DGCIS-France, <sup>b</sup>-ARCEP

Presentation  
19<sup>th</sup> CPDE, CRRI, Jersey  
June 2011

ISO 9001:2008

# Outline of the presentation

- Methodology
- Results
  - Importance of mail
  - Knowledge of mail price and QoS
  - Satisfaction
  - Need for J+1 QoS
  - Relative satisfaction (what La Poste should improve most)
  - Trade-off analysis
  - Multicriteria analysis
- Conclusions

- Two primary objectives
  - Analyse the practices, knowledge, and perceptions of postal users in terms of USO products and quality of service
  - Identify the needs of postal users in terms of quality of service
- Products in the study
  - **First class letter** "*lettre prioritaire*": delivery target J+1 ; target: 84% in 2009, measured delivery quality 84.7% in 2009, 83.4% in 2010), price €0.58;
  - **Second class letter** "*Ecopli*" or "*lettre economique*": no delivery target, indicative delivery within J+3/4, price €0.53;
  - **Registered and insured mail**: "*lettre recommandée*": measured delivery quality 88.7% J+2 in 2009, 85.8% in 2010, price €3.38;
  - **Single piece parcel**: "*Colissimo*": tracked, insured, measured delivery quality J+2 ; target : 86% in 2009 ; measured delivery quality 87,7% in 2009 ; 84,8% J+2 in 2010
- Characteristics: price, delivery speed, delivery hour, last pick-up time, physical integrity of letter and parcels

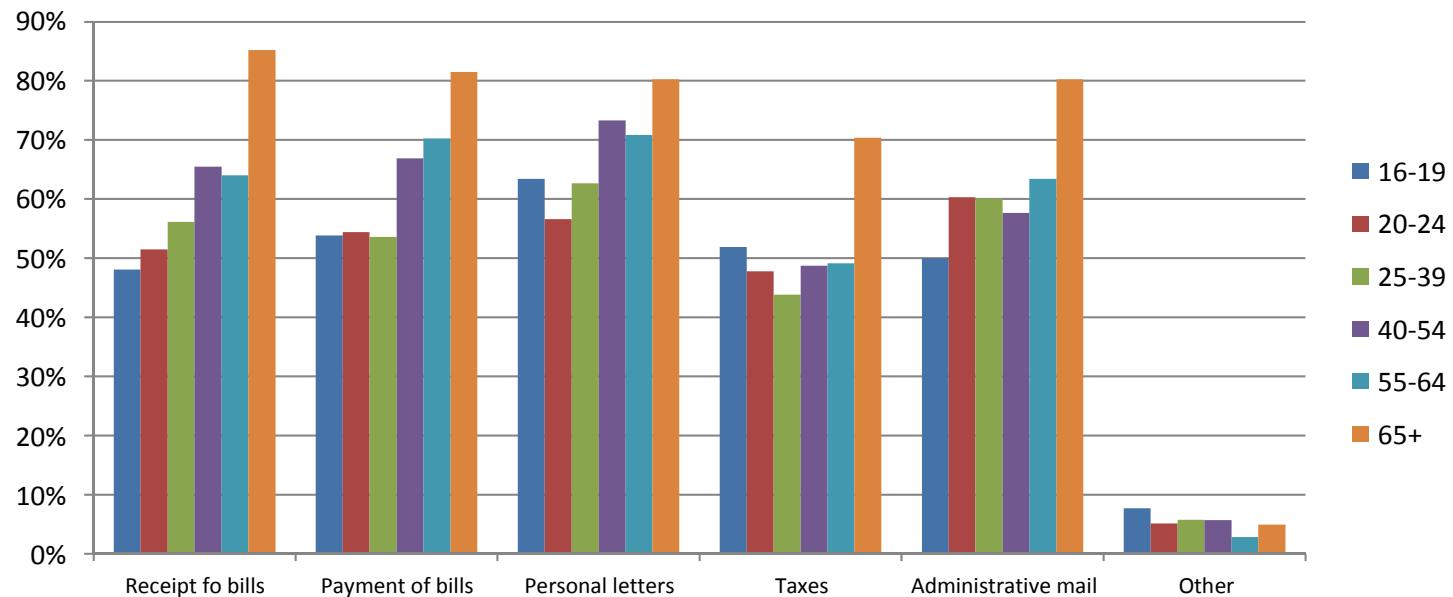
# Methodology

- Sampling
  - Two waves of surveys done by IPSOS
    - First focus on perceptions, needs, priorities
    - Second focus on willingness-to-trade scenarios
  - CATI and online interviews
  - Nationally representative samples
  - Focus on two types of users
  - Individuals/households
    - Segmentation: age, occupation, social benefits, geographic zones
  - Business establishments
    - Segmentation: commercial/non commercial, artisans, liberal professionals, SME, size (#employees), geographic zones

## Importance of mail service

- Older mail users expect to continue to use mail service by a greater percentage than other age groups, but younger age groups also expect to continue using mail.

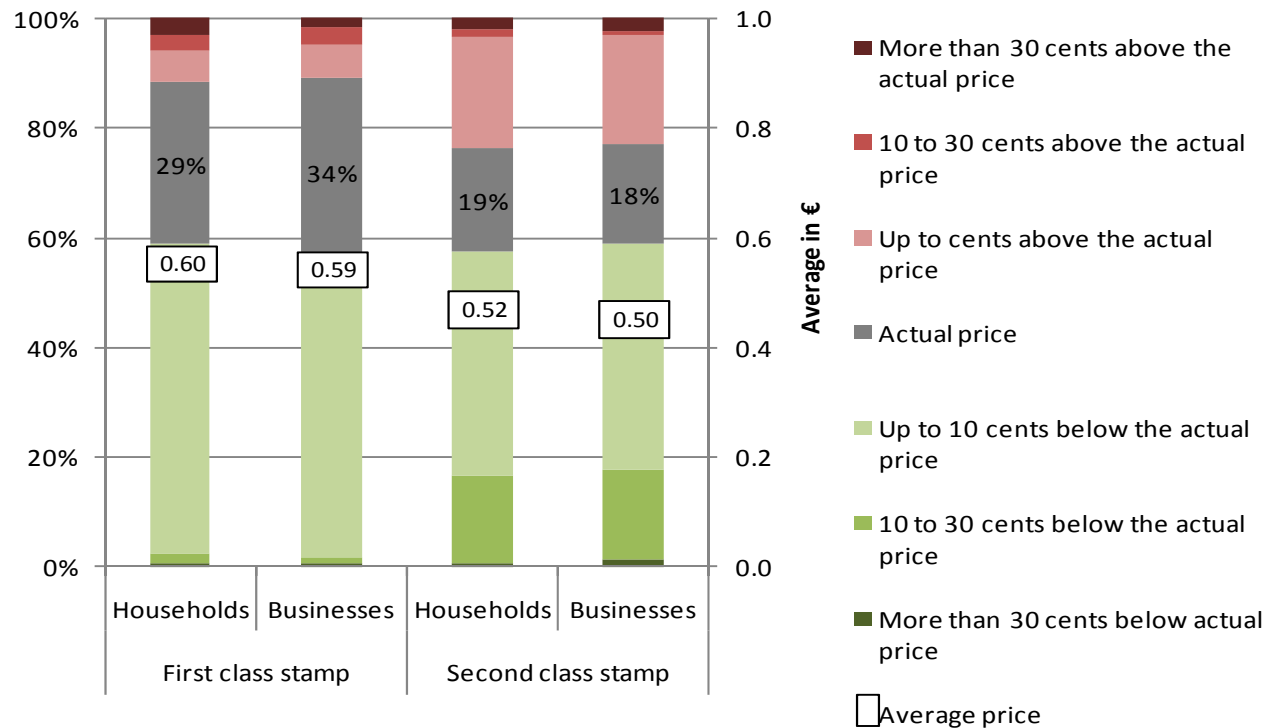
**Figure 1 : Type of mail for which users expect to continue to use letter mail by age class**



# Knowledge of mail products

- Consumers had somewhat poor knowledge of prices

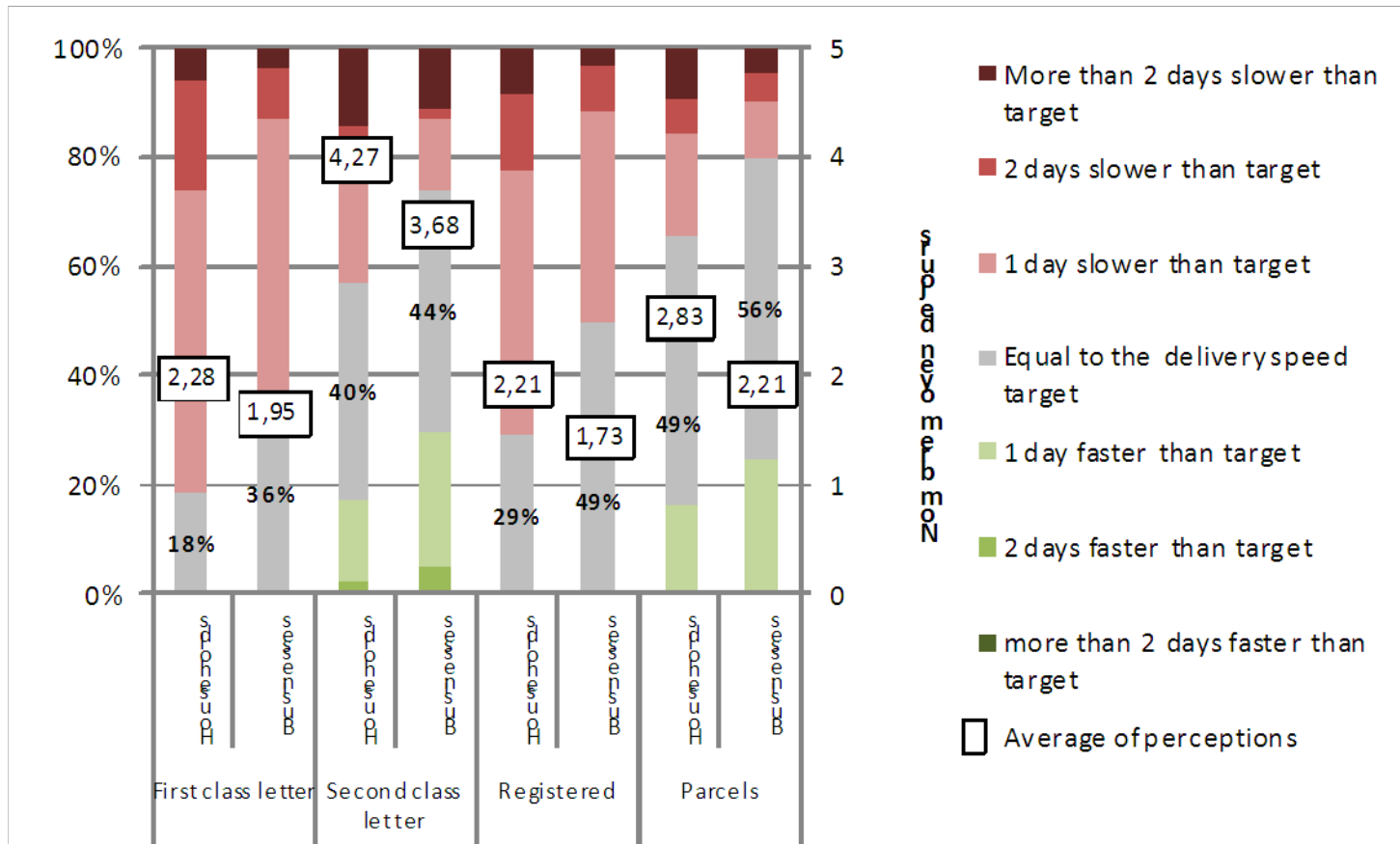
**Figure 1: Percentage breakdown of respondents' knowledge of first and second class letter prices**



# Knowledge of mail products

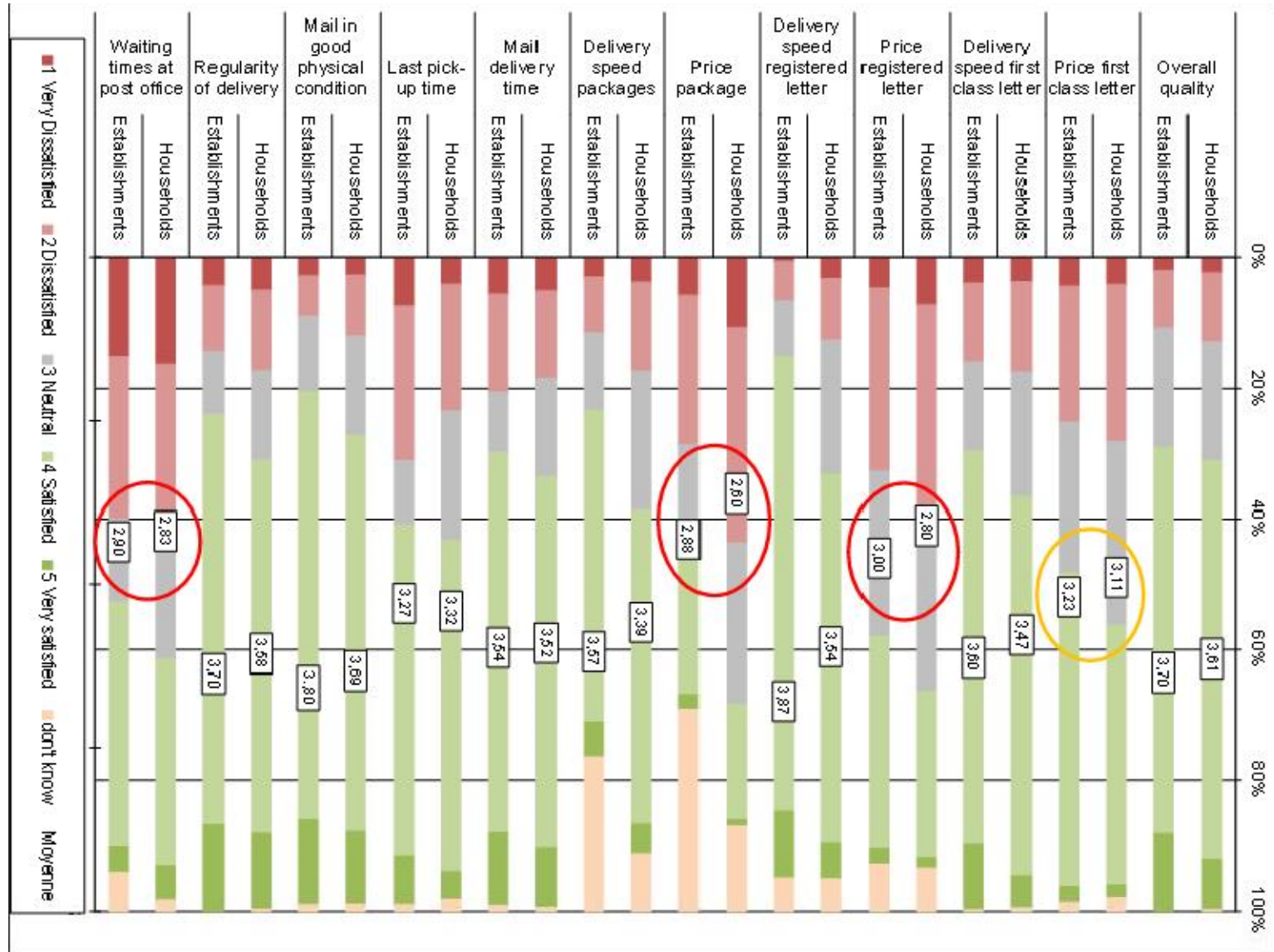
- Consumers' perception of delivery speed somewhat different from reference speed

Figure 1 : Perception of speed of delivery



# Satisfaction

- Consumers generally less satisfied with price

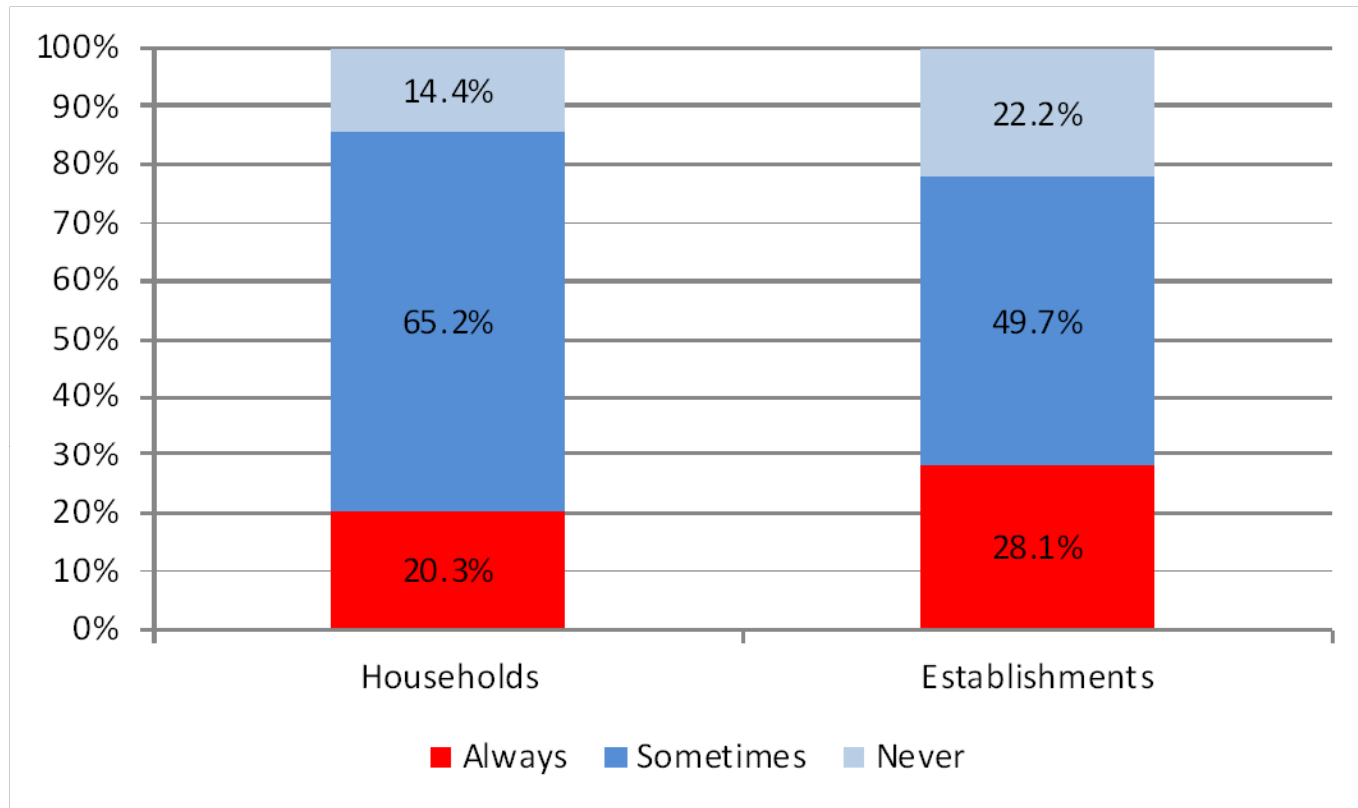




## Need for next day (J+1)

- A majority of consumers need J+1 at least sometimes

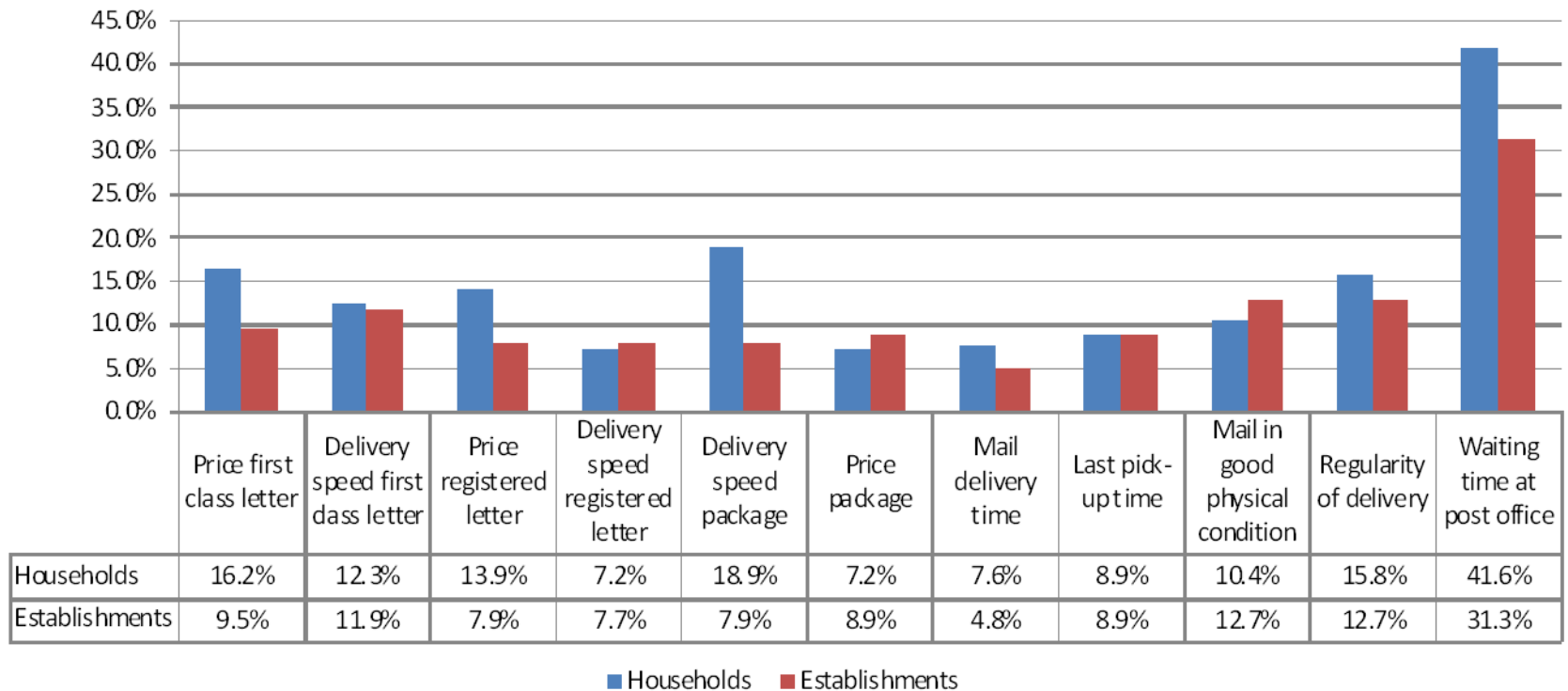
**Figure 1 : Does your first class letter need to arrive the next day after posting? Percentages**



# Relative need for quality-aspects to improve

- Consumers didn't rate J+1 as needing most improvement

**Figure 1 : Aspects of service quality that La Poste should improve the most**



# Trade-off analysis

- Trade-offs presented to consumers

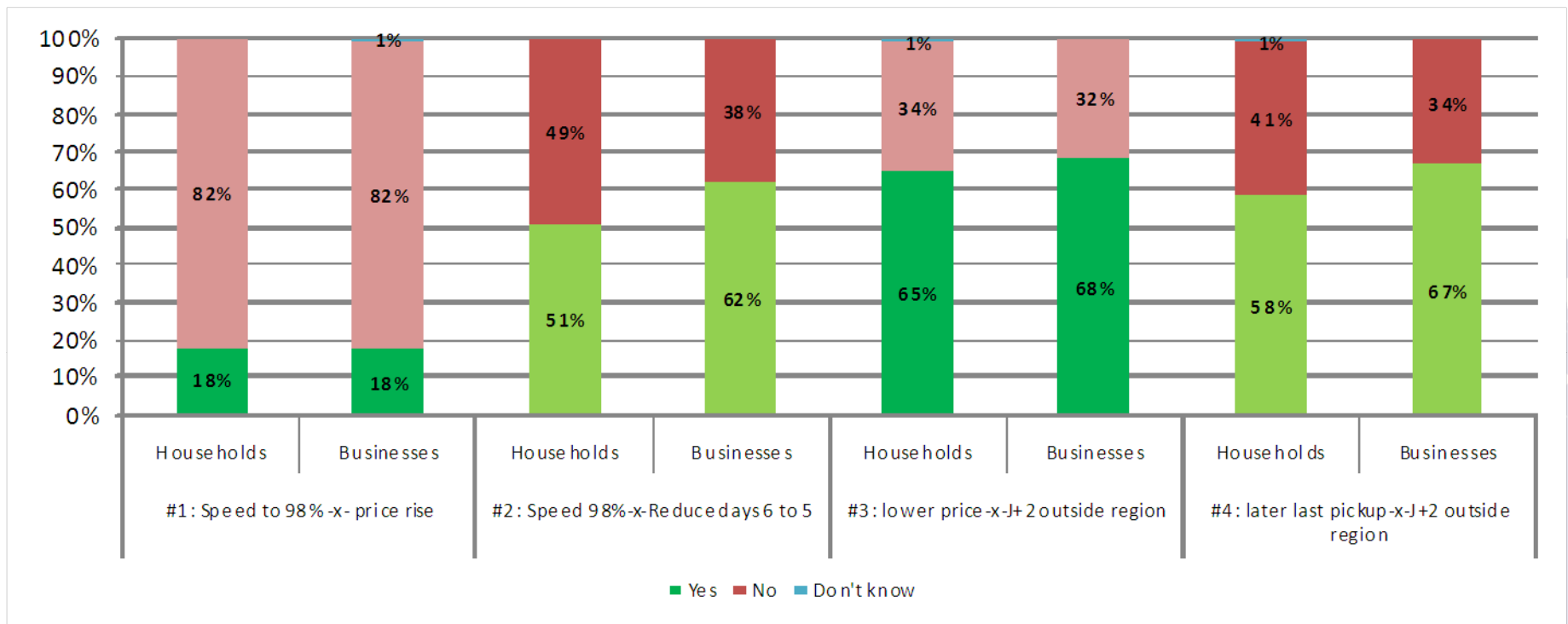
**Table 1 : Possible changes and tradeoffs for different postal price-quality aspects**

Change	Improvement	Exchange
1	Improved speed of delivery to 98% J+1 from 84.7% (currently).	Significant rise in standard first class letter price
2	Improved speed of delivery to 98% J+1 from 84.7% (currently).	Reduction in the number of days per week delivery from 6 to 5
3	Lower price for standard letters	J+1 standard for within region mail and J+2 delivery speed standard for mail destined outside the region of origin
4	Later last pick-up times	J+1 standard for within region mail and J+2 delivery speed standard for mail destined outside the region of origin

# Trade-off analysis

- Trade-off of higher price for higher quality less acceptable

**Figure 1 : Acceptability of the four change scenarios -- percentages**



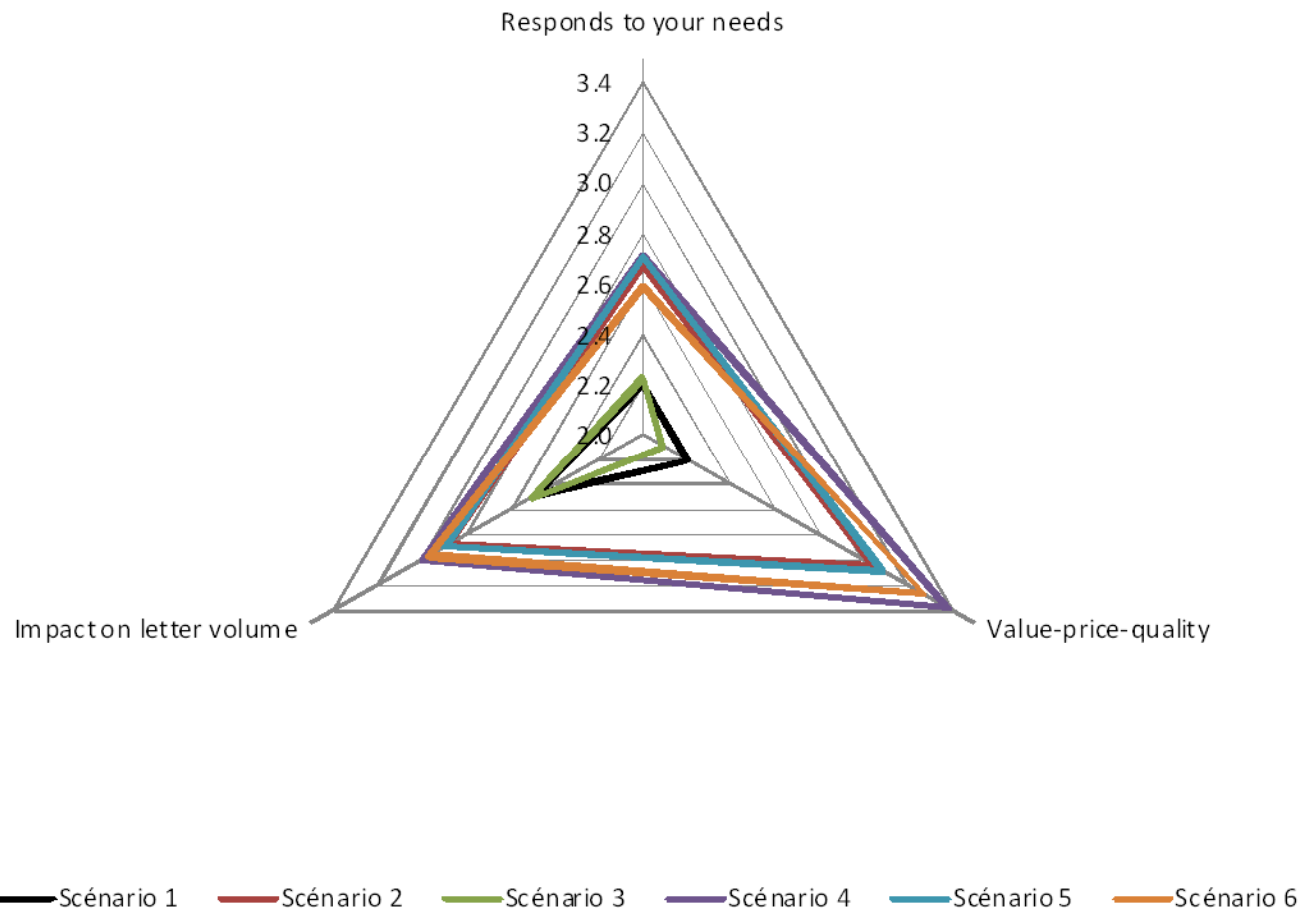
## MCA analysis

- Six scenarios
  1. Improving next-day delivery to 98% for first class mail in exchange for a significant price rise in the first class letter
  2. Improving next-day delivery to 98% for first class mail in exchange for a reduction in number of delivery days per week from 6 to 5
  3. Last pick-up time two hours later in exchange for a significant price rise in the first class letter
  4. A significant price reduction for first class letters in exchange for allowing J+2 delivery speed outside the sender's region
  5. Last pick-up time two hours later in exchange for allowing J+2 delivery speed outside the sender's region
  6. A significant price reduction for first class letters in exchange for a reduction in the number of delivery days per week from 6 to 5
- Consumers rates scenarios on criteria
  - Responded to the respondents' needs
  - Value-for-money in terms of price and quality
  - Impact on expected volume of mail

# MCA analysis

- Scenarios involving price (1&3) rises showed relatively low ratings

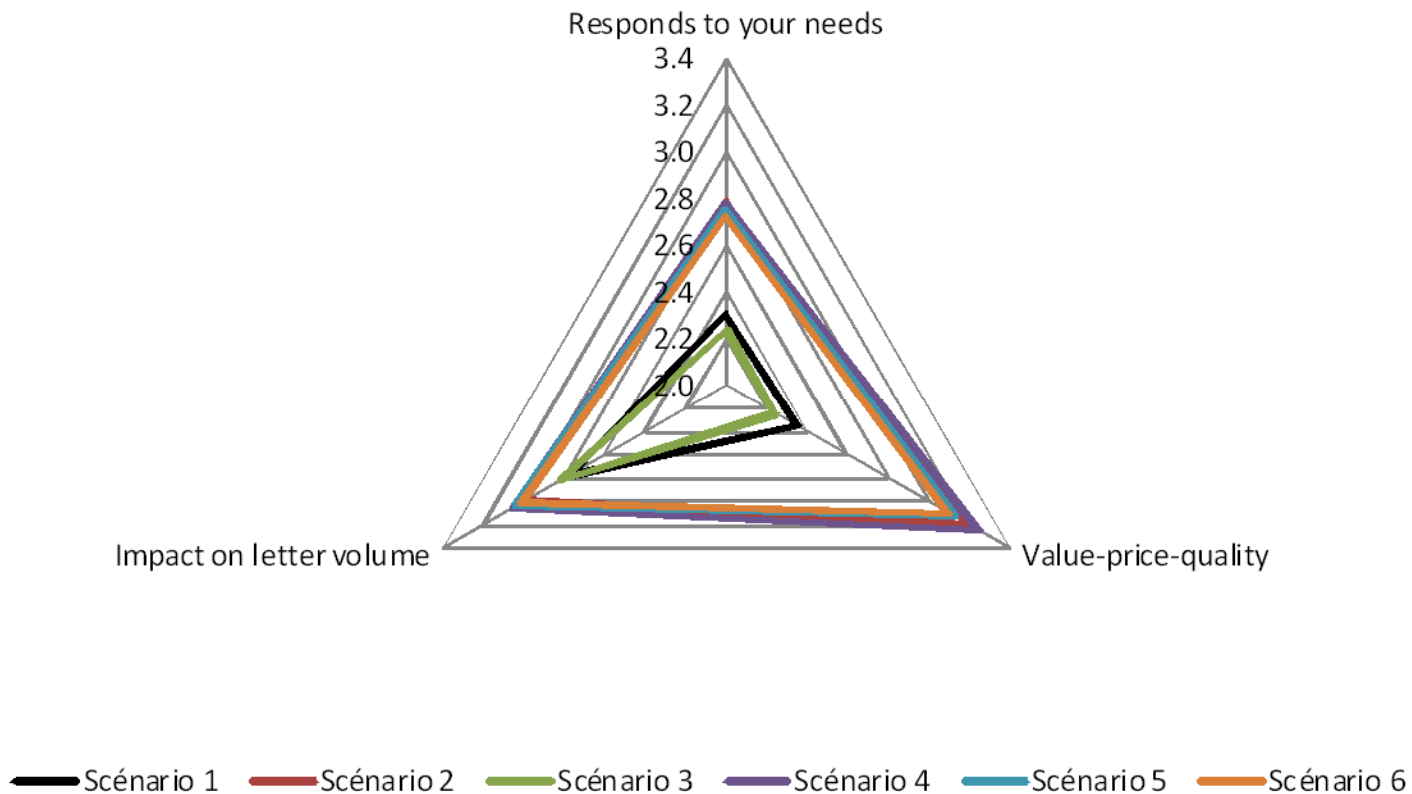
Figure 1 : Global comparison of the scenarios – households



# MCA analysis

- Scenarios involving price (1&3) rises showed relatively low ratings

Figure 1 : Global comparison of the scenarios – business establishments



# Conclusions

- Still a need for post and next day
  - All groups stated continue to use post
  - Majority of consumers at least sometimes need J+1
- Majority of consumers more concerned about price than delivery speed
  - Consumers seem more willing to trade
    - Lower quality for a lower price
    - Would not trade a higher quality with a higher price
  - Less need for J+1 for long-distance mail
- Consumers more concerned with waiting times at post offices, reliability and integrity of the mail, than delivery speed
- Future work and directions
  - Consider more rigorous full WTP/WTB survey design
  - Consider consumer trade-offs vis-a-vis cost (producer) trade-offs