



# **Delivery to Neighbour Trial Notification**

27 October 2011

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## Overview

This submission notifies Ofcom and Consumer Focus of Royal Mail's intention to carry out a Delivery to Neighbour trial ("the Trial") and the details of it, pursuant to Postcomm's "Decision on Royal Mail application to run a Delivery to Neighbour Trial" and the 29 September 2011 Direction therein (the Direction).

## Terms of the Trial

Royal Mail will commence the Trial on Monday 28<sup>th</sup> November 2011. The Trial is planned to last for a period of three months and to conclude on Saturday 25<sup>th</sup> February 2012. Royal Mail may extend the Trial if that is deemed at the time to be necessary e.g. in order to gather further information from which to draw firm conclusions. Royal Mail will communicate any extensions accordingly to those engaged in it. In any event the Trial will last no more than 6 months.

The Trial will be undertaken within six delivery areas. These are<sup>1</sup>:

Edinburgh Central  
Wigan/Bolton  
Swansea East  
Norwich  
Gatwick North  
Hull

In total 29 Delivery Units will be included in the Trial. These include 21 Royal Mail Delivery Offices and 8 Scale Payment Delivery Offices (SPDOs)<sup>2</sup>. This will involve 1,410 delivery walks and c.748,000 delivery addresses. We believe that these areas provide a good and sufficiently representative sample of types of Delivery Office, population density and volume of postal items, as discussed already with the regulator.

All customers (both in terms of being the addressees of Trial items<sup>3</sup> that could be delivered to their neighbours, or the neighbours accepting delivery of trial items on behalf of their addressees) who are likely to receive a delivery of mail from any of the engaged Delivery Units will be included in the Trial, with the exception of:

- (i) Those who request to opt-out of the Trial;
- (ii) Those at any addresses where a USO delivery exception applies<sup>4</sup>.

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<sup>1</sup> These locations differ from those listed in Royal Mail's Application to Postcomm in that (i) Edinburgh Central has replaced Brighton; (ii) Hull has been added; (iii) Redhill has been extended to include a wider area that is Gatwick North; (iv) Wigan has been extended to include Bolton. These changes were considered appropriate to ensure a sufficiently representative sample of areas meeting the requirements of the Direction.

<sup>2</sup> A full list of Delivery Units is supplied in Annex 1 including a breakdown of walks and delivery addresses by sector area.

<sup>3</sup> Trial items means postal items otherwise not exempt from the Trial posted to addresses within the six delivery sectors engaged by the Trial.

<sup>4</sup> Any alternative delivery arrangements that are in place will continue to apply

Royal Mail is committed to ensure that delivery of a Trial item to a neighbour of its original addressee will only be undertaken following an unsuccessful delivery attendance call by the postman or woman at the addressee's address.

For the purposes of the Trial a neighbour shall be considered to be a person who lives within close proximity to the stated address on the Trial item. They may be a next door neighbour or someone who lives sufficiently close by. The delivery postman or woman will have the flexibility to make an appropriate judgement. In exercising that judgement he/she may rely on their familiarity with their walk and pointers of occupation such as previous experience, a car in the drive, window open, etc.

Delivery to a neighbour will only be undertaken following an unsuccessful delivery attendance call by the postman or woman at the address on the Trial item. If an appropriate neighbouring address is identified by the postman or woman, they will ask the neighbour to take receipt of the item on behalf of the addressee. If they agree to do so, the postman or woman will record the neighbouring address onto the 'Something for you' delivery card, and will then post this at the address on the Trial item.<sup>5</sup>

In three of the six trial areas, in addition to recording the neighbour's address, the postman or woman will also ask the neighbour to enter their name onto the 'Something for you' card<sup>6</sup>.

Where the mail item is one that requires a signature on delivery such as a 'Recorded Signed For' or Royal Mail Tracked item the postman or woman will ask the neighbour for both their name and signature. These will be recorded using the Postal Digital Assistant (PDA) or the Proof of Delivery card.

Royal Mail Special Delivery, Do Not Redirect (DNR), and International mail product items that require a signature on delivery are the only mail delivery services exempt from this Trial. These items will be returned to the Royal Mail Delivery Office in the event of an unsuccessful delivery call at the stated address on the Trial item.

Royal Mail will remain liable for mail delivered in the Trial areas on the same legal basis as for mail delivered outside the Trial areas.

The Trial will generate no incremental revenue for Royal Mail.

### Opting-Out

For the duration of the Trial the persons affected by the Trial, namely addressees of Trial items and neighbours of addressees, will be able to opt-out of the Trial.

For addressees, Trial items will be returned to the local Royal Mail Delivery Office, where an opt-out request has been correctly submitted. For neighbours who have opted out, no attendance call attempt will be made.

Customers within one of the Trial areas will be able to opt-out of the Trial by displaying a sticker in a prominent location at their address (e.g. on or near their letterbox). Royal Mail will send stickers, free of charge, to customers who provide their address details to Royal Mail either via the web-site

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<sup>5</sup> See Annex 2 for an Operational Process Map.

<sup>6</sup> These will include the Hull, Gatwick North and Swansea East Delivery Offices.

[www.royalmail.com](http://www.royalmail.com) or via telephone to Royal Mail Customer Services via an dedicated automated phone number.

Customers will be able to opt-out at any stage during the trial. Similarly, they can cancel their opt-out at any time. Full details will be provided in the Communications materials. The sender of an item will not be able to opt-out from the Trial.

## Key Performance Indicators for the Trial

The key performance indicators for the Trial are set out in Table A below:

**Table A: Key performance indicators**

KPI	Measure	How
Customer Satisfaction	Measurement of the levels of overall customer satisfaction for addressees (and neighbours) directly impacted in the trial areas, both in total and by area sector	Market Research Activity
	Understand the business posting customer impact in issues such as loss complaints received directly from their customers	CRM Programme request for feedback
Customer Complaints	Measurement of the numbers and percentages of customer complaints received in relation to Delivery to Neighbour Trial in total, in sector areas and by unit	Recording of complaint levels
Costs, Time & Quality	Establish a cost baseline for Delivery to Neighbour through the: <ul style="list-style-type: none"> <li>(i) Measurement of the impact on outdoor operational activity, i.e. any additional time/cost on delivery walks</li> <li>(ii) Measurement of the impact on indoor operational activity, i.e. the impact on enquiry office transactions for collected mail items</li> <li>(iii) Measurement of the number and percentage of items successfully left with neighbours in total and by area sector</li> <li>(iv) Measurement of the number and percentage of items successfully delivered to a neighbour at the first attempt both in total and by area sector</li> </ul>	Reporting by Delivery Office Managers  Counts of 'Something for you' cards handled  Counts undertaken by postmen and women on return to Delivery Office  Counts undertaken by postmen and women on return to Delivery Office
Customer Opt-Outs	Measurement of both the number and percentage of receiving customers who choose to opt-out of the Trial both in total and by area sector	Counts of consumers requesting opt-out via <a href="http://www.royalmail.com">www.royalmail.com</a> and dedicated customer services telephone number
People	Measurement of the levels of employee satisfaction both in total and by delivery sector area	Employee Satisfaction exercise

## Customer Communications Plan

Royal Mail's communication objectives will be to raise awareness and understanding of the Trial amongst the target audiences and to ensure that those affected know how they are affected specifically in relation to:

- The duration of the trial;
- Terms and conditions changes;
- Their right to opt-out of the trial<sup>7</sup>

Royal Mail's Communication plan and initiatives for the Trial are set out in Table B.

**Table B: Communication plan for the Trial**

Audiences	Message	Channel	Timing
All RM Retail Contract Customers	General description and rationale for the Trial	Insert to Customer Relationship Management (CRM) Programme	26-28 Oct
All RM Retail Contract Customers	Terms and Conditions Description of Change	Royal Mail website	26 28 Oct
RM Access Customers	General description and rationale for the Trial (equivalent information to that provided to RM retail contract customers)	Email	26-28 Oct
RM Delivery & Enquiry Office staff in trial sector areas; RM Customer Services Teams	Awareness of Trial	Employee Briefings	From 27 Oct
All consumers	Announcement of the Trial in Trial Areas	Regional news releases & media	27 Oct
All Customers (including consumers)	Further details of the Trial	Royal Mail's websites	28 Oct
Recipient & Sending customers in the trial areas	Local Awareness of Trial	Posters displayed in trial area Royal Mail Enquiry Offices	31 Oct
Recipient and Neighbours in trial areas	Opt-out register facility available	Royal Mail's web-site Dedicated Customer Service Tel no.	31 Oct
Recipient & Sending customers in the trial areas	Local Awareness of Trial	Door-drop to all affected delivery addresses in trial locations	14 Nov
Recipient and Neighbours in the trial areas	Opt-Out Materials	Commencement of the fulfilment of opt-out materials	From 14 Nov
Recipient (inc Neighbours) in the trial areas	Mail left with Neighbour	'Something for you' Delivery Card	From 28 Nov
Post Office counter and management staff	Awareness of Trial	Employee Briefings	From 21 Nov
Recipient and Senders in Trial areas	Local Awareness of Trial	Intention to display posters in Crown Post Offices in affected areas	From 21 Nov

Details about how to opt-out will be included in the Enquiry Office posters; on the Royal Mail web-site page at [www.royalmail.com/deliverytoneighbour](http://www.royalmail.com/deliverytoneighbour) and on the planned door-drop communication.

<sup>7</sup> Not applicable to posting customers

## Annex 1 - Delivery to Neighbour Trial Delivery Units

Edinburgh Central	Delivery Walks	Delivery Points	Postcodes Sectors
Edinburgh West Central DO	56	24904	EH1 1-3, EH2 1-4, EH3 5-9
Edinburgh Western DO	80	47271	EH11 1-4, EH12 5-9,0 EH29 9, EH30 9
Edinburgh East Central	93	55622	EH6 4-8, EH7 4-6, EH8 7-9
Edinburgh North West DO	69	30412	EH4 1-8, EH5 1-3
<b>Sub Total</b>	<b>298</b>	<b>158209</b>	

Wigan/Bolton	Delivery Walks	Delivery Points	Postcodes Sectors
Bolton West DO	73	41954	BL4 7-9,0 BL5 1-3, BL6 4-7
Leigh DO	33	22305	WN7 1-5
Wigan DO	179	98588	WN7 1-5, WN1 1-3, WN2 1-5, WN3 4-6, WN4 8,9,0, WN5 7-9,0, WN6 7-9,0
<b>Sub Total</b>	<b>285</b>	<b>162847</b>	

Swansea East	Delivery Walks	Delivery Points	Postcodes Sectors
Ammanford DO	73	41954	SA18 1-3
Gorseinon DO	33	22305	SA3 1, SA4 3-4,6, 8-9, 0
Llandeilo DO	179	98588	SA19 6-9, SA20 0
Neath DO	54	30621	SA10 6-9, SA11 1-5
Pontardawe DO	27	13142	SA8 3-4, SA19 1-2
<b>Sub Total</b>	<b>169</b>	<b>83518</b>	

Norwich	Delivery Walks	Delivery Points	Postcodes Sectors
Dereham DO	55	22475	IP 25 1-2, NR9 1-2, NR10 1-4, NR19 1-2, NR20 3-5
Lowestoft DO	65	38438	NR32 1-5, NR33 7-9, NR33 0
Norwich DO	140	86086	NR1-4, NR2 1-4, NR3 1-4, NR4 6-7, NR6 5-7, NR7 8-9, NR7 0, NR10 3, NR14 7-8
<b>Sub Total</b>	<b>260</b>	<b>146999</b>	

Gatwick North	Delivery Walks	Delivery Points	Postcodes Sectors
Banstead DO	24	7417	SM7 1-3
Mitcham DO	41	22004	CR4 1-4
Redhill DO	56	23189	RH1 1-6, RH9 8
Reigate DO	35	12706	RH2 7-9,0
<b>Sub Total</b>	<b>156</b>	<b>65316</b>	

Hull	Delivery Walks	Delivery Points	Postcodes Sectors
Aldbrough SPDO	3	708	HU11 4
Burton Pidsea SPDO	4	1031	HU12 9, 0
Hull City & Harpings Road DO	143	85886	HU1 1-4, HU2 8,9,0,HU3 1-6, HU5 1-5, HU8 7-9,0 HU9 1-5 HU12 8-9
Keyingham SPDO	3	981	HU12 9
Malmö Road DO	66	33909	HU6,7-9,0 HU7 3-6,0 HU11 ,4
Pattrington SPDO	7	1855	HU12 0
Skirlaugh SPDO	5	1795	HU11 4-5
Sproatley SPDO	2	584	HU11 4
Thorngumbald SPDO	3	1288	HU12 9
Withernsea SPDO	6	3338	HU19 2
<b>Sub Total</b>	<b>242</b>	<b>131375</b>	

Trial Site Area	Delivery Walks	Delivery Points
Edinburgh Central	298	158209
Wigan/Bolton	285	162487
Swansea East	169	83518
Norwich	260	146999
Gatwick North	156	65316
Hull	242	131375
<b>Grand totals</b>	<b>1,410</b>	<b>747,904</b>

## Annex 2 – Delivery to Neighbour Process Changes

### Deliver to Neighbour: Proposed change illustrated through Standard Packet Delivery

