



progressive

Consumer Scotland

Decarbonisation of Postal Services
Research

Report

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Summary

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This research study was undertaken to understand levels of awareness and engagement with the environmental sustainability of postal services among consumers and small businesses in Scotland. By postal services we refer to all letter and parcel deliveries sent and received via courier or the Royal Mail. The research found that the primary reasons for consumer respondents' use of postal services were to order items online, with many using postal services to return items purchased online and when selling items online. Small business respondents used postal services to deliver to customers and to order supplies.

A variety of factors influenced decision making for consumer and small business respondents when using postal services – however, all audiences prioritised the cost, speed and convenience of deliveries. Rural respondents had limited options and were often discerning to avoid surcharges and to ensure items could be delivered to their address.

Most consumer and small business respondents did not consider environmental sustainability when using postal services, although they knew of delivery companies' evolving practices in this area, such as electric vehicles and reduced packaging. Some also mentioned choosing more sustainable options such as postal lockers, order grouping and recyclable packaging. However, they considered environmental benefits of their choices to be secondary benefits, rather than primary drivers.

There were mixed views on consumer and small business respondents' willingness to adopt more sustainable postal options. Whilst most were in favour of choosing more sustainable postal services, they qualified this by saying that the cheapest and most convenient postal option is likely to remain the most chosen. There were some businesses who used sustainable models and therefore incorporated sustainability into all decisions, but most valued cost and speed more highly when using postal services. Some consumers also questioned the extent of their individual impact by choosing sustainable options, as compared with organisations and businesses that have greater potential to make significant improvements.

Those interested in pursuing more sustainable options wanted concise, relevant information about sustainable options when placing orders, and noted that generic information on, for example, tonnes of carbon dioxide saved, would be unlikely to sway their decision. Some suggested drawing on local equivalents (such as a flight from Scotland to Spain) to help people understand the impact of their actions: for example – the CO2 saved by using measure x for a year is equivalent to XXX flights from Scotland to Spain. However, for many consumer and small business participants, the key consideration was that the cost and speed of deliveries should not be significantly impacted when choosing sustainable postal options.



Introduction

Background and objectives

Postal services and the associated logistics sector are important industries across Scotland and the UK, generating £12.8bn in revenues in 2022-23.¹ Parcel deliveries have increased in recent years, rising from 2.8 billion items in 2019-2020 to 3.6 billion items delivered in 2022-2023.² This growth in volumes demonstrates a challenge to reducing the already significant emissions produced by the postal services sector. As Scotland, at the time of writing, aims to reach net zero emissions of all greenhouse gases by 2045, there is a pressing need to reduce emissions in line with this target and to limit the sector's environmental damage.

Whilst postal operators have been making progress, there are still major challenges in decarbonisation planning for the sector whilst meeting consumer needs. Despite the fact that operators have begun to decrease their CO2 emissions, environmental impact of emissions remains significant and this is a challenge faced across the sector.

As Scotland's statutory body for consumers, Consumer Scotland's objectives include improving understanding and awareness of consumer and small business issues related to postal services and to influence the postal services sector to meet the needs of current and future consumers. Consumer Scotland required research to provide insight into the awareness, expectations and understanding of the decarbonisation of postal services within Scotland. This research will inform Consumer Scotland's advocacy work related to postal services and would be of use for its key stakeholders as they develop strategies to decarbonise the sector with consumer needs in mind.

The objective of this research was to deliver research findings to help Consumer Scotland build an evidence base that would provide them with insight into:

- a) The level of consumer and small business awareness in Scotland of environmental sustainability and the transition to net zero in relation to postal services
- b) How consumers and small business in Scotland are currently engaging with issues relating to the decarbonisation of postal services

¹ [Post monitoring report - Postal services in the financial year 2022-23 \(ofcom.org.uk\)](https://www.ofcom.org.uk/_data/assets/pdf_file/0032/272795/post-monitoring-report-2022-23.pdf)

² https://www.ofcom.org.uk/_data/assets/pdf_file/0032/272795/post-monitoring-report-2022-23.pdf

- c) Their willingness to engage with more environmentally sustainable practices and innovative technological provisions in relation to postal services including identifying any barriers and enablers to this
- d) How to ensure that any solutions are designed inclusively to ensure that the needs of all consumers and small businesses in relation to environmentally sustainable postal services are met

Method

Overview

The methodology for this research included a three-day online diary followed by online focus groups with consumers and in-depth interviews with people working in small businesses. Progressive opted for this two stage approach to allow insights to develop through the research process, meaning the probing questions used at each stage could evolve as understanding of consumer and business attitudes deepened.

All fieldwork was conducted online to allow for the inclusion of the largest spread of participants possible within the project budget, including those based in rural and island communities. To mitigate against the possible exclusion of those without digital access, we offered telephone interviews as an alternative to all respondents.

Online diary tasks

The online diary comprised a series of tasks for consumers and small businesses. They were completed as a pre-task by half the sample before taking part in an in-depth interview or online focus group. Participants were asked to spend twenty minutes per day across the three days completing the tasks. The reason only half the sample participated in this stage was partly due to time and budgetary limitations, but also to gather a range of both spontaneous and prompted responses from respondents in research discussions.

Tasks within the online diary included:

- Sharing experiences using postal services as a consumer / small business
- Considerations made when using and choosing postal operators
- Priority ranking of considerations
- Postal diary: daily experiences sending and receiving items
- Importance and role of environmental sustainability in decision making

Discussions

The focus group approach was selected for consumers because we were able to group individual consumers more easily by age, location and usage of postal services. In-depth interviews were adopted for small businesses because their experiences of postal services vary greatly depending on their sector, size and location. There were additional practical reasons for using depth interviews with small businesses: it was simpler to schedule the interviews and to ensure business confidentiality.

Consumers which Progressive recruited for the project had to use postal services at least occasionally in their personal life. They used postal services for a mix of purposes, used a range of delivery operators, and had a mix of levels of awareness and engagement with environmental sustainability.

Small business participants which Progressive recruited for the project worked in businesses which use postal services at least occasionally and each participant had to be responsible for making decisions about postal services in their business. Across the sample, participants used postal services for a mix of purposes in their business (including sending and receiving mail, both letters and parcels), used a range of delivery operators, and covered a variety of business sectors and sizes ranging from sole traders up to 50 employees, and had a mix of levels of awareness and engagement with environmental sustainability.

Progressive also ensured good representation of consumers and small businesses based in urban, semi-rural and rural areas in the research. Progressive used the Scottish Government's Urban Rural Classification 2020 to determine the type of area each consumer or small business was located in.³

Based on this, Progressive defined rural consumers and small businesses as those based more than 30 minutes' drive from a settlement of 10,000 or more inhabitants. We defined semi-rural consumers and small businesses as those based within a 30 minute drive of a settlement of 10,000 or more inhabitants. Finally, we defined urban consumers and small businesses who lived within a settlement of 10,000 or more inhabitants.

Sample

Progressive conducted six online focus groups, comprising 30 consumers. The groups were split by age, socioeconomic grade (SEG) and location: urban, semi-rural, and rural areas. Four consumers lived in island communities. The gender split was kept as even as possible. Three of the six groups had completed their online diary tasks before participating in an online focus group. There is a breakdown of the focus groups below:

³ <https://www.gov.scot/publications/scottish-government-urban-rural-classification-2020/pages/2/>

GROUP:	1	2	3	4	5	6
Age	18-40	60+	18-40	41+	18-40	41+
SEG	ABC1	C2DE	C2DE	ABC1	Mixed	Mixed
Location	Urban	Semi-rural	Rural	Urban	Semi-rural	Rural
No. of participants	4	5	4	5	6	6
Complete online diary	Yes	No	No	No	Yes	Yes

In total, 31 small business workers took part in the research. All 31 small business participants were responsible for making decisions about postal services within the business, and this included operations staff such as office managers, directors and business owners. Half the sample (16 participants) completed the online diary tasks prior to taking part in an interview. Overall, Progressive spoke to 10 rural, 11 semi-rural, and 10 urban small businesses – this split was chosen to ensure strong representation of participants outwith urban areas, allowing a range of perspectives from remote and rural communities to be heard. Six participants working in businesses in island communities took part. As is standard for business to business research, the gender and age of the small business participants were not collected as these were deemed not relevant to the topic. A wide range of businesses across industries took part in the research, including: wholesale food businesses, retailers, gift makers, estate agents and property factors, automotive businesses, manufacturers, distilleries, IT businesses, an agritourism business, antique sellers and an art gallery.

Recruitment

Progressive used a multi-pronged approach to recruitment for this research and developed detailed recruitment screening questions, agreed with Consumer Scotland, to ensure that respondents met our specification and represented a cross-section of the small business and consumer population in Scotland.

Throughout recruitment, we used Progressive's in-house team of experienced recruiters, the specialist rural recruiter FieldMouse which helped us to find small business participants in rural regions including island communities, and social media advertising to encourage participation in the research.

Incentives were paid to all respondents to encourage participation. Details can be found in the technical appendix of this document.

Data analysis

Progressive conducted a thematic analysis using an iterative process that began with all members of the team listening to recordings, reviewing transcriptions and reading the responses to the online diary tasks and documenting the prevalence of themes and strength of feelings expressed in an analysis framework document. There were then several stages to the analysis:

- The researchers reviewed responses to the diaries on the online research platform, and used probing questions based on respondents' responses during the group or interview to understand their attitudes and experiences in more depth.
- The researchers collated text, video and image responses from the online diaries to develop a picture of the respondent's experiences and searched for and identify themes across the sample
- The researchers wrote a short summary of each completed group and interview, including comments and tentative interpretations of the data
- The researchers examined transcripts of recorded groups and interviews, noting the relative frequency with which different issues arise, as well as the intensity of their expression
- When completing analysis, we looked for patterns, common themes, deviations from patterns and any factors that may explain these.

Limitations

The online research approach allowed for inclusion of a much broader sample geographically within the time and budget limitations of the project. However, not all consumers and small business workers are able to access computers or internet connection, meaning they may struggle to participate in the research. To counter this, we offered the option for telephone interviews as an alternative to respondents.

Terminology

Below are definitions of key terms used throughout this report.

- '**Postal services**' refers to letter and parcel delivery through sending out and receiving items by courier or the Royal Mail.
- '**Small business**' refers to any business that employs fewer than 50 employees, and it includes sole traders and micro-businesses.

This report sets out the key findings from a study undertaken to understand drivers for both consumers and small businesses when choosing postal services, and explores barriers and opportunities related to using more environmentally friendly postal services.

- We ensure that the full range of views are included in the report, not just the majority views. While it is not appropriate to specify the number or proportion of responses holding any given view, it can be helpful to provide an indication to which views were expressed/held across the sample. We have adopted a consistent terminology for reporting the qualitative findings:
 - Most: more than around 80% of the relevant sample of respondents
 - Many: between around 50% and 80% of the relevant sample of respondents
 - Some: between around 25% and 50% of the relevant sample of respondents
 - Several: between around 12% and 25% of the relevant sample of respondents
 - A few: under around 12% of the relevant sample of respondents

Main findings

How and why consumers and small businesses use postal services

Consumers

Sending items

The consumers who took part in the research typically sent items using postal services only for a few reasons:

- To return items ordered online
- To send items sold on a second-hand online marketplace
- To send items for special occasions such as birthdays

A variety of methods are used to send items by post, predominantly those on offer at the Post Office and from Royal Mail. Methods which participants used to send items included visiting their local Post Office, using post boxes, and some used postal lockers. Younger consumer respondents and those living in urban and semi-rural areas were more likely to use postal lockers, however there was a growing awareness of their existence at supermarkets and petrol stations.

Ordering items

Consumers who took part reported ordering a wide array of items online ranging from daily household essential items to more expensive purchases. They were usually ordering items more regularly rather than sending them and many relied on online orders for their purchases. While consumer respondents appreciated having options for different delivery speeds and costs, they typically didn't have a choice of which postal operator would deliver their items.

Those participants living in rural and island communities were more reliant on online orders to purchase essential items and to provide them with a greater variety of products to choose from. This meant they were also more strongly aware of which postal services were available to them, including the couriers which could deliver to their address, the associated delivery charges, and the time taken for delivery. Local post offices were an important resource for many rural and island consumer respondents often had informal delivery networks where items are delivered by a designated delivery driver or resident who is passing by the homes of those with packages being delivered.

Many consumers who took part, particularly those in older age groups, noted they have been ordering online more frequently since the Covid-19 pandemic. This means that they had become more familiar with the postal services on offer, such as the couriers, delivery charges and times. Some consumer respondents also reported using postal lockers more regularly in recent years, as well as increased usage of drop-off and pick-up from local stores.

"I use [postal lockers] quite a lot, mostly for [online second-hand marketplaces] on a weekly basis. I sell stuff on [the online second-hand marketplace] but also buy on it. So that's what I tend to go for. And on [the online second-hand marketplace] you can select who does the delivery so you can opt to not have [a certain delivery company] or Royal Mail or whatever you choose. So it's quite handy that way."

Consumer, Semi-Rural, 18-40

Small Businesses

Reasons for use of postal services

The small businesses which took part in this research study used postal services for a variety of reasons and several factors influenced their decision-making when choosing services, including:

- The industry the business is operating in
- The key functions of the business
- Geographical location
- The size of the business

The primary reasons for using postal services were to send products or publicity materials to customers or other businesses and organisations, to order supplies for their products and the workplace, as well as to send and receive legal documents.

Sending items

The most frequently used postal services when sending items were those which local Post Offices and Royal Mail offer, with many considering these to be the most convenient, reliable and cost-effective options. Some small business respondents used Royal Mail's collection services frequently. This was especially useful if their premises were not near a Post Office such as businesses based on farms, meaning postal workers could collect items while other items are delivered to the premises. Some respondents also used the Royal Mail app to organise collections, whereas others used the app and website to pay for deliveries and print postage labels. This meant that some respondents were using their local Post Office less frequently than previously.

The usage of postal services varied somewhat based on the types of products being sent, for example some respondents sending larger products were more likely to send them using couriers, especially when delivering to rural areas, or using the business's own delivery service. Businesses often mentioned that they used second class post for standard letters and used special delivery for mail that needed proof of delivery or to be tracked.

In rural and island communities, small business respondents were more likely to rely on the local Post Office to send items. In many rural areas, particularly on islands, the Post Office was the only option available, meaning rural small business respondents placed a high level of importance on the Post Office as a vital amenity to enable them to conduct business. Rural small business respondents also maintained a strong working relationship with the staff in Post Offices who often facilitate the delivery process by sorting items and deliveries on behalf of the business. Small business respondents in semi-rural and urban areas also often relied on Royal Mail and the Post Office to send out items, however they were also aware of other couriers available to them.

"Royal Mail is always the same price so we don't get penalised for living in Shetland, I've never really looked into courier prices, you know it's going to be more expensive."

Small business, Rural

When sending items, respondents often chose to use faster delivery options to meet customer expectations. Some small business respondents felt they needed to deliver items to customers fast to ensure their service could compete with large multinational businesses which are able to provide next day delivery on their items. Small business respondents often used tracked and signed-for delivery options when sending items to customers to ensure the business could check for any issues and the customer could see the progress of the delivery.

Over the past 10 to 15 years, many small business respondents reported undergoing a gradual transfer of their correspondence from physical to electronic mail. This was due to increasing tolerance among businesses for using email to send and receive invoices and legal documentation. This, in turn, has led to a reduction in the volume of mail sent each week in many businesses.

Ordering items

When ordering items to be delivered to the business, suppliers often decided which courier was used rather than the businesses themselves. This meant small business respondents usually felt they had limited control over the way in which suppliers deliver items to them.

However, the business can usually choose the speed of delivery when ordering. Most small business respondents planned ahead when ordering items for the business, meaning they anticipated the need for ordering items beforehand or ordered items in bulk to reduce the need for regular deliveries. Therefore, small business respondents only needed to use urgent or next-day delivery options occasionally, instead they typically opted for the economy delivery options. Some micro business respondents sought free delivery on orders as they mainly ordered suppliers from retailers rather than wholesalers – they had previously added items to their basket to reach the minimum spend for free delivery.

Factors affecting choice of postal services

Consumers

What influences considerations

Consumers who took part in the research were aware of an increasing variety of options when choosing postal services. However, they were often restricted by the options given to them by sellers and postal operators. New technologies were playing an important role in consumers' use of postal services, with more using postal lockers, apps such as Royal Mail's, and online order tracking.

"I think there's a good range for sending but not so much receiving. If you're online shopping or something, then quite often the shop is teamed up with a delivery service. You're limited to one delivery service and that might not mean that you can use a drop off box or a collection point."

Consumer, Urban, 18-40

Rural consumer respondents had to make decisions based on the limited number of couriers which offered delivery where they live and often could not access the full spectrum of postal services offered in urban areas. This usually meant these consumers had higher levels of awareness of postal services they could access due to the additional research required to determine availability in their area. For example, rural consumer respondents were more likely to know the names and additional charges imposed by various couriers, as well as typical delivery times. In island communities, respondents had even fewer options yet they relied on postal services to purchase many items that weren't available on the island, leading to an even more heightened awareness of postal services.

Considerations when sending items

Consumer respondents were typically seeking the most convenient options when using postal services to send items. This included location of drop-off points and familiarity with the delivery operator. As the primary reasons for sending items were to return items ordered online and to deliver items sold using online marketplaces, consumer respondents often wanted a simple and smooth process which didn't require them to travel far. Consumers who took part in the diary activities were asked to rank the factors they took into account when sending items. This highlighted how for those consumers convenience and location were rated the most important. Environmental sustainability was ranked the lowest. This issue was explored in more detail in the focus groups. This also found that cost and speed of delivery were not very important when consumer respondents sent items, as returning items was usually free of charge. If they were sending items they had sold themselves online, delivery costs were usually covered by the buyer. Respondents rarely considered environmental sustainability when sending items with very few recalling any explicitly sustainable delivery options when sending items and most prioritising a quick and seamless process.

Considerations when ordering items

As consumer respondents ordered a wide range of items online for a variety of purposes, their approaches differed for each order based on urgency and type of item. Consumers who took part in the diary activities were also asked to rank the factors they took into account when ordering items. These consumers rated cost and speed of delivery and location of drop-off points as the most important. Again, environmental sustainability was ranked the lowest. After further exploration in the focus groups, cost and speed of delivery continued to appear as key considerations when ordering items to be delivered.

With regards to cost, it was common for consumer respondents to express a frustration with delivery fees and many respondents sought options for free delivery, viewing delivery costs as paying for 'nothing' as it does not constitute a physical item as the product being ordered does. As many of the consumer respondents ordered online regularly, they were conscious of the cumulative delivery costs and sought to minimise this as much as possible. Some consumer respondents included additional items in their orders to surpass the minimum basket spend to get free delivery and returns.

"I'll always pick free delivery. I'll actually add extra stuff into my basket to get free delivery... I'll not pay delivery if I don't have to because I grudge it. I'd rather pay an extra ten pound of products to get free delivery."

Consumer, Rural, 18-40

There was a correlation between the cost of the items they were buying and the delivery cost they were willing to pay, with some noting they would consider paying more for delivery for a more expensive order.

Speed was also an important consideration for consumer respondents, with some seeking next day delivery options for every order. However, this was taken into consideration alongside cost, and many would opt for standard delivery to save on costs if the item wasn't needed urgently.

"I buy everything from [an online retailer]. I don't go and browse for hours on what kind of toothbrush I want to buy. I just go on [the online retailer]. I find one that I think is in a price range I will go for and I'll buy it on [the online retailer] because it's next day delivery because there is a 30-day policy in case something breaks, which is actually quite good. And it's quite easy to send back if it's not good, it gets sent to your house when it's getting delivered because they let you know. I sometimes prefer spending those maybe two pounds extra or three pounds extra, but I have next day delivery and I know what I'm getting."

Consumer, Semi-Urban, 18-40

Some respondents also used retailer subscription services which guarantee next day delivery. Rural consumer respondents could rarely access next day delivery options, especially if they lived on islands, and were more accustomed to waiting longer for their orders. The priorities of rural consumer respondents were more focused around the logistical practicalities such as location of drop-off point, previous experience using postal operator and cost.

Reputation and trust of delivery operator were mentioned by consumer respondents when discussing past experiences, however they rarely got to choose operators when ordering so they were typically not key considerations. Location of drop-off point was more relevant as many were not home when items were delivered, meaning the ability to specify where items can be left was appreciated and widely used. This was done using tracking links shared by delivery companies, which give consumers options for how and where they would like items to be delivered.

Small Businesses

What influences considerations

Small business respondents who took part in the research took into consideration several factors when choosing postal services. These often remained consistent across orders, meaning the decision-making process was typically fast and repeat purchases and customers' orders usually followed a similar pattern. However, this depended on the business type and items being sent, with businesses such as gin distilleries and clothing brands typically sending out the same product in similar ways, compared with bespoke items such as furniture requiring more consideration depending on the item and customer. Customers were highly influential in the ranking of considerations for small business respondents as the businesses wanted to provide a high-quality, value-for-money service to customers to ensure customer satisfaction.

"As a small business, cost comes at the top of the list for me and for customers...I don't want customers waiting so I often pick next day delivery."

Small business, Semi-Rural

Respondents working in small businesses based in rural areas often had to deal with more complexities when using postal services. Many were aware of delivery surcharges, longer delivery times and the limited number of couriers that delivered to their area. Further, rural business respondents which sent and received perishable goods such as seafood and meats required next day delivery to preserve the sent items.

Key considerations for small businesses

Small business respondents who took part in the diary activities were asked to rank the factors they took into account when using postal services. These respondents rated the speed and cost of delivery as the most important. Similar to the consumer feedback, environmental sustainability was ranked the lowest. By probing further on this in the in-depth interviews, it was clear that for most small business respondents the key considerations when using postal services were indeed speed and cost of delivery. Efficiency, profit and the need to meet customer expectations were important drivers for small business respondents, meaning these considerations along with the convenient delivery options like parcel pickup from the business premises were highly valued.

For respondents whose businesses sent items to customers, the key considerations of speed and cost of delivery were often influenced by customer expectations for fast, low-cost delivery. Costs were often passed directly onto customers and therefore affordable yet fast

delivery options were important for many businesses and customers. This meant that decision-making was often guided by the needs of customers in their views.

Further, the ability to track and insure items was highly valued by some small business respondents, meaning that they and their customers could check the progress of the delivery and feel confident that items would be delivered. The convenience of the delivery service and the location of the drop-off point were also important and many appreciated time-saving options such as parcel collections or delivering items to the local Post Office while passing by or combining with other tasks.

In this research, the environmental sustainability of postal services was not a consideration when using them for most small business respondents. Where consideration is given to the environment, it is usually only secondary to another more important consideration, such as convenience or cost.

When ordering items, speed was less of a priority as most small business respondents were well prepared and order supplies to be delivered long before they run out. Small business respondents also often sought free or low cost delivery options to cut down on costs and some micro business respondents mentioned ordering additional supplies to reach the minimum spend for free delivery as cost remains top of mind when both sending and receiving items.

Environmental sustainability in decision-making

Consumers

Awareness of sustainable postal delivery and options used

While consumers who took part in this research said they often think about the environmental sustainability when they are buying goods and services generally, environmental issues were rarely front of mind when making decisions about postal services to deliver/send items. The main exceptions were packaging, which was mentioned by a small number of respondents, and buying locally to minimise transportation. Generally, however consumer respondents' main considerations were cost, speed of delivery and convenience. They also considered the reliability of service provider, but commented they were not always in control of the delivery service provider (for example, if they were purchasing goods from an online shop, the shop would typically arrange the delivery service).

“I never really thought about that [environmentally sustainable postal services]. But also, I don't think, to my knowledge, that any of the parcel delivery companies or services actually advertise how friendly their services are to the environment or don't give you an option to send by an electric car or van or send back by an electric car or van.”

Consumer, Semi-rural, 18-40

When prompted to consider their use of services that companies do offer, many of the respondents did comment more fully on packaging, on batched deliveries and lockers and drop-off points. It is stressed that these options were used, to a greater or lesser extent, for consumer respondents' convenience, rather than as environmental considerations.

“Information [about sustainability of postal services] is available now so I'm pretty certain delivery companies probably do all these [things]. Especially the bigger companies will have the sustainability reports and environment reports. The point I'm trying to make is that the information's available now, but it doesn't influence how I choose to use it.”

Consumer, Urban, 41+

Batching

Some respondents mentioned they batch together deliveries noting that some suppliers provide an option for this on their websites. For many this was selected for convenience,

arranging deliveries so they coincided with days they knew they would be at home, with the environmental benefits a secondary consideration.

“I've seen myself altering my order so that everything comes in the same day, but it's the day I want it to be... and it's good that it helps the environment”

Consumer, Rural, 18-40

For a few of the respondents, the environmental reasons for batching deliveries were fairly or very important, for example to minimise the number of deliveries on local/farm roads or to reduce the amount of packaging that was received. One consumer mentioned batching items to send, as it was quicker to send a single parcel in the post office than multiple packages.

“Sometimes they give you an option to have everything delivered in one box. And I'm like, 'okay, that's fine.' If I'm not needing the items urgently then I'll choose that option.”

Consumer, Urban, 41+

Lockers and drop-off points

There were mixed experiences of using postal lockers and other drop-off points such as the Post Office. Most likely to use these were younger respondents living in towns and cities, especially those out at work at work all day and people in high density housing such as flats. They generally have easy access to lockers and drop-off points, and regarded them as convenient and safe options.

Several respondents mentioned using lockers and drop-off sites for online marketplaces to both send and receive items as this was the standard (and cheapest) approach set up on the app. Respondents using these apps were typically broadly supportive of sustainability principles – buying ‘pre-loved’ rather than new. The profile of respondents using lockers and drop-offs for the apps appeared much broader than those for other purposes, covering a wider geographical area and age group.

“My priority is that it's close by. I've definitely noticed there are more lockers. And there's one that is a 30 second walk from my house. So that's handy. It's more convenient for me.”

Consumer, Semi-urban, 18-40

However, for most people, lockers and drop-off points did not seem to offer any benefits over standard delivery: for example, there was always someone at home to receive post or

the location of lockers was inconvenient. Some commented they did not understand why it would be more beneficial for the environment, if all the delivery companies and consumers are driving to the lockers.

“What exactly is the benefit of those lockers? Because surely, they're still having to drive and deliver them there? So, I don't understand. I suppose people who live in a town centre who can walk there, but me personally, and obviously by the sounds of it, everybody else here [in the focus group] doesn't have one locally. So, to get there, you're going to have to drive there. So, you're also doing those miles that the driver would've originally done. So, what difference does it make?”

Consumer, Rural, 18-40

Trackers

A few consumers mentioned using the delivery company trackers, to keep an eye on their items. In some cases, they rearranged delivery dates, or provided information on a safe place to leave a parcel if they were not going to be home when the company planned to make the delivery. However, these actions were almost exclusively undertaken for their convenience, and not to reduce the environmental impacts of deliveries or having to drive to a central pick-up point.

Packaging

Packaging was the main environmental consideration mentioned by consumer respondents with respect to postal services, both for items sent and received. They noted that packaging tends to have shifted to paper/cardboard, with far less use of plastic now. Concerns were raised about packaging on items received with two, contradictory, issues mentioned.

Too much packaging: Many were concerned about the amount of packaging that suppliers and delivery companies used. It was appreciated that there was a need for some packaging, for example, to protect goods, in particular valuable and fragile items. And some mentioned that for logistical reasons companies could only hold a limited range of boxes, so would have to use larger boxes for some deliveries.

No packaging: Sometimes deliveries are made with the address labels applied directly to the product. There were mixed views on this. Generally, respondents were content with this approach, and appreciated the reduced amount of packaging. However, in some circumstances, it did cause problems, typically when the item was a gift: for example, when it was a gift for someone else in the household and the absence of packaging meant the ‘surprise’ might be ruined, or when the label damaged the outer packaging (which was

considered part of the product). Some also raised concerns about high value goods being left in plain sight without any packaging being a target for thieves.

"You've just reminded me, my wife ordered something, it was in a gift box, it was a Christmas present, it arrived with no packing, but the address label was stuck right to the gift box. I had to send it back, because we couldn't give it as a present anymore. That's just thoughtlessness on the part of the provider."

Consumer, Semi-rural, 60+

The overarching concern however was that, in many cases, consumer respondents felt they have no choice over the amount or type of packaging used on their items. Many suppliers do highlight when the goods will be delivered in manufacturers' packaging, with the option for additional packaging if required. However, it may be that not all purchasers notice these options or have their setting on to accept the default. Certainly, none of the consumers said they were aware of these options.

"It's out of my hands. I don't think I can contact the supplier and say: 'Don't send it in plastic'."

Consumer, Semi-rural, 60+

Respondents were also aware of the packaging used on the items they send. As noted above, they tend to send two main types of parcels: returns and gifts.

- Returns were almost always sent back in their original packaging
- Gifts were usually packaged very securely, with multiple layers of wrapping (decorative and protective) – many claimed to use recycled packaging as far as possible, for example re-using gift bags, wrapping paper and external packaging, although for all, aesthetics, practicality and security were prime considerations

Likelihood of using sustainable option/ willingness to compromise

There were mixed views from consumer respondents as to whether they would, in principle, be interested in adopting more environmentally sustainable postal options. Many were willing to adopt environmentally sustainable postal options. However, some qualified this by saying they would only do so if there was no impact on cost or delivery time. Some said they were interested but possibly still need further information, while others had clear reservations. The key issues are discussed below

Costs

The main reason people were reluctant was cost. Many held the view that the environmentally sustainable option is always more expensive than other options. This could act as a disincentive to actively seek out or passively adopt this option.

Linked to this, some saw claims of environmental sustainability as a way for businesses to increase costs. Several issues were raised.

- Green claims are unsubstantiated: there was distrust in the claims made about environmental sustainability made by businesses – several were concerned that companies might be ‘greenwashing’, making false or misleading statements about the environmental benefits about their product or service
- Too expensive: respondents disputed the need to increase prices when sustainable options were introduced – many felt that sustainable options, such as electric vehicles and reduced packaging could save the companies money
- Some green postal services were indistinguishable from standard options: consumer respondents felt it would be impractical – and expensive – for businesses to run dedicated services for people choosing sustainable options – therefore, they assumed the ‘sustainable option’ would be delivered alongside the ‘standard option’

Many of the respondents were clear, they would only choose to adopt environmentally sustainable postal options if they cost no more than standard services, or only marginally more. Some suggested that they would be more motivated to adopt the options if the cost was less than the standard service. Many were already signed up to subscription services which include free next day delivery, which impacts expectations on delivery charges and timeframes. Some used the free delivery option where that was not too inconvenient (for example, if did not require too long a wait period).

“Given I try to be sustainable in other parts of my life, I'd like to see it as important, but it's probably way down on the list underneath convenience and all the rest of it. If someone is going to say to me it's a couple of quid less to send something in a less sustainable way, I probably would do that.”

Consumer, Rural, 41-60

Consumer respondents from remote rural and island areas commented that they are often subjected to higher delivery charges than mainland neighbours (‘rural delivery levies’) and work very hard to choose businesses and delivery companies that do not add these. They would be very reluctant to deliberately increase postage costs.

Delivery times

Respondents were more flexible around delivery times. Typically, they were still keen to receive their items as quickly as possible, but some were prepared to wait longer – perhaps an extra day or two – for items that they considered less urgent. They noted they already did this in order to benefit from supplier's free or lower cost delivery options or when they used second class post – some assumed these longer delivery times equated to more sustainable options. However, as noted above, some were amenable to longer delivery times to enable batched deliveries and deliveries bundled within a single box.

“I ordered a book today that quite frankly, I’m a bit like, “I won’t probably start reading for about another month because I’ve got three books on the go and I need to finish them. So if that takes like two weeks, then I’m not really bothered about it.”

Consumer, Urban, 41+

Those living in remote rural and island locations often noted that they already have to wait a few days for their deliveries and on the whole they would like those timescales to be reduced. However, a few commented that another day or so may not make much difference.

That said, respondents still wanted the option of the choice of faster delivery if preferred. Many noted that there were times they did need their items to be delivered as quickly as possible: this could be because they had forgotten to order the item until the last minute, because of an emergency, or because the item was perishable or urgent. A small number commented they preferred to receive their items as soon as possible, as it meant there was less risk of them being damaged, delayed or misplaced. There was a view that they had become accustomed to next day, and even shorter, delivery times. Some felt that people will continue to seek short delivery for most items, and only accept longer times occasionally.

“If I need something tomorrow, then I’ll do next day and I’ll pay for it. But, if you’re buying three separate things, do you want it in three separate orders or do you want to use the more effective way and just wait an extra day for something? So if it’s something like that, then I’ll select it. Not consciously out of thinking I’m saving the planet, I’m just thinking, well, what’s the point in having three different deliveries? But it’s all relative to what the item is and what you need it for. So I don’t think you could a hundred percent pick sustainable options. If you need something last minute or urgently. Unfortunately, it depends on what you need.”

Consumer, Semi-rural, 18-40

There was a shared view that, regardless of the delivery time, consumer respondents valued quality of service: their item should arrive within the stated time period, regardless of how long that is – two hours, one day, or five days.

Other reservations with adopting sustainable postal services

Several consumer respondents commented they do not have a choice over how their post is sent or delivered – for example, in terms of the packaging that is being used, the delivery company used, or vehicle type. Consumer respondents in remote rural and island areas commented that their options are further restricted because many operators do not deliver in their area or, in some cases, apply a substantial rural/island levy to do so.

For some there was a view that this is just not something that will make a tangible impact; with several mentioning that environmental impacts of actions taken by customers were negligible compared with those associated with production and those associated with delivery. Indeed, most said the environmental impacts of their postal decisions – with the exception of packaging – had never occurred to them previously.

Some felt that lack of impact was demotivating, there was no reason to take action. They mentioned achieving personal satisfaction from adopting environmentally sustainable practices: “a feelgood factor when you do something that’s ecofriendly” (Consumer, Urban, 18-40) but felt that the limited impacts from making choices were insufficient to create that feeling.

Linked to this, several suggested that the actions of individuals were likely to be minimal – if a real difference was to be made, the companies themselves needed to make changes. For example: people walking to the Post Office, versus delivery companies adopting more environmentally sustainable delivery practices (electric vehicles, batched deliveries, and so on). Further, some felt there was no point in making changes – especially changes that would incur personal costs – if others were not doing the same, as the overall impact of their sacrifice would be minimal.

Information

Some respondents also noted that they had seen no advertising or other information from businesses about how environmentally sustainable their operations were. One consumer mentioned they had seen some delivery companies using more electric vehicles, while another said they assumed that Royal Mail used the rail network to transport mail across

the country. However, no one was able to compare companies or the impacts of such measures.

Those who were interested in pursuing more sustainable options said that they would find more information on the impacts to guide their choices useful. Typically, people wanted clear, relatable information that was easy to understand. Data on number of tonnes of CO2 generally meant very little to the respondents. Instead, they suggested that simplified tools would be helpful – some gave the way the traffic lights system used on food packaging, or a star rating system, as examples of easily understood approaches. Some suggested drawing on local equivalents (such as a flight from Scotland to Spain) to help people understand the impact of their actions: for example – the CO2 saved by using measure x for a year is equivalent to XXX flights Scotland to Spain.

“Usually you see a bit of CO2 stuff, it is just a lot of jargon unless you've got a right interest in that background. It is a little waffle for me. So as long as it was something that explained like what sustainability benefits are and like, we can do this, we can do that, it'd be something for me to consider.”

Consumer, Rural, 18-40

They also wanted the assurance that the information they were being given was reliable. It was suggested that a trustworthy, external body may need to accredit or confirm the information that was being published by the company. It was also suggested that information provided had to be kept up to date, so that consumers could see the impact their actions were having.

Information needed to be provided at the relevant decision point. For most consumer respondents, this was when they were selecting the delivery option – either when they reach the checkout and are deciding the option for that transaction or in their settings when they set-up their default preferences. A few consumers mentioned using parcel delivery comparison sites. They suggested it would be really helpful if sustainability information was presented alongside the delivery time and cost information, enabling a considered decision across options to be made. In these cases, the information would be presented as part of the core decision making process.

“So if I knew if it was a good [sustainability] rating, the additional cost was marginal, and the extra cost was to go to a sustainable option, I would be quite tempted to go with it... And I know you've got an independent assessment that says this is a definitely a more sustainable option and I would be much more inclined to go for that. I might

not do it all the time. I might be feeling particularly tight one day or whatever, but those are the kind of things that would help me."

Consumer, Urban, 41+

Almost all the respondents agreed that they had never really thought about the sustainability of the postal services they were using, if they could make better choices at little or no cost to themselves (in terms of price, time, convenience), and what level of cost were they willing to bear. They all agreed that the time spent participating in the research had raised some hugely interesting questions for them, with some of the respondents resolving to shift their behaviours. They did feel that further work will need to be done to help raise public and small business awareness of the topic and the options available.

"A bit more awareness. It's funny we've all mentioned this, but this session's been a bit of awareness session really that's made us think about this."

Consumer, Urban, 18-40

Small businesses

Awareness of sustainable postal delivery and options used

The research explored the extent to which considerations about environmental sustainability influenced small business respondents' decision-making making when using postal services. Views were mixed. Those who already embed sustainability across their business model, including some local community businesses, organic businesses, arts and crafts companies, some food businesses, had adopted or were open to adopting sustainable postal options. However, most mentioned adopting only limited options, typically only where these also (or indeed primarily) delivered other benefits to the company such as improved cost or efficiency.

The measures mentioned by small business respondents are discussed below. It should be stressed that most of the businesses, even those who had many of the measures discussed below, rarely actively considered the sustainability of their postal services. Any measures they had adopted were part of broader commitments or the unintended consequences of other actions.

Mail (letters) options

Small business respondents who took part in the research that communicate with customers, clients, other organisations and so on, have drastically reduced the volume of letters and documents they send over recent years. Typically, communication is now primarily by email, which respondents note is cheaper and faster, together with additional online and social media advertising.

Where hard copy mail is sent, this tends to be reserved for legal documents, clients and customers who prefer hard copies, and for some marketing materials. Respondents commented that they tend to use second class post for general mail as it is cheaper and sufficiently reliable, and special delivery for mail that needs to be tracked and signed for. Most use recycled paper for letters and documents.

There was a commonly held view that Royal Mail is a sustainable option: they manage volume deliveries over a standard network, the company uses the rail network to transport mail (and parcels) over long distances, and in cities and towns posties cover much of their rounds on foot.

Eco friendly packaging

Small business respondents were aware that they are receiving more items in thick cardboard, with much less use of plastics. Many mentioned that using sustainable packaging is important for them. For example:

- Some use recycled and recyclable packaging
- Minimal packaging, with one mentioning they ensure their environmentally friendly boxes are as small as possible to minimise waste
- Several mentioned re-using their suppliers' packaging, with some mentioning they ask for packaging from other local businesses who do not have a use for it
- One mentioned they keep aside their used packaging for people in the community so it can be reused by others

"We only use reused packaging, I only use boxes, bubble wrap, that has used before, I chap my neighbour's door and actively go and collect packaging."

Small business, Semi-rural

Efficiency savings

Respondents mentioned a number of strategies they adopted to better manage their orders. These included:

- Batching orders: Several mentioned batching orders together to reduce the number of deliveries required – this applied to both goods from suppliers, with a view to minimising the numbers of trips delivery vehicles had to make to their premises, and batching orders to customers to reduce the number of trips they had to make to the Post Office/couriers
- Buying in bulk: Several mentioned buying in bulk to reduce the number of deliveries coming to their business each year – this has the added advantage in some cases of reducing product and or delivery costs
- One business mentioned they had changed the delivery day for their supplier, so that the company was not making a special trip each month to their business – while it was slightly more inconvenient for the business, as a community business it was a better fit with their values that the supplier could combine their delivery with others in the area

Minimising car miles

Many of the respondents mentioned minimising car journeys when they could, for example they would ensure their journeys to the Post Office were part of an existing trip (such as a school run or on their way home), or trips to the post box were done by foot.

Several mentioned using the Royal Mail pick-up service for their mail and parcels. It was extremely convenient for the businesses, saving journeys to the Post Office or waits in the queue. There was a presumption that Royal Mail pick-ups were made as part of a standard route and did not entail a special journey.

Some small business respondents in rural areas mentioned local networking, whereby parcels would be delivered over quite large distances 'by someone who was going that way', reducing – or even eliminating – the need for formal delivery services within the community.

That said, many mentioned that time and convenience were absolute priorities in their business, so they would select the option that was easiest and quickest for them, which may mean dropping parcels off at the Post Office or having a courier or Royal Mail come to pick up their parcel.

Linked to these measures, one small business stressed that their staff had switched to electric vehicles for all company business, and they had installed a charging port on-site to accommodate this.

Other measures

- **Insulation materials:** One small business (food products) mentioned trialling a wool-based insulation for their deliveries to replace the traditional polystyrene. It can be either be composted by the customer or returned to the company for reuse
- **Parcel delivery comparison sites:** one business uses a parcel comparison site which includes the carbon footprint of the delivery journey, with each component of the journey costed separately – they are therefore able to manage priorities for each delivery, enabling them, for example, to choose the fastest delivery, with all the other steps being sustainable

Reasons for not taking action

As discussed above, most of the respondents had not prioritised environmental sustainability in their postal services. These respondents tended to say this is because their main priorities are cost and time. Most mentioned that their customers (whether these are

consumers or other businesses) are generally not interested, so there is no economic driver to change. Most however have adopted many sustainable practices, such as batching deliveries, using recycled and recyclable paper and packaging, and have moved largely to online mail. However, the reasons for this are cost, efficiency or because there are legislative requirements in place. Indeed, several mentioned that further legislation or regulations would prompt them to further change.

"We're creatures of habit, older people in the business have been doing the same thing for a long time. Legislation would force us to make changes - we abide by it and it becomes part of our daily work."

Small business, Urban

Potential for taking up environmental options

Most respondents were willing to consider environmentally sustainable options, but they need to be convinced that the option would not adversely impact their business. For example, some need reassured that delivery times will not be compromised, with many stressing the need to retain the flexibility to either send or receive goods quickly if need be. Some commented that their business was cost and time dependent and could not tolerate any increase in price and or delivery times. They were clear that they needed reliable, trustworthy information to support this decision-making.

Cost

There were mixed views on whether small businesses would be willing to bear additional costs to support an environmentally sustainable service. Some commented they would be prepared to pay a small amount extra but would not expect other aspects of the service – such as reliability and speed – to be compromised.

"I would be more likely to use it, I would definitely take the brunt of an increase in cost, if that was an option I'd definitely do it... if it was 10% more cost and 10% more sustainable I'd go for it."

Small business, Rural

However, many commented they were not willing to increase costs to adopt sustainable options. In a few cases this was because sustainability was a low priority for the business, and they had little interest in making changes. In most cases, sustainability was important – or at least, not unimportant – but respondents were of the view that sustainable options would have to be delivered without increased cost to their business. They suggested viable options for their businesses would therefore need to:

- generate very low or zero additional cost, or
- enable commensurate efficiency savings to be realised

"Morally I would want to choose the sustainable option, but if the cost is more then no."

Small business, Semi-rural

"What I'm looking for is reliability and cost effectiveness, and if there are environmental benefits along the way, then fantastic, but my priority is getting things from A to B in the state they want it."

Small business, Rural

Delivery times

Many considered that their customers' prime concern is reliability – that is, their goods should arrive when expected – and they were less concerned with *speed* of delivery. These businesses considered that their consumers might accept a slightly longer delivery time, on condition the quality of service was retained. There were two main caveats:

- There were some businesses, such as those providing perishable goods (for example meat products, fish and shellfish) and fragile items, that need to ensure their products reach the customers quickly and safely – they were clear that longer delivery times were not appropriate for their products
- All small business respondents want to retain the choice for customers to obtain their goods quickly: for example, those providing gifts often find that customers purchase their goods at the last minute

Many respondents stressed that the time pressures mentioned above relate to goods being delivered to customers. They were much more flexible with respect to the goods they purchased. As noted in the section above, goods were often ordered in bulk well in advance and/or managed as batches. It was often assumed that, by default, these were being delivered by the most sustainable means available to the delivery companies. If not, most businesses often had capacity to accommodate a slightly longer delivery period.

Other issues

Many of the small business respondents commented that the impact of the decisions they made on costs, delivery times, packaging and so on ultimately impacted on their customers.

Some, especially those who already promoted the ethical, organic, environmental aspects of their business, felt that their customers expected their packaging and delivery services were sustainable as well as practical. They generally welcomed opportunities to promote improvements to their service to their customers.

"It's a selling point nowadays, it's something I should be considering and it's a selling point for your products anyway."

Small business, Semi-rural

Some felt that being clear about the sustainability of the mail and postal services could provide a point of difference with their competitors and welcomed the opportunity to develop a more sustainable service and publicise it to their customers.

A few noted that customers were cost driven, and would not be interested in supporting – or paying extra for – a sustainable delivery service. Several stressed that maintaining quality services for their customers, in terms of cost, time and reliability would be crucial in all sustainable options adopted.

"For me sustainability would come first, for my customer I think it comes last."

Small business, Semi-rural

Factors encouraging participation

Small business respondents identified a number of factors that would need be addressed to encourage or support them to implement sustainable delivery options.

Awareness

Few of the businesses interviewed had thought about the environmental sustainability of their postal services prior to the research study. Many commented that they had found taking part really valuable. It had enabled them to think systematically about an important part of their business, and would kick-start work within the organisation to consider the further actions they would now be putting in place. It was suggested that a programme of awareness raising was needed, possibly involving business leaders/champions, using industry and local networks, appropriate social media channels and forums, and so on.

"This process has made me realise I need to start thinking about sustainability"

Small business, Urban

Incentives

Several suggested incentives could be offered to participate in the sustainable options, for example a reward scheme, discounts for bulk use, a loyalty tie in.

Accreditation

Some small business respondents felt that accreditation from a trusted independent body would encourage participation. This would serve two purposes:

- Businesses purchasing services would have clarity and reassurance on the sustainability information provided
- Businesses providing information to customers would be able to use the accreditation in their marketing materials

"It would be great if there was a logo or achievement you could attach to it"

Small business, Urban

Legislation

Some of the respondents commented that they would only be able to justify additional time spent shifting their business to more sustainable postal services options, would be if there was legislation, as this would mean all their competitors would be forced to make similar changes.

Business support

One business suggested that organisations providing postal services could designate an experienced account manager to collaborate with their businesses to make processes more sustainable.

Information

Many of the small business respondents said they needed clear, reliable and trustworthy information about the benefits, impacts and costs of adopting sustainable options, because they wanted evidence that it was worth investing in specific sustainable options or because they wanted to share the information with their customers. Examples of the types of information that would be helpful information are provided below.

- Logistics: comparable information on the cost and delivery time for the sustainable options compared with standard options – linked to this, many wanted information about the fuel types and emissions that delivery companies were using, to aid choices

- Packaging: information on the amount and type of packaging that would be used on the products
- Impact of the sustainable of options: many respondents wanted information on the impact on the carbon footprint (for example CO2 emissions), with regular updates so that progress and ongoing impacts could be tracked – some suggested this information could be presented in a local or industry context, so that it was more meaningful

"I want to see an everyday comparison - if it says so many tonnes of CO2, what does that mean? If it's jargon there's no point in sharing it."

Small business, Semi-rural

- Information they can share with customers e.g. on website

Many suggested key sustainability information they would use to inform their decision-making should be provided on the first page of the company's website. They stressed they do not have time to scroll through screens and screens looking for this information – if it is not upfront, they will typically not go looking for it.

"I would like to know how it's more sustainable, for example if they use electric vehicles...and I would want the information in advance. If I am comparing companies and one says they're more sustainably I would look at that favourably"

Small business, Semi-rural

Conclusions

The study explored the drivers for both consumers and small businesses when choosing postal services and explored barriers and opportunities relating to using more environmentally sustainable postal services. This final section sets out key conclusions and draws out a number of opportunities improvement based on the research discussions.

Awareness and use of postal services

Consumers and businesses who took part in our research rarely consciously considered environmental sustainability when making decisions about postal services. This does not mean that consumer and small business respondents were not adopting environmentally sustainable options, but it does mean that these options were typically a by-product of other decisions or were very low priorities.

It is worth noting that this also applied to some, although not all, of the small businesses in the research which held sustainability as a core value. While a few of these businesses had well-developed postal delivery strategies, most did not, and either had never considered delivery issues at all, or dealt with them piecemeal within other business policies and procedures – such as packaging and transportation.

While consumer respondents who took part told us they often thought about the environmental sustainability when they were buying goods and services generally, environmental considerations were rarely front of mind when making decisions about delivering or sending items by post. Generally, the main factors our consumers considered were cost, speed of delivery and convenience. The reliability of the service provider was also important for a few respondents, but was something they did not always have control over.

Likewise, sustainable postal options adopted by small businesses interviewed for the research tended to be secondary to other more important considerations, such as convenience or cost. Typically, the businesses that did actively consider environmental sustainability had already integrated environmentally friendly practices into their wider business. These businesses' customers often expected sustainable practices to be applied across their business and this gave businesses another reason to investigate sustainable postal options.

Many of the respondents commented that they had found taking part in the research really valuable. Some of the small business respondents said that the research had enabled them to think systematically about an important part of their business and would kick-start work

within the organisation to consider the further actions they would now be putting in place. It was suggested that a programme of awareness raising was needed, possibly involving business leaders/champions, using industry and local networks, appropriate social media channels and forums, and so on. Consumer respondents felt that much clearer information and messaging is required on websites, leaflets and communications.

Opportunities for improvement include: Encouragement and support for businesses to think strategically about environmental sustainability and their postal logistics. Clearer information about environmental sustainability of postal services (see below).

Measures adopted and potential for change

Mail: We found there has been a large-scale shift away from sending hard-copy mail by post – both by consumer and small business respondents. The mail that is being sent appears to fall into two broad categories: general mail, that can be reliably sent using second class post; and a secure mail that need to be insured, signed for or tracked (such as legal documents and valuable items). Both small business and consumer respondents greatly value the service they receive from the Royal Mail, but they are increasingly using a narrower range of key services. They perceive Royal Mail as environmentally sustainable, because the service operates using a busy standard network, it appears to not make bespoke deliveries, uses trains where possible to transport mail, and posties do routes on foot where possible.

Opportunities for improvement include: More information on, and publicity about, Royal Mail's sustainable options; focus on core services such as second class mail, special delivery, direct pick-ups.

Packaging: Measures to reduce, reuse and recycle packaging remain high on the social agenda. This was reflected across the study, both consumer and small business respondents were conscious of packaging being used in products they purchased and sent, and all were working to move sustainable solutions as far as was practical. They generally expect recycled/recyclable packaging on their items, minimal plastics, the minimum packaging that is appropriate for the product.

There is dissatisfaction when expectations are not met – for example when there is either too much or too little packaging. And there is a sense of frustration that the purchaser – be that a consumer or business – does not have enough control over the packaging used in their deliveries.

Opportunities for improvement include:

- Development of more economic (cheaper) sustainable insulation materials to replace plastics/polystyrene
- Continued endeavours to replace plastic packaging, including bubble wrap, with sustainable alternatives
- Continued endeavours to reduce packaging, and to ensure the packaging that is used is sustainable
- Clearer signposting on company websites so that purchasers are aware of the packaging options available to them

Efficiency savings: Small business and consumer respondents were also using a range of other measures, such as batching orders, bulk orders to minimise the number of deliveries, use of trackers to manage delivery times, and so on. All of these measures contribute to environmental sustainability, but most respondents were using them primarily for convenience or cost.

Opportunities for improvement include: Include information about the contribution made by each option to environmental sustainability to help inform choices that small businesses and consumers make.

Other suggestions for action

Research respondents also suggested other factors that would motivate them to adopt more sustainable postal options.

- Incentives could be offered to participate in the sustainable options, for example a reward scheme, discounts for bulk use, a loyalty tie in
- Accreditation from a trusted independent body would encourage participation
- A few small businesses suggested that legislation would require them to take action – for those operating in a highly competitive environment, it would justify the additional time spent shifting their business to a more sustainable model, as it would mean all their competitors would be forced to make similar changes

Information

Developing clear, reliable and trustworthy information about the benefits, impacts and costs of adopting sustainable options was also an important issue. Small business respondents wanted evidence that it was worth investing in specific sustainable options or because they wanted to share the information with their customers. Customers wanted clear information that it was worth spending a little extra money and waiting a little longer for their item.

Appendices

Pen portraits

This section contains a series of pen portraits of the research respondents. They are designed to give a picture of the people who took part in the study. They pen portraits are composite descriptions and do not describe any one individual.

Urban consumer - Sam



Use of postal services:

Sam typically uses postal services once or twice a week, with the usage revolving around online purchases. The Post Office and Royal Mail are used mainly for returning items and occasionally sending letter or smaller parcels to friends and family. With a wealth of options at her disposal, Sam makes use of courier drop offs and in-post lockers at local convenience stores too.

Main considerations:

For Sam, it is vital that postal services have fast delivery and are convenient. This can be the speed at which an item arrives or when sending back a return for an online order. With convenience, the options must fit around their daily life and schedule.

Role of sustainability in decision making:

As a consumer, Sam feels the onus should be on the couriers and postal operators to offer and advertise their sustainable practices or delivery options. Sam tends to notice when the packaging doesn't match the size of the item, some couriers use boxes that are too large or aren't adequately protecting fragile items. With regards to how sustainability weighs up against other key considerations of speed and convenience, it falls short.

"It's up to them as a company, whether it's tax efficiencies, whatever, to try and be more sustainable and to protect the environment. Yes, we all have an individual responsibility, but in this cycle of buying something online or getting stuff delivered, I generally don't know what we can do other than maybe be charged more to help them purchase electric vehicles or whatever. I can't visualise it".

Consumer, Urban, 18-40

What would encourage them?

Generally open to the idea of sustainable delivery options and would consider a slightly higher cost to ensure the delivery was comparable to the normal service you'd expect to receive. Sam would like it to be clear what the company is doing to be more environmentally friendly and how this translates to its customers service. It needs to be just as reliable and convenient. The options need to be communicated well and there is wariness with regards to greenwashing.

"Probably the independent assurance of it as well that stipulates if it's got a rating, how sustainable it actually is. So, if I knew if it was a good rating and it was going to be sustainable and the cost was marginal, the extra cost to go with a sustainable option, I would be quite tempted to go with it".

Consumer, Urban, 41-60

Rural business - Brodie



Use of postal services:

Brodie owns and runs his company, based in the Highlands. The business receives orders through the online shop and website, on average a few times a week. He tends to sort his orders systematically and then travels to the local post office once or twice a week. He has a good rapport with the Post Office staff and they know what to expect from Brodie's parcels. When Brodie receives goods for his business, the packages tend to come from a third-party company. Due to his rural location, couriers often opt to pass on the last leg of delivery and so he gets updates from the third-party company once parcels change hands at the depot.

Main considerations:

The main factors are convenience and reliability of the service. Living in a rural location, there are limited options for postal services when sending goods. The routine of using the local Post Office suits Brodie's business needs and when receiving goods, he doesn't have much choice either. The other factor to consider is when couriers include a surcharge for delivering to the Islands, Brodie avoids these and looks for trusted suppliers that do not apply an 'islands levy'.

Role of sustainability in decision making:

Sustainability isn't a priority for Brodie's business, nonetheless there are a few sustainable practices which he adopts, more so out of habit. Packaging is reused and parcels are packed with what is at hand and available, which tends to eliminate a lot of single use plastics. Customers don't tend to ask how environmentally friendly the business or the postage is going to be, and it is not actively advertised either.

"If I'm honest I don't [think about sustainability], it's just never crossed my mind, then again most products come in a cardboard box, so that's environmentally friendly".

What would encourage them?

Quality of service cannot be compromised, with limited options being at the forefront of Brodie's decision-making, he wouldn't want to offer a worse service regardless of the sustainability factor. As convenience is a high priority, a more environmentally friendly option would have to easily fit into Brodie's business routine and add no extra time or hassle and the option would have to be available at his local post office. Brodie would like postal operators to quantify and prove their practices are sustainable, with upfront and clear information.

"I think where we are situated, we have a different perspective than if we were in a city... I tend to be a tad sceptical, when this sort of question is posed, it would be good to know what viable options there could be, and then you could make an informed decision... but without having a variety of options to consider, it is quite difficult to give an opinion".

Urban Business - Sharon

Use of postal services:

Sharon owns and operates an arts and crafts business from her home in Edinburgh. Orders come through the company website, which are then packaged up and sent via the Royal Mail by visiting the local post office or arranging a pick-up. The postal operator is used a few times a week to allow for orders to be sent the following day.

Business supplies tend to come via courier and Sharon bulk buys to keep stock replenished.



Main considerations:

With business procedures set in place, the Royal Mail is used due to their reliability, convenience and cost. As the local post office is only a short walk away, Sharon is able to process, package and send orders out during a convenient time in her workday. Sharon likes how the cost is consistent and Royal Mail offer clear communication when it comes to arranging pick-ups from her home, during busier business periods.

Role of sustainability in decision making:

Packaging is reused, with card and paper being kept from incoming parcels to use in her own deliveries. When it comes to choosing and using postal services, sustainability is not high on the list of priorities. Business decisions are made through the lens of convenience and profitability, with a sustainable practice often being a byproduct of a choice, rather than the driving force behind the decision.

What would encourage them?

A sustainable postal service would have to be comparable in terms of cost, reliability, and convenience. Sharon believes that it is up to the postal operators to offer sustainable options, clearly communicating the economic and environmental impacts. With the right marketing, companies can be educated and make informed decisions knowing that they are positively contributing to being environmentally friendly.

"It should show examples of the impact on a bigger scale as it's easy for individuals or small businesses to think their behaviour makes no difference".

Small business, Urban

Rural Consumer - Kevin



Use of postal services:

Kevin orders items from online retailers and sells some of his used possessions from time to time. When ordering online, items come straight to his home or he opts to collect at the local Post Office, this occurs once or twice a week at most. Kevin's postal usage revolves around the local Post Office - this is the hub for sending, collecting and returning items.

Main considerations:

When online shopping, Kevin tends to order extra items to warrant free delivery. This is important as living in a remote location, it can often take longer than stated for items to arrive. Purchased goods often arrive via courier. Kevin also checks if the seller allows for free returns, which he can simply drop off at the local Post Office in his free time. The main considerations are convenience and saving money on delivery fees.

"Well, living on an island, a lot of places won't send here, so that's quite important.

And it doesn't matter if you pay next day or not, it's not coming the next day".

Consumer, Rural, 18-40

Role of sustainability in decision making:

Kevin has noticed that certain online retailers have reduced their packaging, which is welcomed. However, sustainability isn't taken into account when placing online orders, with the courier already linked to the seller, there is limited choice and often a surcharge due to his rural location. Kevin tries to group orders himself so that the delivery vehicles have fewer trips to his address, he believes that the sustainability practices are in the hands of the postal operators.

What would encourage them?

With greenwashing and false claims becoming more common, Kevin is increasingly wary of the validity of a company's intentions. He believes there needs to be clear evidence of how a sustainable choice on the consumers side has a positive impact on the environment. Kevin would like there to be sustainable delivery options and would consider them if the price point wasn't affected.

"I think you have to take the price into consideration more than sustainability, but if it was the same price and perhaps a couple of days longer to wait, I'd consider it if I wasn't needing the item or sending an item immediately."

Consumer, Rural, 18-40

Technical appendix

Method

Qualitative

1. The data was collected by online diary tasks, online in-depth interviews and online focus groups.
2. The target group for this research study was consumers and small businesses in Scotland which use postal services.
3. The sampling frame used for this study was freefind recruitment.
4. In total, 31 in-depth interviews with small businesses and 6 focus group discussions with 30 consumers were undertaken. Each group contained approximately 5 respondents.
5. Fieldwork was undertaken between 9th January and 13th February 2024.
6. Respondents were recruited by telephone by Progressive's skilled in-house team of qualitative recruiters and specialist recruitment agency FieldMouse. These recruiters work to predetermined quota controls to ensure that the final sample reflects the requirements of the project. All respondents are screened to ensure that they have not participated in a group discussion or depth interview relating to a similar subject in the last 6 months prior to recruitment.
7. Incentives of £40 were paid to participants in the consumer group discussions and incentives of £80 were paid to participants in the business in-depth interviews. Participants were compensated for their time and this encouraged a positive response.
8. In total, 3 researchers were involved in the fieldwork for this project.
9. Each recruiter's work is validated as per the requirements of the international standard ISO 20252. Therefore, all respondents were subject to validation, either between recruitment and the date of the group discussion/depth interview, or on the day of the group discussion/depth interview. Validation involves respondents completing a short questionnaire asking pertinent profiling questions and checking that they have not participated in similar research in the past 6 months.
10. Part of the recruitment for this project was sub-contracted to Fieldmouse.
11. All research projects undertaken by Progressive comply fully with the requirements of ISO 20252, the GDPR and the MRS Code of Conduct.