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Canadian Businesses' Views on Canada Post Services (2022) Executive Summary

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Canada 

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This public opinion research report presents the results of an online survey conducted by Earnscliffe Strategy Group on behalf of Public Services and Procurement Canada. The quantitative research was conducted in April and May of 2021.

Cette publication est aussi disponible en français sous le titre: Points de vue des entreprises canadiennes sur les services de Postes Canada (2022)

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Executive summary

Earnscliffe Strategy Group (Earnscliffe) is pleased to present this report to Public Services and Procurement Canada (PSPC) summarizing the results of the follow-up Canadian business survey to better understand Canadian businesses’ views regarding how Canada Post (CPC) serves them today and how they wish to be served into the future.

The Government has committed to review the Canadian Postal Service Charter (established in 2009) every five (5) years to assess the need to adapt the Charter to changing requirements. The previous iteration of this research program was conducted in 2016. In 2018, the government affirmed that Canada Post is expected to continue to meet the expectations laid out in the Charter.

Furthermore, COVID-19 has dramatically changed how Canadians use postal services. Given this shift, this research will help the Government of Canada to better understand Canadians business’ views regarding how Canada Post serves them today and how they wish to be served into the future to ensure that Canada Post services, and in particular the Service Charter, continue to meet the needs of Canadians. The contract value for this project was \$137,722.94 including HST.

This research was commissioned to capture the current views of Canadian businesses about the mail and their current expectations of CPC, especially in the wake of the COVID-19 pandemic, and CPC’s ongoing financial losses, in order to ensure that the evolution of this important public institution reflects their understanding of “quality service that Canadians can afford.”

The overarching objective of this research was to measure perceptions and behaviours of businesses across Canada and to assess all major aspects of the Canadian Postal Service Charter, as well as track key metrics from 2016. The research will be used to determine what changes to the Canadian Postal Service Charter are required, if any, to ensure Canada Post’s service standards and related activities remain universal, affordable, reliable, convenient, secure and responsive to the needs of businesses in Canada.

To meet these objectives, Earnscliffe conducted a quantitative research program consisting of a telephone survey of 1,102 businesses across Canada. The survey was conducted in collaboration with our quantitative sub-contractor, Elemental, using their centralized call-centre using state of the art Computer Aided Telephone Interviewing (CATI) system. The survey was conducted from April 14th to May 10th, 2022 and was an average of 20 minutes in length.

The data have been weighted to reflect the geographic distribution of businesses in Canada by province and by community type (i.e., urban or suburban, and rural). The margin of error for a sample of this size is +/- 2.95%.

To ensure sufficient representation of Canadian businesses at all business sizes and locations, quotas were set by region, business size and community type.

The key findings from the quantitative research are presented below.

Current CPC service and usage

- Half (48%) of businesses receive their mail to their door, while the remaining get their mail from a postal box (20%), a community mailbox (13%) or a centralized box (12%). Large businesses are more likely to have their mail delivered to them directly, whereas small businesses are more likely to get their mail at a community (16%) or rural mailbox (7%).
- Nearly all businesses send and receive mail (lettermail and correspondence) from CPC, and there is a positive correlation between business size and the volume of mail sent and received.
- The volume of mail sent and received by businesses via CPC has decreased since 2016.
- Half (51%) of businesses send parcels and one in five businesses (22%) send admail.
- Businesses in rural communities are more likely to receive parcels (82%) than businesses in urban (73%) and suburban (71%) areas.
- Compared to 2016, there has been an increase in the volume of parcels sent via CPC (51% versus 42%).
- Convenience is the most common reason CPC is used for all three delivery services (mail, admail and parcels). Rounding out the top four for each are having no other service option, price and reliability. Price is the main reason for one in five businesses (20%) who send parcels with CPC, which is higher than for mail and admail.
- The majority of businesses say that the ability to send lettermail and parcels is at least moderately important (84% for both), including a majority who say it is important (68% and 61%, respectively); however, that trend is less distinct for admail (69% say it is at least moderately important).
- Just as larger businesses (those with 20 employees or more) are more likely to send greater volumes of mail than small businesses, they are also more likely to deem this service important to the health of their business.
- Sending parcels is considered more important now than in 2016 (61% versus 55%), whereas admail is considered important by fewer businesses now (42% versus 53%).
- Receiving both lettermail (81%) and parcels (60%) are considered important by the majority of businesses. Compared to 2016, lettermail is important to more businesses now than in 2016 (when it was considered important by 73% of businesses).
- Half of businesses say that finding a replacement for delivery of lettermail and admail would be at least moderately easy (48% and 50%, respectively), whereas three quarters of businesses (76%) believe the same of parcels; however, there are fewer businesses who would find switching easy

now compared to 2016. Urban businesses are more likely to believe they could easily find a replacement to CPC for parcel delivery.

Convenient access to postal services

- Nearly half (45%) of Canadian businesses do go to the post office to make a purchase a few times per year (between monthly and a few times per year), whereas 11% go at least weekly. Large businesses are significantly more likely to go to the post office daily (8%) and rural businesses are more likely to go to the post office at least weekly (23%).
- The majority (63%) of businesses are located within 2.5 km of a post office and 12% are 5 km or further. Seven in ten businesses (70%) say they are willing to travel further than 2.5 km to their nearest post office.
- Businesses in rural communities are more likely to be located 5 to 15 km from their nearest post office (17%) and accordingly are more likely to be willing to travel at least 5 km to the post office (43%).

Changes due to COVID-19

- While 17% of businesses say the pandemic changed how they use CPC services, among those who say it has, the majority indicate it has decreased their use of mail delivery, for both invoices, payments, and statements (63% say it has decreased) and correspondence (53% say it has decreased). A plurality of businesses indicate no change in usage of CPC delivery for parcels (49%) and admail (42%).

Satisfaction with, perceptions of, and attachment to CPC

- Nearly all businesses (91%) say they are satisfied with CPC's services, overall. This result has improved since 2016, when 83% of businesses said they were satisfied.
- Satisfaction with the various facets of CPC's service is high, ranging from 91% for the frequency of mail delivery to 77% for parcel delivery. Furthermore, 90% of businesses are satisfied with where they get their mail and 82% with the speed of their mail delivery.
- Large businesses are significantly more likely to be satisfied with the speed of the delivery of their mail (92%) than smaller businesses.
- In terms of value for money, CPC performs exceptionally well in terms of its lettermail delivery services (with 86% of businesses saying the value for money is very good) and for its parcel and admail delivery (79% and 72%, respectively).
- Small businesses are less likely to agree that CPC provides very good value for money for its lettermail delivery (82%).

- Most businesses believe that CPC continues to be an important and essential service for Canadian business (94%) and that it does not matter if a post office is in a pharmacy/grocery store so long as the prices and services are the same (86%). However, significantly fewer, one third (32%) of businesses, agree that if it took twice as long for mail to reach them, they probably would not notice.

CPC's financial realities and support for different measures

- Three quarters (77%) of businesses believe that CPC should receive government funding to maintain their current service offerings and 56% believe that CPC should only provide the level of service of which their revenue can support.
- Among businesses who hold a paradoxical viewpoint (both agree or disagree with the aforementioned statements), when presented with a forced choice, the majority (72%) believe that CPC should receive federal government funding to maintain their current service level.
- While there are some differences in the intensity of level of agreement across business size and community type, all businesses are more likely to agree that CPC should receive federal funding to maintain their services than to think that the CPC services should align to its revenue.
- Support for measures to reduce CPC's losses varies, as follows:
 - Most businesses support government subsidies (78%), replacing corporate owned post offices with franchises (74%), installing outdoor/automated parcel lockers (69%), and ending door-to-door home delivery (67%).
 - Support is lower for reducing the frequency of delivery (51%) and there is more opposition than support for reducing number of post offices (36% support and 60% oppose) and increasing the price of stamps (42% support and 57% oppose).
- Approximately half of businesses agree that CPC should be allowed to deliver less frequently to reduce costs (57%) or that Canadians should shoulder the same cost for parcel delivery regardless the distance (52%).
- The majority of businesses are not likely to access other government services at the post office or become a client of Canada Post banking services, however, small businesses are more likely to use both (other government services: 24% and banking services: 10%).
- Although 57% opposed increasing the price of stamps by 25%, a significant majority (86%) agreed that Canada Post provides very good value for its letter mail delivery services.

Challenges and services in rural and remote areas

- The research suggests that reliance on Canada Post is greater among businesses located in rural areas; evidenced by being more likely than businesses located in suburban or urban areas to receive their parcels by Canada Post and visit the post office at least weekly (outlined above).
- When it comes to the Rural Moratorium, most businesses agree with amending (88%) or modifying (80%) it, however the opposite is true of ending it. More businesses disagree with ending it (57%) than agree (40%).
- Rural businesses were asked about potential challenges they face that relate to CPC services. Among all the challenges tested, the cost of shipping parcels provides the most significant challenge for rural business (16% say it is a significant challenge and 31% say it is a moderate challenge). Most rural businesses do not believe that shipping and delivery currently pose a significant challenge to them.
- Most rural businesses would support access to government services in their post offices (82%) and the creation of “service hubs” (81%). The majority would support combining small post offices (71%) and providing access to financial services in post offices (68%). Despite strong support for those potential options, support is significantly lower for extending post office hours (56%) or increasing the number of post offices (40%).

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I hereby certify as a Representative of Earnscliffe Strategy Group that the final deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Policy on Communications and Federal Identity of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.

Signed: 

Date: June 1, 2022

Doug Anderson
Principal, Earnscliffe