NFSP Member Survey 2021

Summary of results

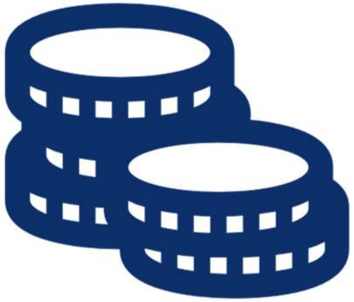
Methodology

- 20 minute telephone survey
- Independent NFSP members (who form the majority of the post office network)
- 1,001 interviews
- Strict fieldwork targets by region and office model
- Response data weighted to be representative of population
- August - September fieldwork
- Results based on all 1,001 responses unless otherwise stated

The state of the network (1)

Personal drawings from the post office going down over time:

- 51% taking home less (61% in 2019)
- 26% taking about the same amount
- 18% taking home more (8%)



Personal drawings less than the National Minimum Wage (£8.91):

- 70% taking home less than NMW (76% in 2019)
- 13% making roughly the same as NMW
- 11% make more than NMW (8%)

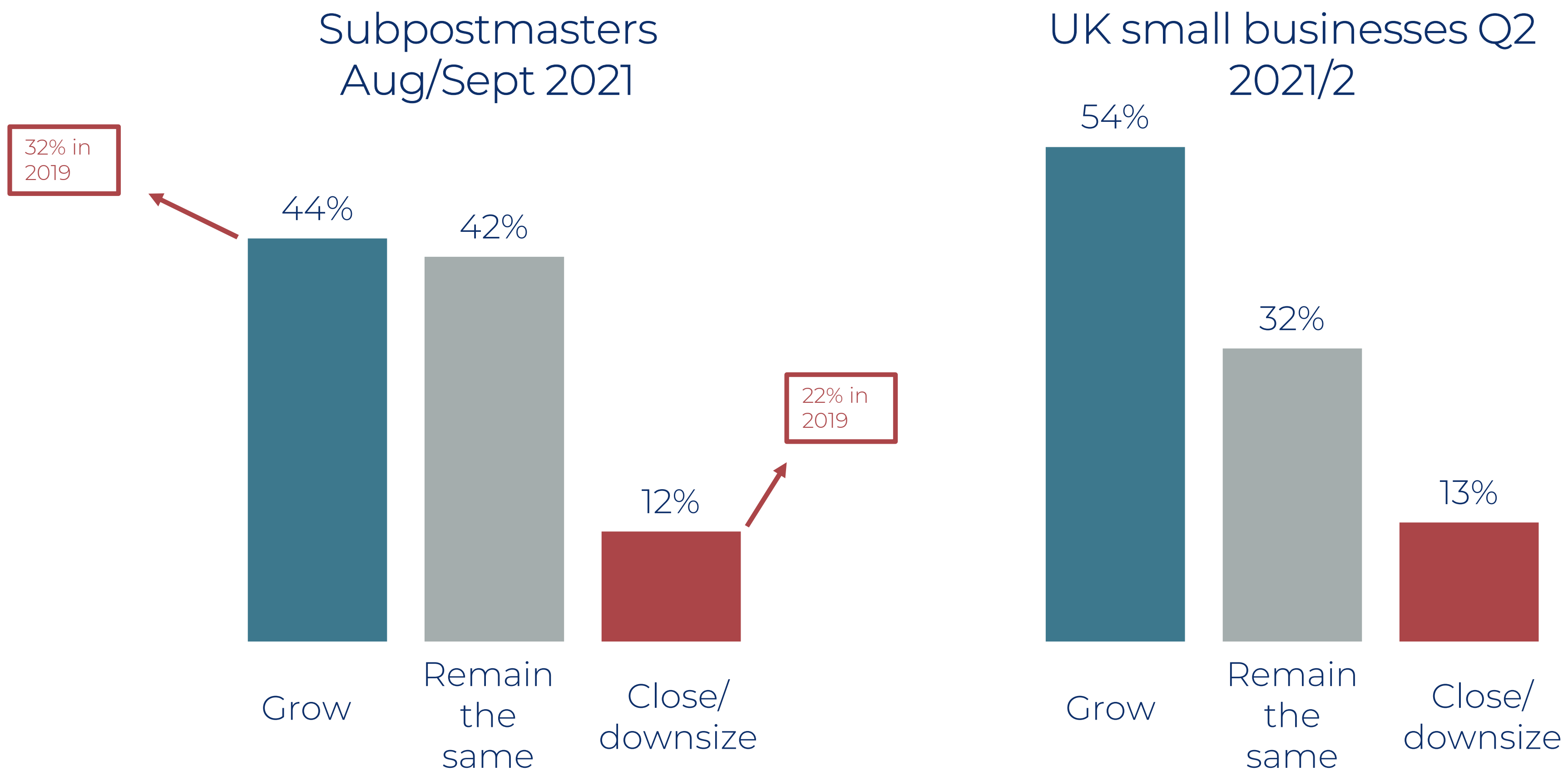
Retail element more lucrative than post office:

- 47% make more from their retail than their post office (52% in 2019)
- 41% make more from their post office than their retail (36%)
- 11% making roughly the same from both elements

Evidence of some improvement in earnings since 2019 – but this has barely scratched the surface.

The state of the network (2)

We asked subpostmasters what their plans are for the coming year – replicating a question asked in the FSB's Small Business Index.



Post Office Ltd

Post Office Ltd listens to subpostmasters 29% agree

The current Horizon system is reliable 41% agree

How successful has Post Office been in resetting the relationship so far?

5/10

Mails (1) perception of mails

Mails are an important area for my post office business

97% agree

Very consistent among different sub-groups

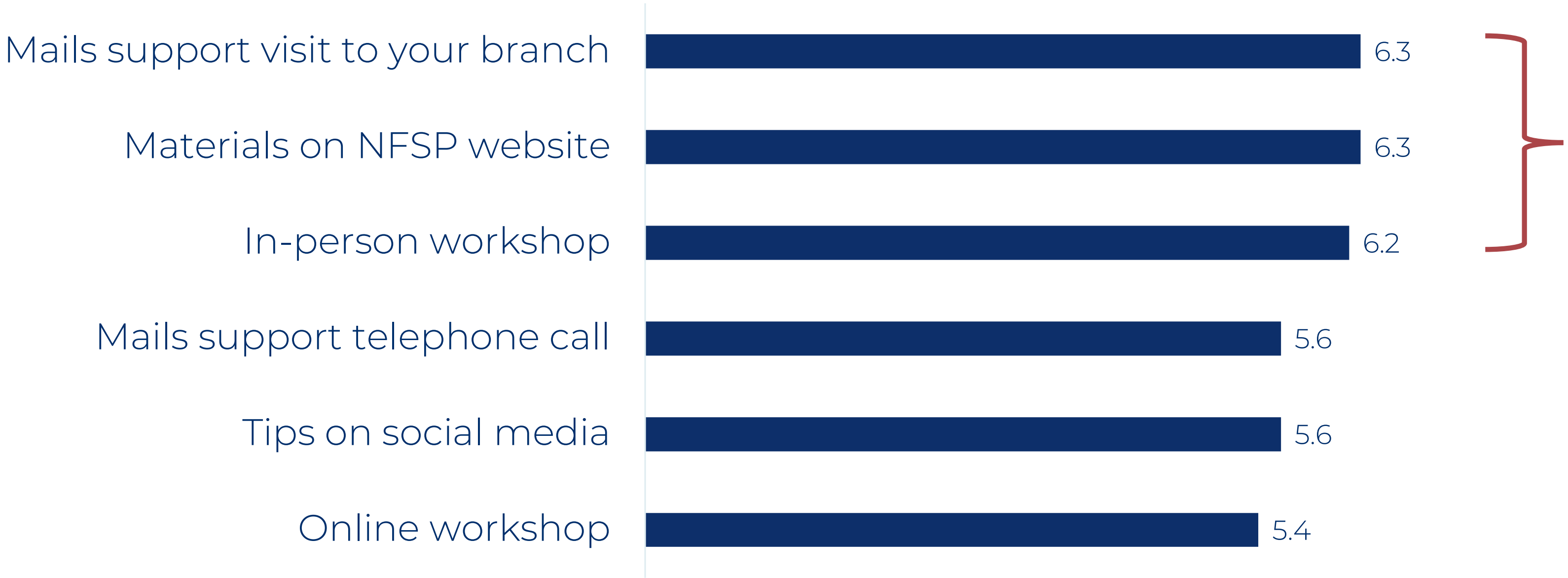
Segregation is important

85% agree

Agreement declines significantly with length of service:
< 5 years: 95%
5 – 10 years: 88%
11 – 20 years: 82%
21 – 30 years: 79%
31+ years 72%

Mails (2) Support mechanisms

There are lots of different ways the NFSP's Mails Support Team can provide support – how appealing are each of the following? On a scale of 1 to 10, where 10 is the most appealing...?



Clear preference for these three support mechanisms

11% - 20% gave a score of '1' for each of these mechanisms.

Positivity decreases with length of service.

Mails (3) barriers to mails success

Also on a scale of 1 to 10, where 10 is the biggest barrier, please indicate how much each of the following are barriers to success when it comes to mails…

Of those offices under-performing on mails segregation compliance – c. 20% in each instance gave a score of '1'

Mails (4) mails support materials

28% made use of mails resources on NFSP website

Of these…
- 86% have shared with their staff
- 88% rate the materials as useful

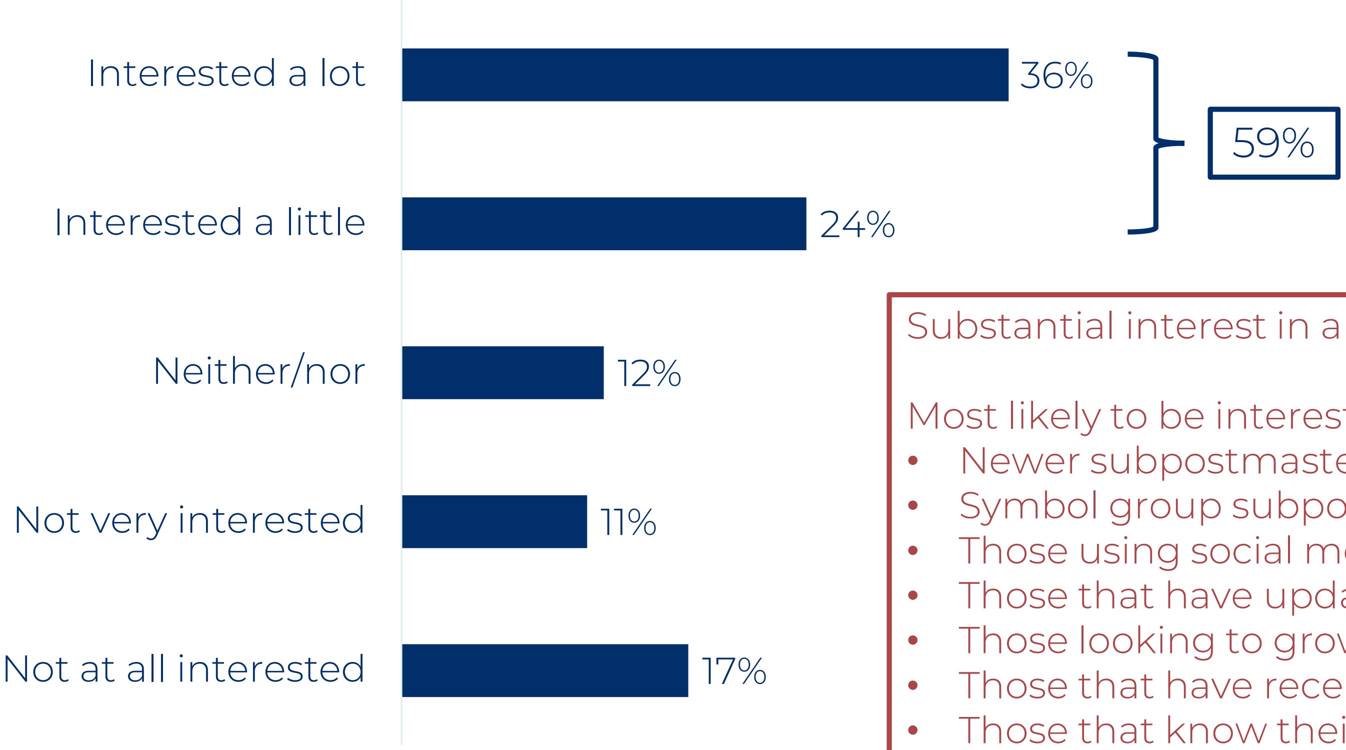
Some variation by region:
SE 38% / London 41%
Scotland 22% / Wales 23%

Those engaged with their NFSP Branch/Regional reps more likely to have made use

Increasing take up of these materials is a clear action point

Mails (5) accreditation scheme

The NFSP is considering the development of an accreditation scheme where sub postmasters and their staff can be accredited individually and as a team by an education body for their expertise and knowledge on mails. To what extent would you be interested in such a scheme?



Substantial interest in a potential accreditation scheme.

Most likely to be interested are:

- Newer subpostmasters
- Symbol group subpostmasters
- Those using social media for marketing
- Those that have updated their Google My Business page
- Those looking to grow their business in the next 12 months
- Those that have recently visited the NFSP website
- Those that know their NFSP reps well

Retail (1) demographics

Weekly turnover: average c. £7k

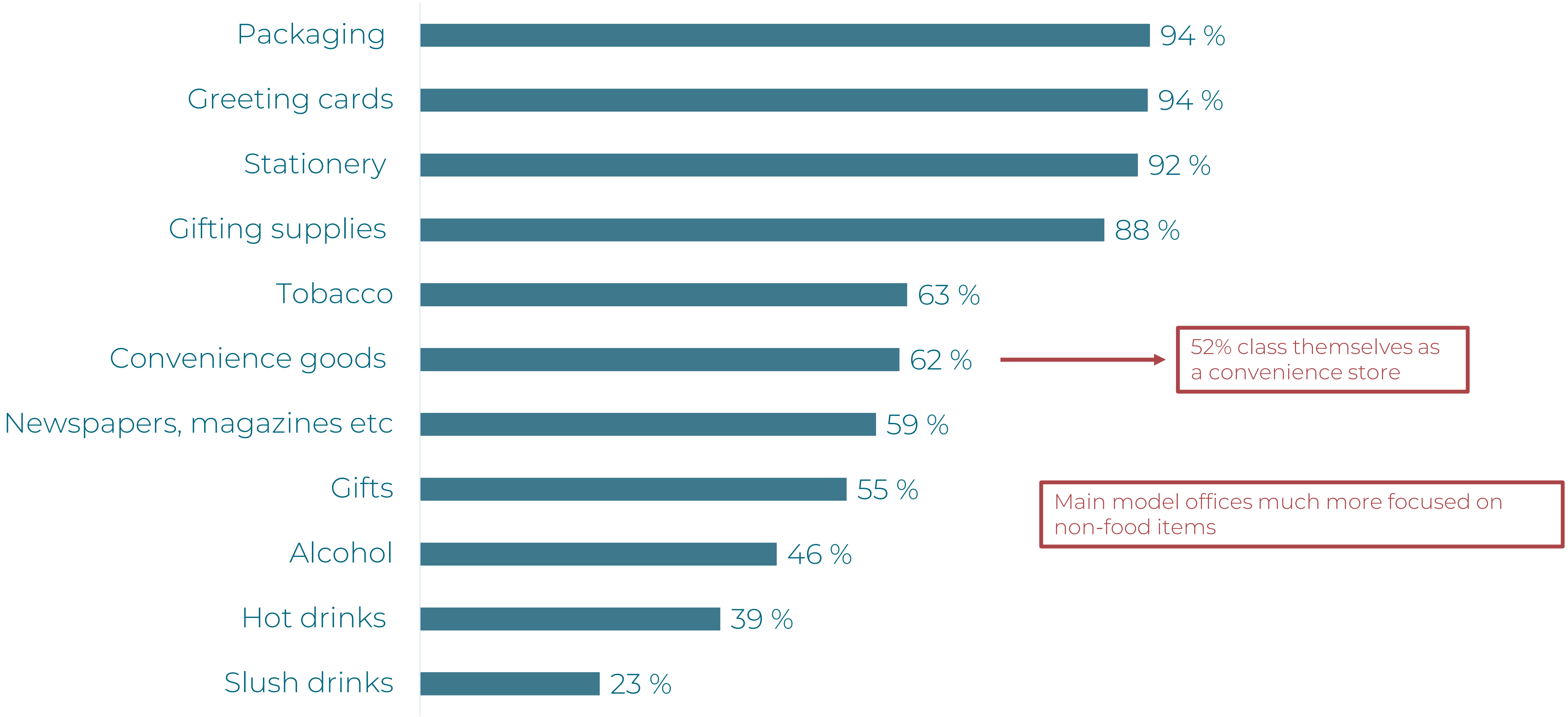
- Symbols – c. 17k per week
- Convenience, non-symbol – c. 7k
- Non-convenience – c. £2.7k

Average basket spend - <5£: 23% / £5-£10: 38% / £10-£20: 21% / £20+: 8%

53% have a separate retail counter. Lowest among Main model offices (41%)

Retail floor space - <500 sq ft: 50% / 500 – 999 sq ft: 23% / 1,000+ sq ft: 28%

Retail (2) product categories



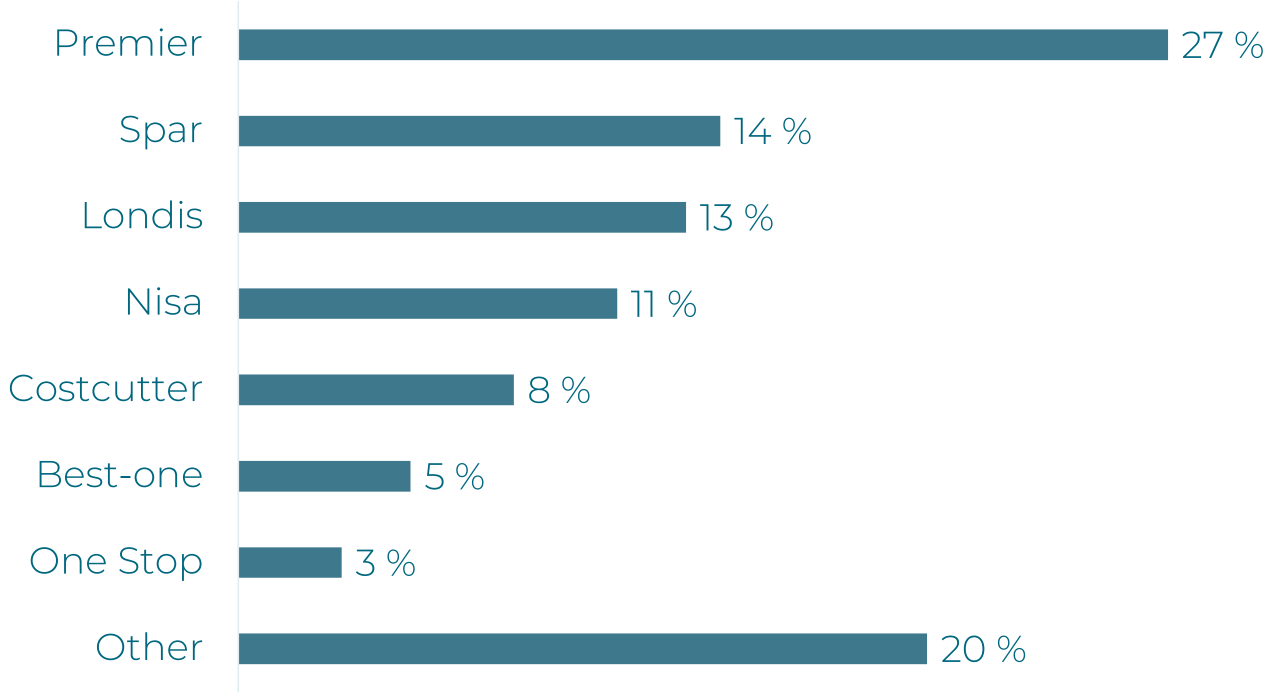
Retail (3) convenience

Of the 52% that class themselves as a convenience store...

41% are part of a symbol group

Mains (33%) and community offices (28%) less likely to be part of a symbol group

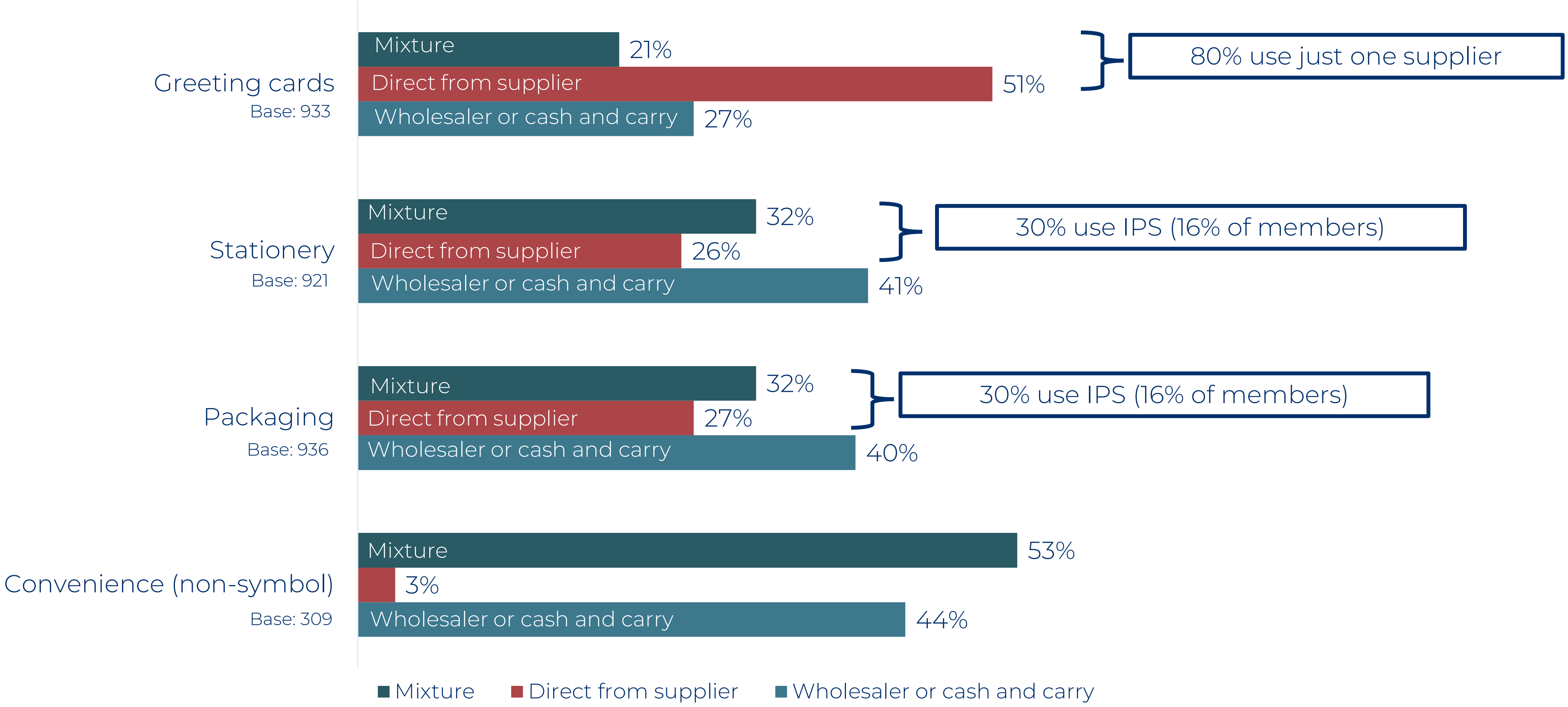
Base: Those that class themselves as a convenience store (542)



Base: Those part of a symbol group (233)

Only 20% of convenience stores not currently part of a symbol group would be interested in joining a symbol

Retail (4) use of suppliers



Retail (5) other opportunities

18% of those who don't sell hot drinks via a machine would be interested in doing so (12% of members)

15% of those who don't sell slush drinks would be interested in doing so (11% of members)

49% do not have an EPOS system for their retail

34% do not have a card machine

- 15% have a combined note/coin counter
- 40% have a separate note counter
- 15% have a separate coin counter
- 46% have no such equipment

- 36% of members would be interested in a combined note/coin counter
- 18% of members would be interested in a separate note counter

Retail (6) retail support

The NFSP is looking at how it can support the retail side of your business. How interested are you in the following – all of which would be free for NFSP members…

Substantial interest in retail support

More likely to be interested are:

- Newer subpostmasters
- Those using social media for marketing
- Those that have updated their Google My Business page
- Those looking to grow their business in the next 12 months
- Those that have recently visited the NFSP website

Less likely to be interested are:

- Community offices
- Rural offices
- Longer-serving subpostmasters

Marketing and social media

55% of NFSP members use social media to promote their post office and retail – most commonly via Facebook. 15% have their own website
45% do not promote their business online in any way

Google My Business

36% keep their listing updated
10% have allowed PO to take control
33% have heard of Google My Business but taken no action
17% have never heard of Google My Business

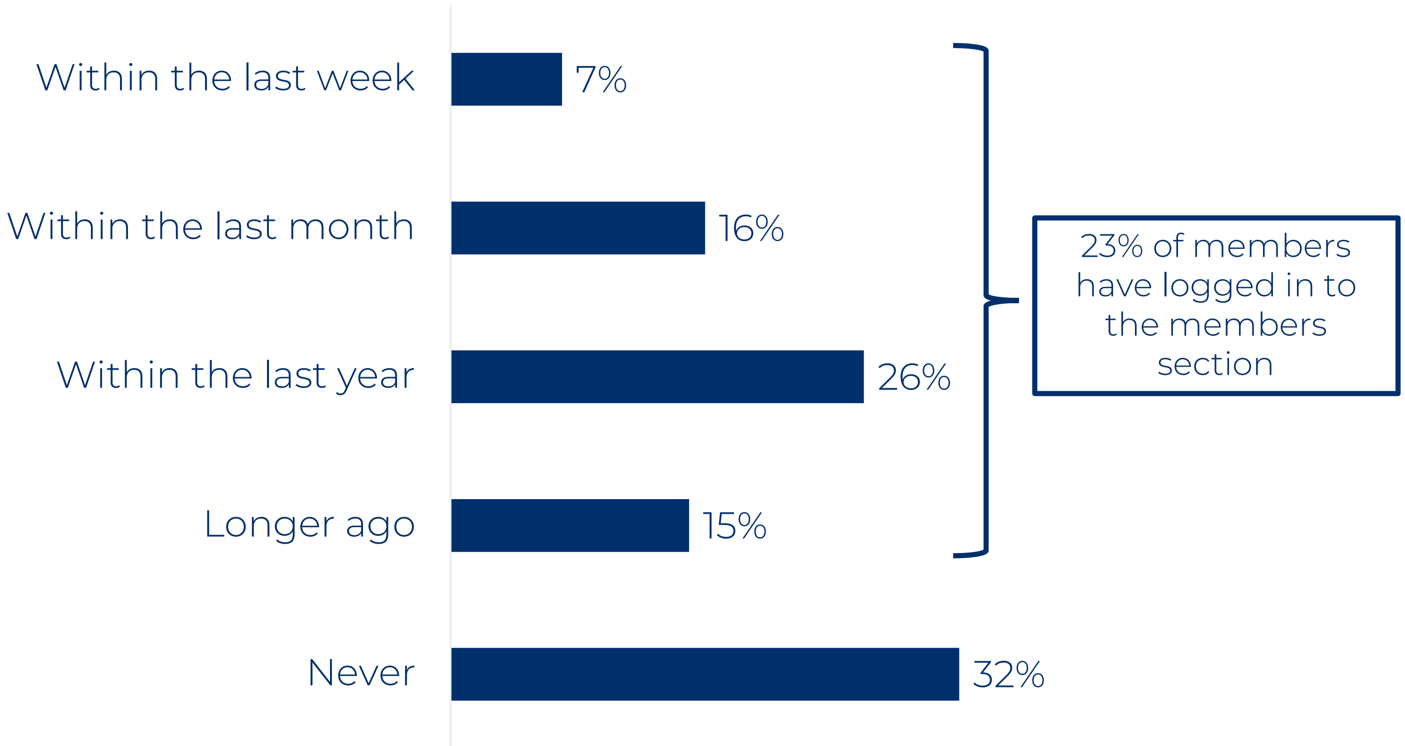
33% make use of their window displays a lot for seasonal events
37% do so a little
29% don't do so at all

Lower propensity to promote the business online among:

- Branches where the post office element is the largest income generator
- Those planning on closing or downsizing
- Longer serving subpostmasters
- Those that haven't visited the NFSP website
- Those who don't know their NFSP reps

NFSP (1) website

When was the last time you visited the NFSP website?



Some variation by region:

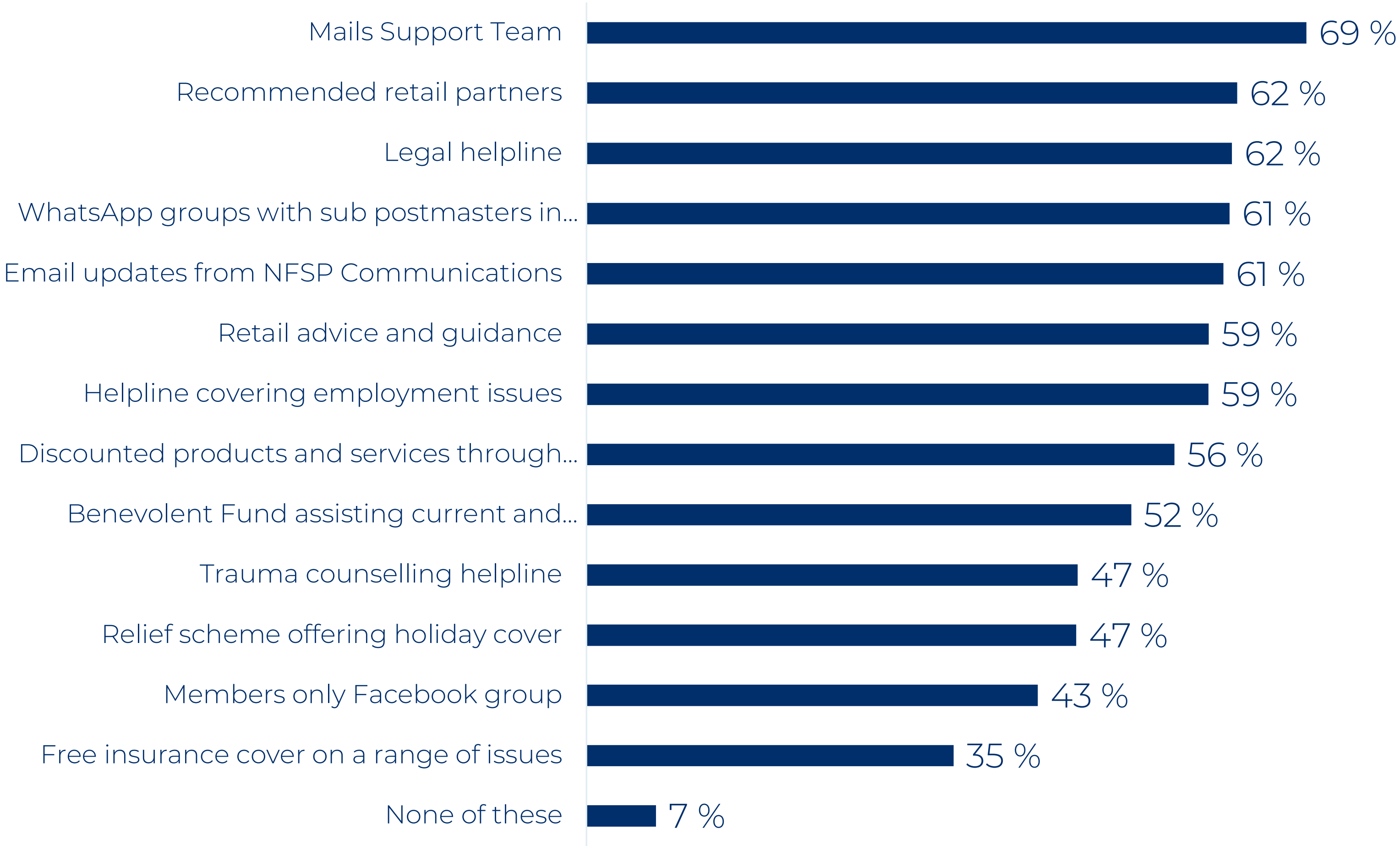
- SE / London / NW more likely to have visited.
- Scotland / Wales less likely.

Those engaged with their NFSP Branch/Regional reps more likely to have visited

Those marketing their business online more likely to have visited

Those looking to grow the business more likely to have visited

NFSP (2) awareness of services



Slight drop in awareness vs 2019 – e.g. Mails Team 77% in 2019

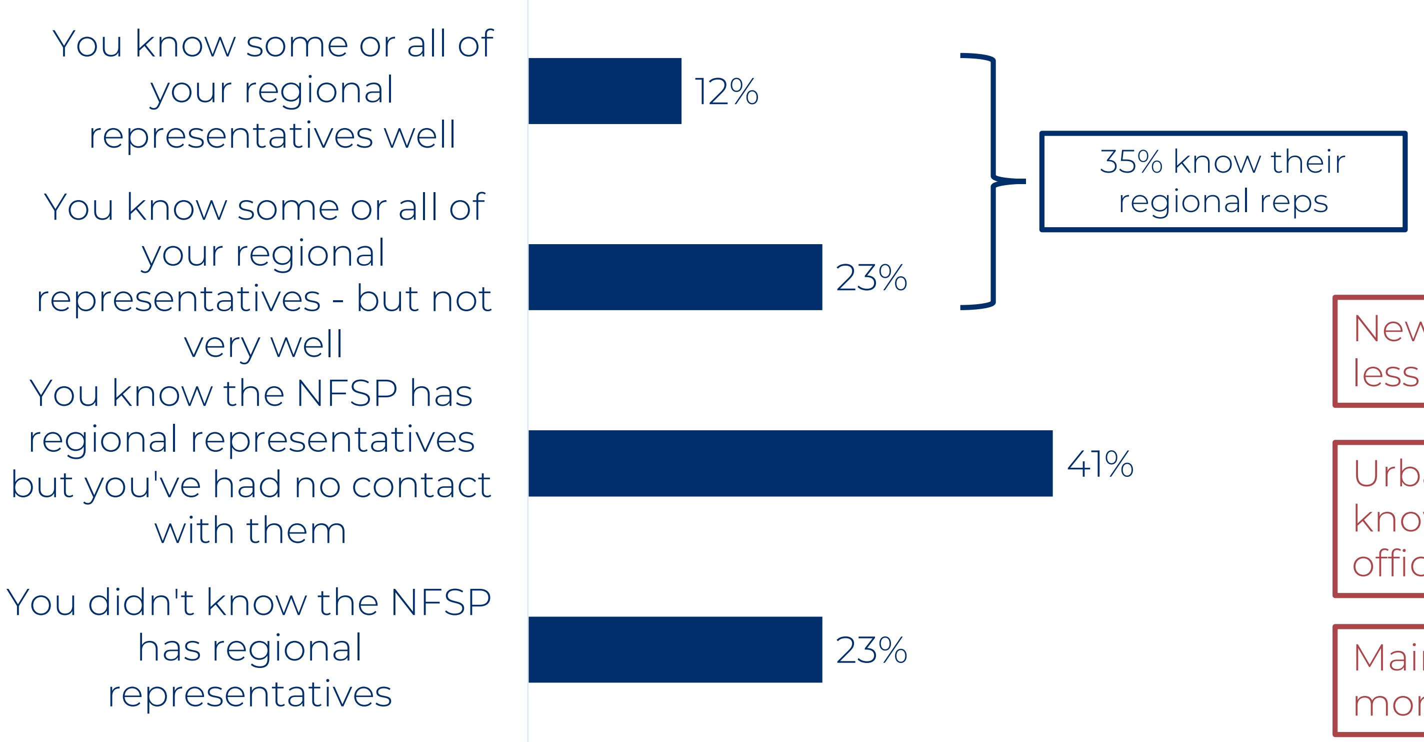
Awareness increases with length of service

Those marketing their business online more likely to be aware

Those engaged with their NFSP Branch/Regional reps more likely to be aware

NFSP (3) regional representatives

In each region of the UK there are Branch Secretaries, a Regional Secretary and a Regional Director. These are serving sub postmasters who volunteer as NFSP representatives to support sub postmasters in the local area. Which of the following best applies to you...?



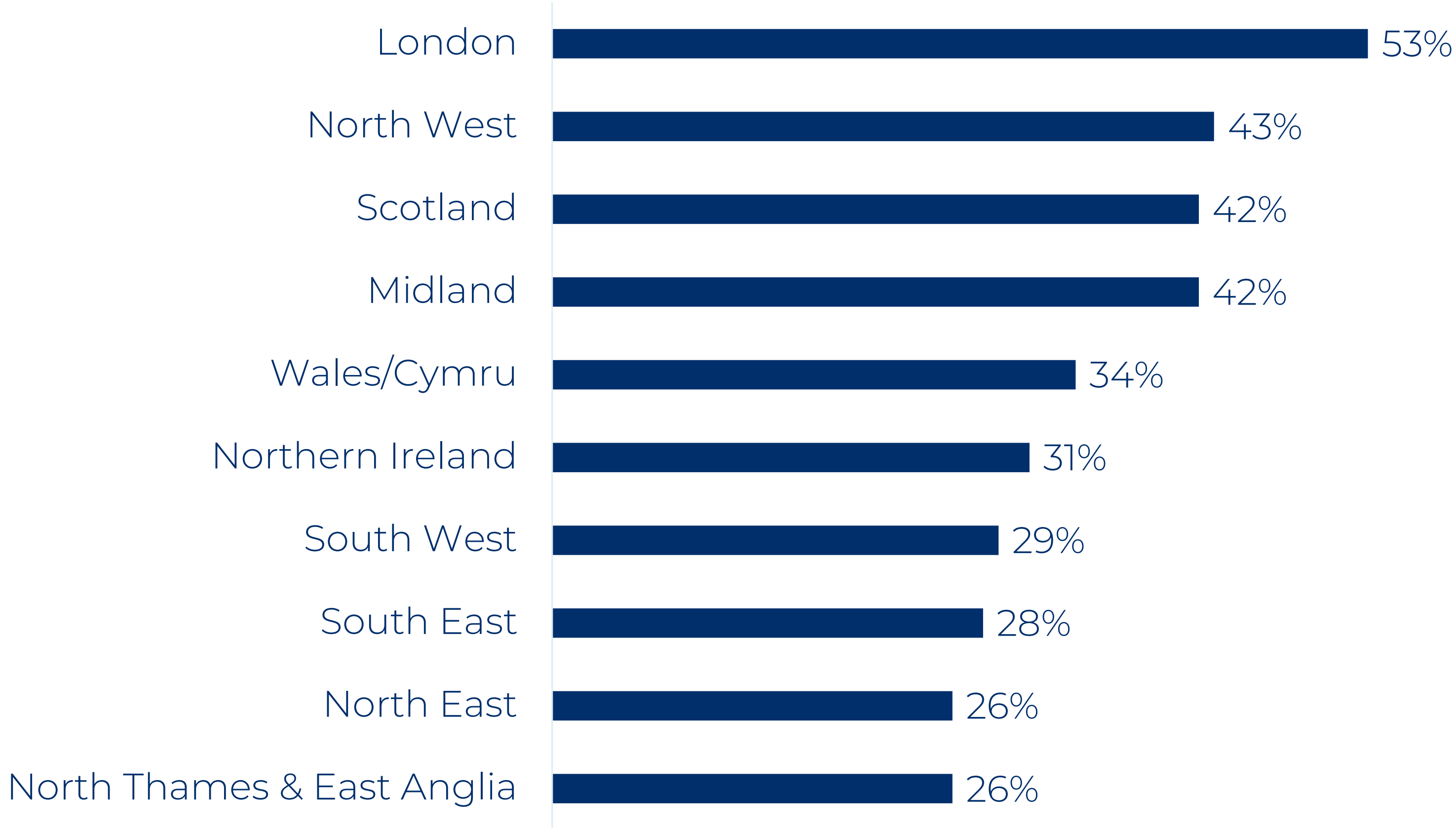
Newer subpostmasters much less likely to know their reps

Urban / suburban more likely to know their reps than rural offices

Main model branches much more likely to know their reps

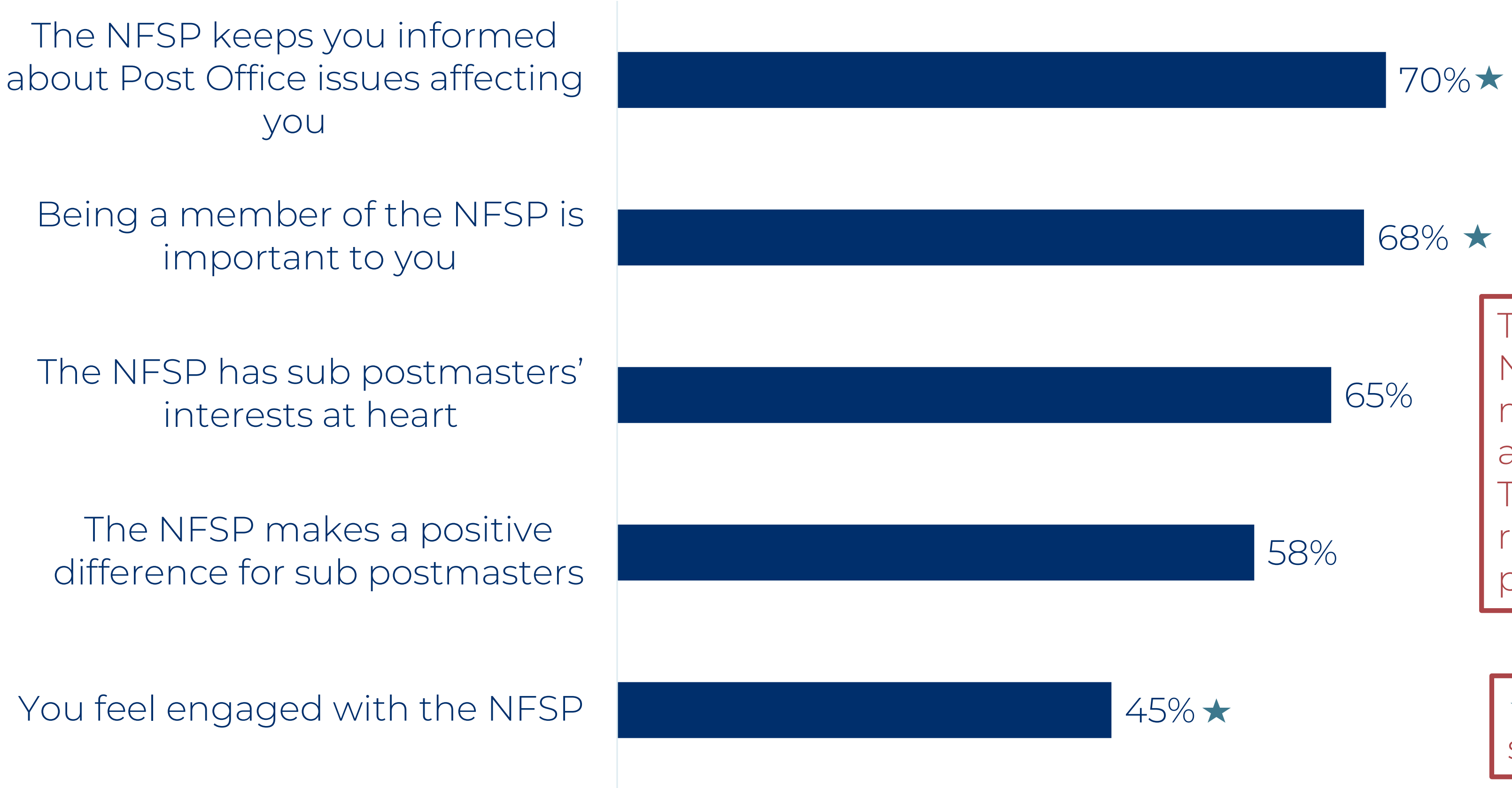
NFSP (4) regional representatives

Those who know their regional representatives by region



NFSP (5) perceptions of the NFSP

To what extent would you agree or disagree with the following statements about the NFSP?

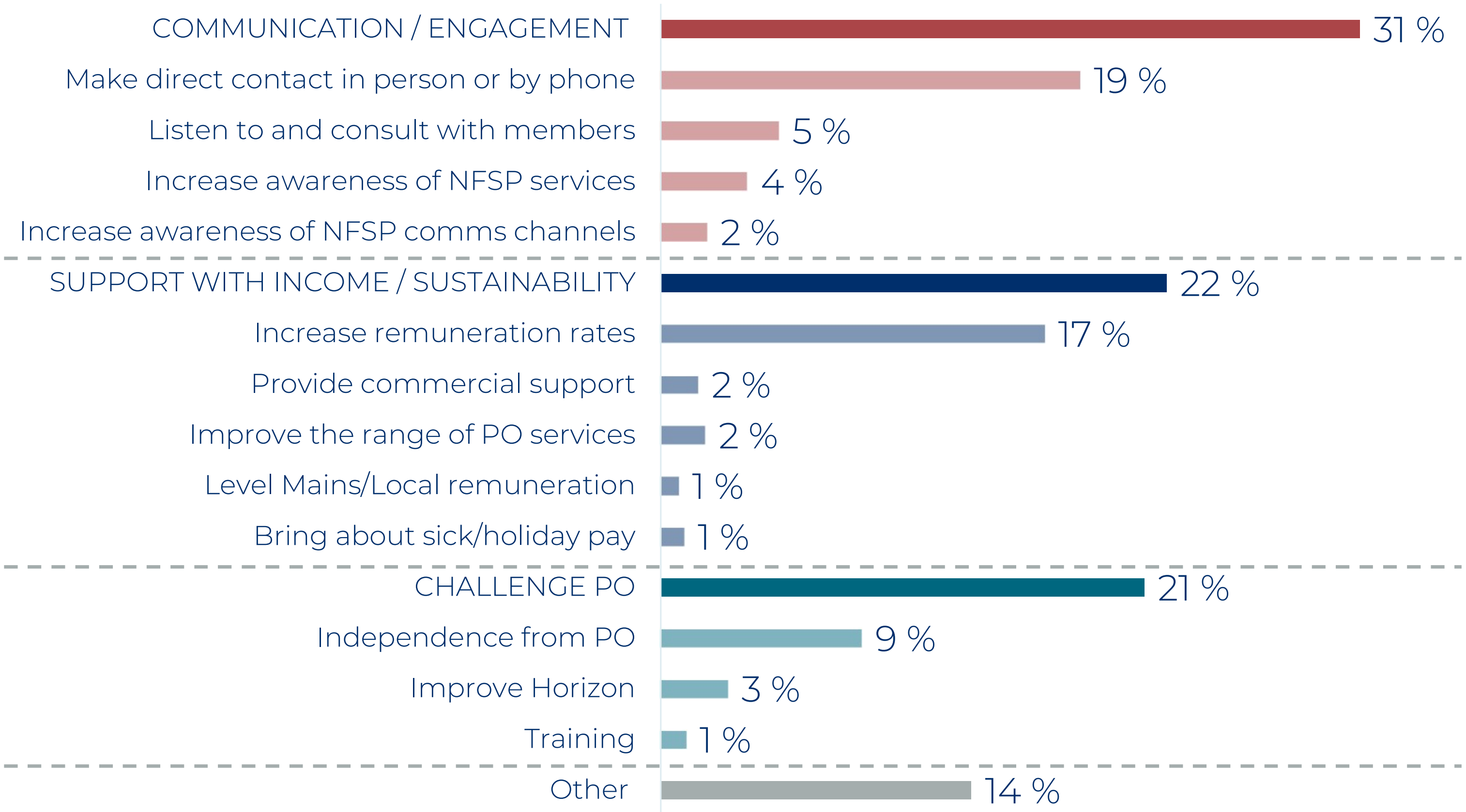


Those engaged with their NFSP Branch/Regional reps more likely to be positive about the NFSP generally. Those not aware of their reps consistently less positive

★ Essentially unchanged since 2019

NFSP (6) what should the NFSP do?

What could the NFSP do differently in future to help support subpostmasters like you?



Three key asks.

Similar to 2019.

Each covers a broad range of issues.

Prevalence of remuneration as an issue has decreased.

Importance of direct engagement is clear.

Independence of NFSP from PO also stands out.

Likelihood to mention independence increases with strength of relationship with NFSP reps.

Conclusions (1) the big picture

Evidence of some improvement in outlook on remuneration – but some way to go yet

Subpostmasters more negative than other SMEs in terms of growth prospects

Positivity and progress linked to behaviours associated with improving the business – e.g.

- Engaging with and seeking support from the NFSP
- Marketing the business online
- Upholding standards – e.g. via being part of a symbol group and/or interest in mails accreditation

Serious concerns about the relationship between subpostmasters and Post Office Ltd

Conclusions (2) corporate strategy and comms

Members want the NFSP to:

- Inform them and be informed by them. Direct interaction is key.
- Improve the profitability and sustainability of their businesses.
- Challenge PO – with greater freedom.

A large pocket of NFSP members are disengaged – c. 1,500 members. They are not being reached effectively currently. Targeted action required.

Constructive engagement will increase positivity and drive further engagement.

Regional representatives need to increase engagement levels.

Covid-19 restrictions appear to have impacted on engagement levels by limiting direct interactions.

Conclusions (3) mails

Indications of attitudinal concerns among certain groups:

- Longer-serving subpostmasters
- Those below target for mails segregation – i.e. poor performance linked to attitude as well as knowledge and training

Mails resources on NFSP website very highly rated – further take-up needed

Definite preference for in-person interventions

Definite interest in mails accreditation scheme

Conclusions (4) retail and commercial

Member retail demographics now known.
Weekly retail turnover is high. Independent post offices (7,500) turnover c. £2.5b a year

Evidence of latent demand among members for NFSP support:

- Poor practice in use of wholesalers / cash and carry rather than specialist suppliers
- Many branches without card machines or EPOS systems
- Scope to increase online and physical marketing activities

Definite interest in NFSP commercial support – supplier deals, retail advice, one-to-one support

Interest in new retail / commercial categories:

- Hot drinks (c. 750 members)
- Slush (c. 700 members)
- Convenience (c. 400 members)
- Cash counters (c. 2,300 members)