



Challenges and Changes before Mail service business of India Post

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ABSTRACT

Mail services are the primary function of India post. It serves to the people of India in urban and rural areas. Rapid changes in Information and Communication technology change the method of all kinds of businesses including India post. The purpose of this study is to analyze the present situation of mail services of India post. India post is providing traditional and premium mail services to their customers. These services are in declining position due to effect of new technology, privatization of postal services and re-engineering of this business. Online marketing and e commerce businesses are providing business to parcel services. To upgrade its business India post is introducing new services. To meet with the changes India post introduced some projects like IT Modernization and computerization of all post offices, Expansion of e post offices, mail network optimization, parcel network optimization to improve letter and parcel services and project Arrow to make India post visible difference among customer . India post as a public company should increase availability of postal services in rural areas. It can improve its parcel traffic by giving prompt and quick delivery of goods. India post should advertise to spread knowledge about its products and services .it should improve the quality of mail services and customer care services to compete with online world and private organizations to serve the people of India.

KEYWORDS : India post, mail services, technological change, challenges

I Introduction

India post is the Universal service providing postal services all over the world. It is the largest network not only in the country but also in the world with its 1.55 lacks post offices situated in the urban and rural areas of India.

Information and communication technology is rapidly changing in this era. It has not only changes the business methods all over the world but also the business that the post offices do.

According to Mr. C. N. Raghupati VP and Head of India Business "India post has been a Key Driver of the country's socio-economic development for over 150 years. This partnership will give us the opportunity to promote inclusive growth by helping to deliver services more efficiently to all citizens. We will use our proven technology; leadership and innovation capacities to build a platform that will transform India post and enhance its reach significantly".

The most important part of our communication is posting letters and parcels. From the beginning of 21st century mail market is facing huge amount of change. Rapid use of internet and email declines the mail market continuously . however there are some opportunities also opened for the mail and parcel service where physical distribution of material is necessary. In India mail services are fundamental services of our society where our economy is based on the rural population of India who still believes in India post for their communication. Online service providing companies provides their services mostly in urban areas of the country where as India post can provide their services to the core rural areas with the help of its huge network to the people direct to their home.

II Objectives of the study

1. To study the mail services provided by India post to their consumers.
2. To analyze the mail services provided by India post.
3. To study the Challenges before India post mail services.
4. To study the changes occurred in mail services and strategic plans of India post to face challenges.

III Methodology of the study

As the purpose of this paper is to study the present situation of mail services and reforms India post going to take in future, this paper is based on the secondary data which were collected from the Annual reports of India post, various Websites, journals, News papers etc.

IV. Limitations of the study

This study is based on the five years data analysis of annual report of India post. The study is focused on Traditional and premium mail services of India post.

V. Mail services provided by India post

Mail services are the primary function of any post office which includes Collection, Processing, Transmission and delivery of mail having created a base of more than 13000 computerized post offices and pool of trained staff. India post is in process of changing its departmental and branch post offices in new computerized and connected network of post offices on a single integrated platform which helps India post not only to improve their mail services but also their other services like Business services, Financial services, Insurance services, Saving schemes, Mutual fund services and services based on the government agencies.

Types of mail services provided by India post

These mail services can be classified into two categories

1. Traditional mail services:

It includes

Letter: means any communication, which enclosed in an envelope and address.

Inland Letter: A communication letter which is contained on a sheet of paper with prescribed size and folding used within India only.

Post card: it is an open communication in the card of prescribed size, available in two varieties, Single and Reply card used within India only.

Printed postcards are also available for consumers.

Registered Newspapers: it is a publication consisting wholly or in great part of political or other news without advertisement. It is published at intervals of not more than 31 days.

Blind literature: India post allows free transmission of blind literature packets which contains Braille or other special type of periodicals and books for the use of blinds.

It also includes parcel, registration, insurance, value payable post sales of postage stamps and other stationary.

2. Premium mail services: premium mail services is managing and

marketing all the premium products of India post. It was established in 1996 and now it has two divisions. It includes

- 1 parcel and logistics division.
 - 2 Speed post and marketing division.
- It includes

Speed post: speed post providing time bound and express delivery of letters and parcels weighting up to 35 kg. in India.
Express parcel: Express parcel is an air parcel product providing time bound delivery of parcels. These parcels will be transmitted through air or any other fastest mean available.

Logistics post: it manages the entire distribution side of the logistics infrastructure from collection to distribution, from storage to carriage, from order preparation to order fulfillment at lowest possible prices. It provides cost effective and efficient distribution across the country.

Media post: India post offers an exclusive perception of media post before Indian corporate and public sector Organizations so that they can reach to their probable consumers. It is an innovative and effective mean for Brand and Marketing managers to contact their ultimate consumers and spread messages crossways to the nation.

Greeting post: India post provides their consumers beautiful greeting cards for every event or festival with beautiful design and pleasing colors, come ready with prepaid postage envelops which is unique concept for the first time in India.

V. Valuation of India post mail services

The main activity of the department of post is processing, transmission and delivery of the mail which were collected from almost 154939 post offices in the country. This is processed by and conveyed by roadways, rail and airlines all over the country. India post is the largest network in the world, in which 89.96% post offices are in rural area and others are in urban area.

The expansion of postal network in the country in rural areas has taken place through opening Gramin dak sewak post offices and departmental post offices.

Let us take a look at the postal network of India post:

Table 1: Postal network of India post

S.N.	Particulars	2010-11	2012-13	2014-15
1.	Total post offices	154822	154822	154939
1.	Urban	15736	15700	15717
1.	Rural	139086	139181	139222
2.	Departmental Post offices	25444	25493	25560
3.	Extra departmental Post offices	129378	129389	129379
4.	Departmental Employees	211107	200344	199295
5.	Gramin Dak sevak	263467	259604	261162

(Annual Report India Post, 2010-11 To 2015-16)

In the table 1 given above we can see that more than 89% of post offices situated in rural area is the strength of India post. It is in increasing order from year 2010-11 to year 2014-15. Increasing number of departmental, extra departmental Post offices and Gramin dak sevak services are also a good sign for collecting and distributing postal mail within time.

Table 2: Mail services traffic of India post (in Millions)

S.N.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
1	Registered	177.9	191.1	179.27	200.81	204.80
2	Unregistered	6157.6	5778.7	5416.3	5507.9	5407.1
3	Premium product	282.7	402.0	459.79	379.48	412.60

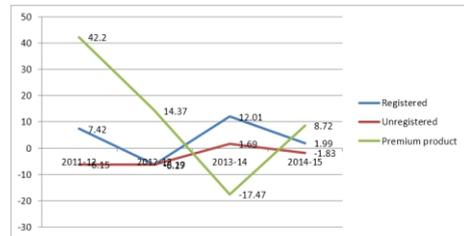
(annual report India post, 2010-11 to 2015-16)

When we analyze the table 2 we can see that the Registered mail services are increasing gradually from year 2012-13 to year 2014-15 after some downfall in year 2011-12. In Unregistered Mail services we can see the declining position per year where as the premium products are not stable. We can see the position of Mail traffic in table 3 given below:

Table 3: Variations in Mail traffic of India post (in Percentage)

S.N.	Particulars	2011-12	2012-13	2013-14	2014-15
1	Registered	+7.42	-6.19	+12.01	+1.99
2	Unregistered	-6.15	-6.27	+1.69	-1.83
3	Premium product	+42.20	+14.37	-17.47	+8.72

Chart 1: Variations in Mail traffic of India post (in Percentage)



When we analyze Table no 3 and chart 1 we can see that the traffic of registered mail is improving in year 2013 to 2015 after declining in year 2012-13 whereas in unregistered mail it shows continuous declining trend. The premium product after its introduction shows fast growth but in year 2013-14 it is showing negative growth and again improving itself in year 2014-15 which is also in declining condition.

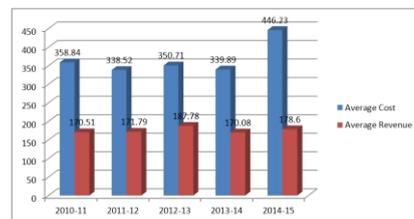
Table 4: Average Cost and Revenue of Various Mail product of India Post

S.N.	Year	Average Cost	Average Revenue
1	2010-11	358.84	170.51
2	2011-12	338.52	171.79
3	2012-13	350.71	187.78
4	2013-14	339.89	170.08
5	2014-15	446.23	178.60

(Annual Report India Post, 2010-11 To 2015-16)

The mail product included in Table no.4 are Postcard, Printed Postcard, Competition Postcard, Inland letters, Letters, Registered Newspapers Single & Double, Book Post included Book Patterns, sample packets, Printed Books, Periodicals, Acknowledgement, Parcels, Registration, Value payable post, Money order and Indian Postal order

Chart 2: Average Cost and Revenue of Various Mail product of India Post



We can see that the average cost of mail product is fluctuating year by year but in year 2014-15 there is a rapid increase in cost of products whereas Average Revenue is in declining position. When we compare the cost and revenue we can see the average cost revenue ratio is 2:1 of last five years. As Department of post is concerned with activities of public interest it provides its services in loss but as far as the business concerned the chart 2 given above shows that

the tendency of cost and revenue difference is increasing which is the matter of worry. Continuous declining tendency of mail traffic has become a big challenge before India post.

VI. Challenges before India post mail services

India post is working as a public interest organization where the motive of the business is to serve the people rather than to earn profit. We can say India post is working so efficiently as per as the other organizations concerned, but only to run a biggest organization is not a key to any organizations success specially when the competition in the market place is not only with your competitors like private courier companies but also with the changing means of communication like internet, email, mobiles etc. We can think about the value intention of post offices when they serve almost every single home of the country and business. They deliver physical documents of large volume in cheaper rate even if they found the address on the document is incomplete and sometimes not readable. We can discuss the challenges before India post in these aspects:

1. Effect of new technology:

India post is working extremely well in its operational network but even then with the changing technology and availability of email, internet and mobile facility providing texting and social media shifted the habits of people away from the physical letters. Post offices doing their work well but the mail market shifted .now it has become technology oriented post offices mail services are now not as important as it was in older time. if we do not get letters for several days we do not care about it now we do not need physical support to communicate our messages every time. So we can say that the revolution in new communication means striking challenges before the traditional mail services.

2. Effect of privatization:

Privatization of postal and parcel services is also a big challenge before India post. As prof. V. Rangnathan describes in his research India postal system: Challenges ahead "Post like electricity and telecom is a network industry. Such industries have some common properties – they are natural monopolies." But now we can see that the monopolistic position of India post is going through the changing environment of technology, reconstruction of business organization and also privatization of the postal industry.

Prof V. Rangnathan pointed out that

1. India post is declining not only in its own lofty standard but also falling behind its private sectors and international competitors.

2. India post is carrying loss by its almost all mail services excluding speed post and foreign mail

3. To promote its speed post India post is ignoring its letter mail market.

4. In its expedition of being commercial it is lacking its goodwill in traditional areas of letter post and money order etc.

Private courier companies are providing their services in cheaper rate and within less time with the help of new technology which attracts consumers more than India post .this is also a matter of worry for India post.

3. Re-engineering of Business process:

Transformation of Postal mail services or Postal parcel services would require re-engineering of business process and evolving how process based on customer need. India post parcel services are facing challenges with increasing competitive pressure and needs to manage time of delivery and cost of service aggressively.

As per the increase in online marketing and e commerce market liberalization the opportunities are continuously increase in parcel sectors of postal services, where quick delivery of logistics and parcels at less price is the key factor of the business growth.

Department of post can get success by only re-engineering its present sectors of delivery of parcel and logistics.

VII. Changes occurred in mail services and strategic plans to face challenges:

Change is the universal truth for any business weather it is service oriented or product oriented .India post is upgrading and diversifying its services and introducing new services to compete with new developments. To meet with the changes India post introduced IT modernization Business reengineering and operational efficiency process in its post offices. The main changes are

1. IT modernization project:

The main objective of this project is to make post offices techno friendly, self dependent market leader. Commencement of new services and products, fast delivery system can be possible only by modernization of post offices. Automated postal services are the main focus of this project. It includes

- Modernization and computerization of all post offices in the country and development of rural information and communication technology.
- Establishment of IT data centre, disaster recovery centre, WANS for all post offices.
- India post is developing the software application for counter services, mail processing, online tracking of mail and parcel article etc.

2. Expansion of E post offices:

Expansion of postal network in the country especially in rural areas has taken place by opening new post offices with the facilities of a post offices for the rural citizens of India.

3. Mail network project optimization :

To improve the mail services India post started MNPO project so that it can deduce the time of processing, transmission and delivery of mail. Straight line core mail operation of mail network is the main vision behind it. An online performance monitoring system has developed by India post under this project to track the way of registered mail and speed post mail.

4. Parcel network optimization project :

To provide a trustworthy distribution channel India post has restructuring its parcel network for its traditional and e commerce services. It will help the delivery of product in less time and also helps in efficient performance of post offices.

5. Project Arrow:

The theme of Project Arrow of India post is "look and feel good" with the objective to make a visible difference among customer about working and environment of post offices.

International business centre for fast delivery and nodal delivery of parcel are also formulated plans to restructure its mail services. A New mail strategy was introduced by India post to cope up with the rapid economic growth, changing technological environment, so many changes occurred with increases volume of mail in Business to Business (B2B) and Business to Customers (B2C) business. Automated mail processing centre has been created in major cities of the country. For faster transfer and processing of mail and parcel both rail and air transportation services are effectively arranged. We can hope that these changes should be continued in future also.

Conclusion: India post is a public interest organization which serves even the last citizen of the country but from last few years we can see that the continuous increases in the use of digital technology, the need of sending messages with the help of letter or mail services are in declining position as People are provided with fastest and instant mean of communication to send their important information document etc quickly and so many people at a time. These changes

forcing India post to change accordingly to the new technology, to maintain its position and to overcome from the loss bearing changes in near future. India post cannot work against the signals of changes but it can use the opportunities available before it. Some stapes which can be taken by India post are as follows:

1. Availability of postal services in rural areas should be increase. As we know that the private companies and international mail services do not spread their business in rural areas and India post network is already available here which can be used to increase new technology based services in interior areas in India.

2. The decline in mail services comes with increases in parcel service's people wants to by the things online and they need prompt delivery. India post network can help it to switch its business, letter oriented to parcel oriented by using it properly. The time of delivery is most important for this purpose.

3. India post should advertise the services and premium products available to its customers because advertising mail is progressively more e and more important to the postal services. The in culture, economy, technology also changes the method of personal correspondence physical letters to email, e bill payment system, mobile text messaging etc. Customers do not know much more about the changes occurred in the post offices. They often do not know about the services and products offered by the post offices so it is necessary to make them aware about the services provided by the India post.

4. India post should improve the quality of its services. It should be with some innovative ideas.

5. India post should improve its customer care services. India post have its own image and trust in the minds of Indian people so it is necessary to make effective efforts to provide best service to its customers.

We can say that changes in communication technology creates so many problems for India post but still common people needs mail and parcel delivery system and believes in services provided by India post. India post must establish itself according to needs of consumers and meet with the challenges by using well equipped new technology oriented infrastructure and well trained human resources. it is fact that mail services are still a cornerstone of our economy and society so India post must have an efficient ,world class mail services which can compliments the online world by serving people and businesses direct to their doors.

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