

EVALUATION OF MAIL OPERATIONS OF INDIA POST IN CHANGING ECONOMIC SCENARIO

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Abstract: India Post is providing its services to the people of India in urban and rural areas with its large network. Mail services are the primary function of India post from its beginning. Now a day Information technology is changing rapidly. It causes to change the method of all kinds of businesses including India post. The purpose of this study is to analyse the changes done by India post to accept the challenges before its mail services and the steps taken by the India post to avail the opportunity by launching new mail services to earn more revenue for department and also to analyse whether India post is become successful in its attempts. The mail services provided by India post to its customers are traditional and Premium mail services. Due to the effect of new technology, Competition with Private companies, online marketing and e- Commerce activities, mail operations of India post are in declining condition. India post is introducing new services to meet with the changes and also 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. As a public interest company it should increase availability of new and modern postal services in rural areas of the country. As the letter writing habits of people are now in declining position India post must improve its performance in premium services by giving prompt and effective service to save its mail operations from the continuous deficit of revenue. The Study is focused on the success of different efforts done by India post for its Mail operations.

Index Terms: India post, Mail operations, Technological change, Modernization, Premium services.

I. Introduction:

Indian economy is based on the rural population of India. The aim of Government is to provide them all kinds of essential services at lowest rate in their doorsteps. India post is the largest mail service providing network working through 1.55 lakhs post offices situated in which 89.69% are situated in rural areas. It is not a profit earning organization but a public interest organization. Private and online service providing companies are running their mail business in urban areas of the country but India post is providing its services through its vast network in both rural and urban area. World is changing rapidly according to the changes in information and communication technology. The working condition and services provided by the post offices to their customers are changing according to the change in information technology. Up to 20th century posting letters and sending telegrams are most important part of our life but from the beginning of 21 century it is not in our priorities due to available fast means of communication based on new technology like mobile phone. Now it is the time when India post mail operations should turn it from traditional services to premium services so that it can save its existence and also upgrade itself according to the changing world.

II. Objective of the study:

1. To study the current situation of traditional and premium mail operations of the India post.
2. To study the effect of changes done by India post in its mail operation.

III. Methodology of the study:

The purpose of this research paper is to study the importance of mail Operations of India post so it is based on the secondary data collected from the Annual reports of India post, various websites, journals, Newspapers etc.

IV. Limitation of the Study:

India post is providing so many services like mail services, banking services, Insurance services etc. The study is limited up to the mail services of India post.

V.Valuation of Mail operations of India post:

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 155000 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.

India post is providing two types of mail services to their customers

1. Traditional mail services

It includes Letter, Inland Letter, Postcard, Printed postcards, Registered Newspapers, Blind literature and special Type of periodicals and books for the use of blinds.

2. Premium mail services :

Department of post is a consumer oriented public interest organization which provides reasonably priced and personalized utility services to its consumers. Now it is called one stop shop service available at almost all the post offices in the country. In year 1996 a business development directorate was established to encourage better marketing and publicity of products and services which was later reorganized in year 2004-05 as Business Development and marketing Directorate. The activities of e-commerce are growing rapidly in recent years and Department of post is also changing accordingly. In year 2018 a separate parcel Directorate and in year 2019 separate marketing division has been established by India post to provide new technology based services. India post wants to increase its visibility and focus on marketing of its premium products according to the need of its consumers. As the main objective of this paper is to evaluate the contribution of premium mail services of India post let us take a view on the premium mail products provided by India post to its consumers.

It includes

1. Speed Post 2. Express Parcel 3. Business parcel 4. Retail post 5. e-post 6. e-Payment

7. e- Post office 8. Logistic post 9. Business post etc.

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

table1: mail services traffic of india post (in millions)

S.no	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Registered	177.9	191.1	179.27	200.81	204.80	198.3	183.4	193.3
	Increases/ decreases In percentages	-	+7.4 %	-6.2 %	+12 %	+1.98 %	-6.5 %	-7.51 %	+5.39%
2	Unregistered	6157.6	5778.7	5416.3	5507.9	5407.1	5614.9	5526.6	5676.9
	Increases/ decreases In percentages	-	-6.15 %	-6.27 %	+1.69%	-1.83%	+4.11%	-1.56%	+2.71%

(Annual Report India Post, 2010-11 to 2018-19)

table 2: premium mail services traffic of india post (in millions)

s.no	services	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1.	premium product	282.7	402.0	459.79	379.48	412.60	427.2	478.7	475.9
	increases/ decreases in percentages	-	+42.2%	+14.3%	-17.47%	+8.73%	+3.54%	+12%	-0.6%

(Annual report India post, 2010-11 To 2018-19)

When we analyze the table 1 we can see that the Registered mail services are increasing gradually from year 2012-13 to year 2014-15 after some downfall in year 2012-13 but it is again decreasing from year 2015-16 but in year 2017-18 it is increasing again. In Unregistered Mail services we can see the declining position per year but from year 2015-16 it is improving where as the premium products are not stable. 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 fluctuating trend. The premium product after its introduction shows fast growth but in year 2013-14 it is showing negative growth and again improving from year 2014-15 to year 2016-17 but the rate of growth is continuously in declining condition and in year 2017-18 it is again showing negative growth.

When we analyse the premium product we can see that the speed post service is the main product under India post premium service. If we compare the average cost and average revenue of India post traditional mail services and speed post services we can see

table 3: average cost and revenue of various mail product of india post (in rs.)

s.n.	year	average cost of speed post	average revenue of speed post	average cost of other mail services	average revenue of other mail services
1	2010-11	53.68	27.56	358.84	170.54
2	2011-12	50.56	22.95	338.52	171.79
3	2012-13	50.52	28.03	350.75	187.78
4	2013-14	52.49	37.10	339.89	170.08
5	2014-15	58.84	36.88	446.23	178.60
6	2015-16	67.35	38.71	465.05	164.70
7	2016-17	85.22	38.31	611.17	167.43
8	2017-18	91.20	39.83	670.88	157.74

(Annual report India post, 2010-11 To 2018-19)

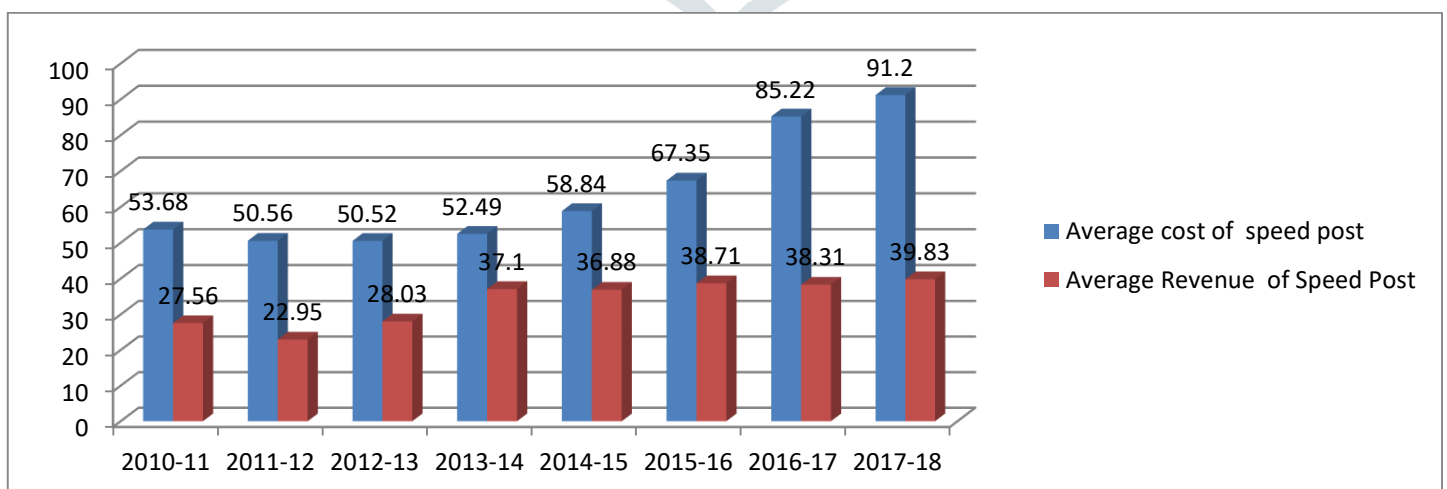


figure 1: average cost and revenue of speed post of india post

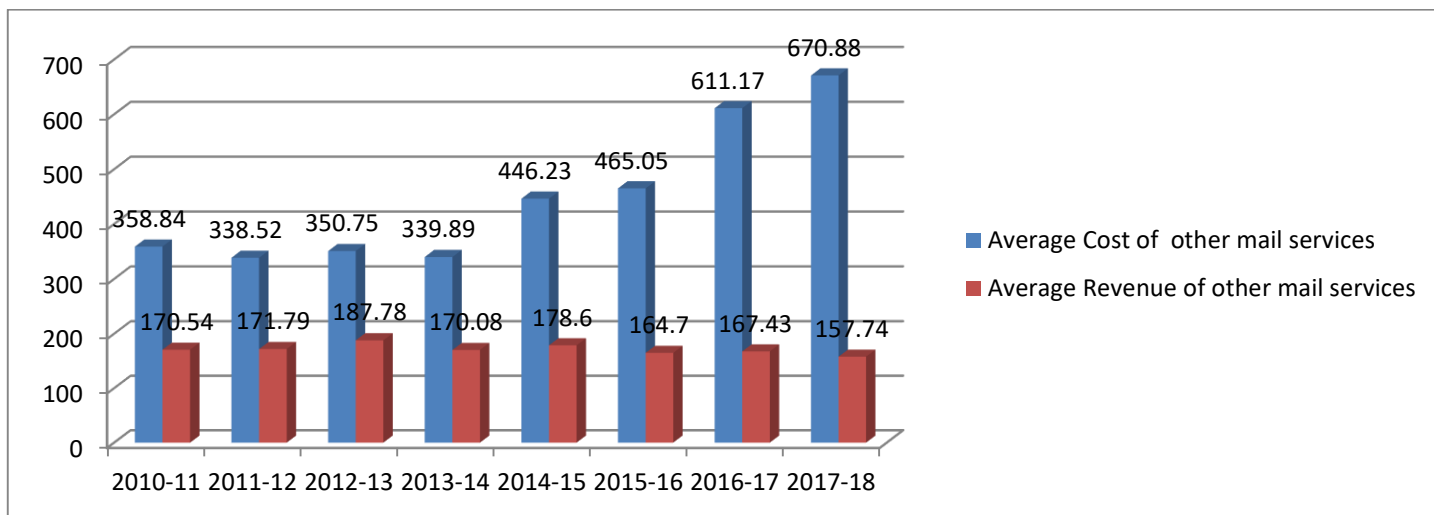


figure 2: average cost and revenue of various mail product of india post

We can see that the average cost of mail product is fluctuating per year but in year 2016-17 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 in year 2010 is 2.1:1 which has been increased in year 2017-18 for 4.25:1 of last eight years. Whereas in speed post services the average cost revenue ratio in year 2010 is 1.9:1 which has been increased in year 2017-18 for 2.89:1 of last eight years. It shows that the cost revenue ratio of speed post is much better than other mail operations. We can say that Speed post services are in much better condition according to recovery of cost against revenue but if we analyse the yearly changes we can see cost revenue ratio up to year 2013-14 in declining condition and from year 2014-15 to year 2017-18 it is increasing gradually.

table 4: yearly changes in average cost and revenue ratio of speed post service of india post (in rs.)

s. no	cost/revenue ratio of speed post	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1.		1.9: 1	2.2: 1	1.8: 1	1.4: 1	1.6: 1	1.7: 1	2.2: 1	2.3: 1
	increases/ decreases in percentages	-	+ 0.3	- 0.4	- 0.4	+ 0.2	+ 0.1	+ 0.5	+ 0.1

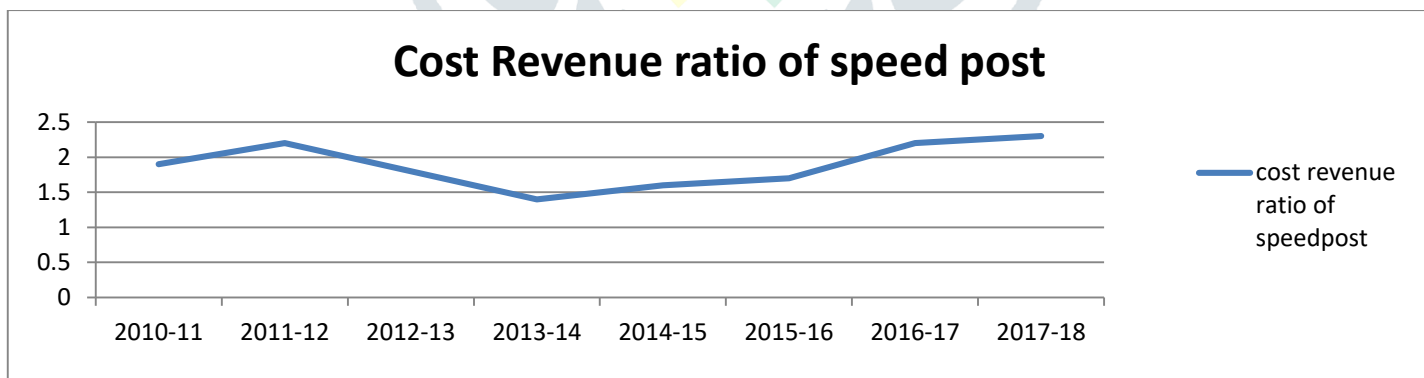


figure 3: cost and revenue of speed post

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 data given above shows Continuous declining tendency of traditional and premium mail traffic has become a big challenge before India post. Speed post is an important premium service for India post with an intension of collecting more revenue for India post though it is working efficiently but increases in cost revenue ratio and continuous fluctuation in traffic is the matter of worry.

VII. Problems before India post mail operations

Working as a public interest organization the motive of India post is to give better services to the people rather than to earn maximum profit for the organization. According to its motive India post is working so efficiently but only to run a biggest organization is not a key to its success specially when your competitors are private courier companies and changing means of communication like internet, email mobiles etc.

We can think how post offices 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 Problems before India post in these aspects:

1. Changes in technology:

Availability of internet, email and mobile facility provided 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 though India post is working towards its new technology based operational network.

2. Competition from Private courier companies:

Competition from Private courier companies is also a big challenge before India post. As proof. 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 this monopoly of India post is going effected by changing environment of technology, reconstruction of business organization and also privatization of the postal industry.

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. Changes in Business process of Parcel and logistic:

Changes in Business process of parcel and logistic is necessary for Transformation of Postal mail services or Postal parcel services. It evolves to make the process on the basis of needs of consumers. 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.

Role of premium products to promote India post services.

It is found in many studies that

1. India post is declining not only in its own superior 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 mission of being commercial it is lacking its goodwill in traditional areas of letter post and money order etc.

Premium product was launched by India post to fulfill the current requirements of the consumers. India post has established separate Parcel Directorate in year 2018 and a separate marketing division in year 2019 for a focused and current technology based quick premium services.

Speed post is the market leader in domestic Express mail operation and also one of the biggest revenue generation services. Business Post is a premium service of India post to provide a widespread solution to Government Organizations and Corporate houses for their pre-mailing requirement like collection of articles from the location of the customers, folding, insertion, franking, addressing, pasting of articles and special handling etc. Besides bringing in additional revenue, this activity is meeting their requirements of the bulk and

corporate customers. Direct Mail is a premium service launched with increasing commercial activity in India as the need for direct advertising of products and services by the business organizations is growing. Printed matter usually carrying a sales message or statement designed to draw out response from carefully selected consumers or business organizations, is the most powerful medium for direct advertising. In many countries of the world this service contributes a major portion of mail operations handled by the Postal Administrations.

Media Post service of India post offers a variety of advertising mediums such as postal stationery, display of posters in postal premises situated under India post. Post office passport seva Kendra's are opened under an agreement in Ministry of External Affairs and Department of post in selected head post offices in various states of country for faster and convenient delivery of passport related services. Retail Post services of post office is developing post office as a one shop stop by selling retail product like LED Bulbs, Fans, Gangaajal, Gold Bond and services like Payment of electricity bills, taxes, Fees Telephone bills railway reservation tickets. e-Post, e-Payment, e-IPO, e-Commerce portal are online premium services of India post to provide various new technology based services to its consumers.

VIII. Changes occurred in mail services after launching premium products:

The premium products were launched by India post to compete with the challenges it is facing from its competitors. India post is adopting the strategy of upgrading and diversification of its services and introduction of new services to compete with new developments. India post introduced IT modernization, Business reengineering and operational efficiency process in its post offices to meet with the changes. The main changes done by India post are:

1. IT modernization project according to new premium product:

The main objective of this project is to provide new techno friendly post offices to its consumer and to make post offices self dependent market leader. Effective, prompt and 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 Traditional post offices to E post offices:

E post offices expansion project has been launched for expansion of postal network in the country especially in rural areas has taken place by opening new post offices with the facilities of e post offices.

3. Project for Mail network optimization:

India post started MNOP project to improve the mail services 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. Project for Parcel network optimization :

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

Conclusion: Working as a public interest organization India Post is Trying to reach even to the last citizen of the country. Today every person wants a fastest and instant mean of communication to send their important information document etc quickly and so many people at a time. New technology based digital and internet based services are fulfilling the need of sending messages quickly so people are preferably using it and use of mail services are in declining position but to maintain its position and to overcome from the loss India post must go with the change and avail every single opportunity before it. India post can take some steps for it:

1. Computerized and modern technology based postal services in rural areas should be increase. The private companies and international mail services do not want to extend 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 decreases in mail operations can be replaced with increases in parcel services. People want to buy the things online and they need prompt delivery. India post network can 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 effective for the postal services. Technology changed the method of personal correspondence from 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 has 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.
6. While providing premium services to its consumers India post must concentrate on other premium services with speed post services. As India post is promoting speed post more than other services other services get effected and unable to generate enough revenue as per expectations.

We can say that though India post is facing so many problems due to changes in communication technology but still common people believes in services provided by India post. Peoples need for sending messages and parcel delivery should not be end though it can be change its nature. India post can serve its consumers by new modern technology based infrastructure and highly motivated and trained employees. It is a fact that India post is working in the root level of country to develop the economy and serve the society, so it should provide an effective, world class mail services.

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