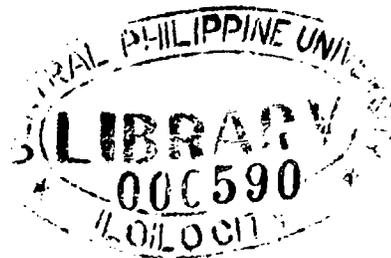


**THE PATRONAGE FOR POSTAL SERVICES AT CENTRAL
PHILIPPINES UNIVERSITY DEPARTMENTS/COLLEGES:
A DESCRIPTIVE ANALYSIS**

**A Special Paper
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CHAPTER I

INTRODUCTION

Background of the Study

Postal services are essential instruments of communication, and continue to be a powerful element of national unity. They are also efficient tools of administration, and both a direct and indirect promoter of economic development.

Information and communications technology, changing customer expectations, changes in life and work styles, and the accompanying working conditions have brought massive changes around the world. These are directly linked to the development of new postal and telecommunications services and to the gradual disappearance of frontiers between these activities and sectors such as financial services, office automation and the media sector as a whole.

In the age of globalization, new trends characterize these sectors: rapid technological developments, deregulation and privatization, and the proliferation of new high-value services. All these are leading to a reconfiguration of the communication sector, and significant alteration of the employment outlook for communication workers.

Telecommunication is regarded as one of the fastest-growing sectors in the world economy. Reports show that revenues of telecommunication services at the global level were around US\$1,210 billion in 2000, equivalent to 3.9 percent of the world's gross domestic product (Financial Times, August 23, 2003). In the context of

globalization and market liberalization, telecommunication operators have been seeking strategies to be competitive and excel in this growing market. Many public telecommunication operators (PTOs) have been partly or fully privatized, and some have been active in mergers and acquisitions. As multimedia convergence accelerates, telecommunication services have been evolving from simple carriers into a multifaceted industry which offers not only conventional telephony services but also value-added services such as mobile communication, fax and data transmission, Internet access, cable television, and satellite operations (Market Trend, Financial Times, August 23, 2003)

Unlike telecommunication, in which the introduction of new technologies has been followed by a series of drastic changes in the world of work, the labor-intensive nature of postal services remains unchanged in many countries, where only some labor-saving techniques are gradually being adopted. This is specially true in areas which do not have access to telecommunication facilities.

Across Asia, stories of postal services being redefined are unfolding. At the 11th Association of Southeast Asian Nations Postal Business Meeting in Laos last April 2003, Vice Minister of Communication, Transport, Post and Construction Sommad Pholsena said that the postal business is affected by many factors such as globalization, trade liberalization, and rapid changes in technology (ASEAN Postal Business Meeting , Vientiane, www.vnagency.com.vn).

In the advent of text messaging, Filipinos find it convenient to send short messages through cellular phone. In-fact the Philippines is said to be the text messaging capital of the world. Business communications are sent through fax and e-mail which is

more faster and convenient. With globalization, trade liberalization, and technology innovations communication are send and receive in a virtual place. The traditional way of delivering mails by Philpost has become outmoded.

The decline in patronage for postal services is universal. There are many factors that contributed to the decrease in patronage. According to the Universal Postal Union (UPU), a 190-country organization founded in 1876, letter-post items have declined in developing countries in the Asia-Pacific region. There were 52.9 billion domestic service dispatches and 892,000 international dispatches in 2000. These figure in pieces dropped to 51.6 billion and 717.5 million respectively in 2002. Worldwide, the number of permanent post offices declined from 684,231 in 2000 to 651,371 in 2002. Total post items dispatched worldwide, both domestic and international, dipped from 443 billion in 2000 to 430 billion in 2002. However, in a press release in September 2004, the UPU reported that domestic letter volumes and international ordinary parcels are on the rise in many countries (The Worlwide Postal Network in Figures, United Postal Union Resources. www.upu.int)

It is sad to know that the Philpost, long ailing from the ill effects of corrupt administrations, has not shown any sign of recovery. Like the cash-strapped government, it is up to its neck in debt, but has not demonstrated any resolve to pull itself up from the doldrums. With the advent of the mobile phone, the agency's mail service has continuously declining. Young people no longer find the need for love letters since they can communicate faster with their handy cell phones.

There has been a drastic decline in the volume of mail because of the cell phone phenomenon. The agency's mail service used to be one of its major sources of income

through the sale of stamps. The mobile phone has rendered the service almost obsolescent today (A challenge to the new Philpost head, www.manilatimes.net).

Based on statistics, the volume of mails posted in Region VI Western Visayas has declined by 51.5 percent, from 12,942,001 pieces in 1997 to 6,275,940 in 2002 (PSO Financial report, 2002). This is quite alarming since the population of the Philippines is growing at a rate of 2.34 percent every year from 1990-2000 (NSO, 2002).

A number of factors may have contributed to the decline of patronage for postal services in the Philippines. Some of these are: the emergence of private mail carriers which at a reasonable cost, can deliver goods faster and more reliably; access to internet; lack of awareness of clients with regards to the services offered by PSO, the negative perception on the level of quality of services among Filipinos and foreigners; and even the difficult access of clients to PSO.

The Philippine Postal Corporation

The Philippine Postal Corporation or Philpost as it is commonly known was created by virtue of Republic Act No. 7354, otherwise known as the Postal Service Act of 1992. It was primarily established to undertake and implement an intensive modernization and development program geared towards improving the country's postal system so it can best serve the public needs.

Philpost is a government-owned and controlled corporation with headquarters in Manila. Its policy-making body is the Board of Directors composed of seven members including the Postmaster General who at the same time, serves as the Chief Executive

Officer of the corporation. The country is divided into fourteen postal regions, each headed by a Regional Director.

Philpost serves the following sectors: banks and financial institutions, telecommunications companies, direct marketing companies, publishing companies, insurance companies, non-government organizations, hotels and schools, government institutions, manufacturing companies, other business enterprise, and the general public.

Philpost Region VI has 152 post offices, 144 are regular post offices and 8 are postal stations. Post offices and postal stations are located in the different municipalities and cities region wide. In addition, the region maintains the operations of three postshops located in SM City Shopping Mall, Robinsons' Place, and Iloilo City Post Office Postal Tiangge. As of 2003, Philpost VI has a total of 282 postal vehicles that are used in the transport, dispatch, collection, delivery of mails and parcels. Philpost Region VI has a total of 696 regular personnel who are in-charge of carrying out diversified functions in the attainment of its organization's mandate, goals and objectives.

Philpost has offices inside campuses of the universities and colleges. In Iloilo City, one of the campuses with a post office is Central Philippine University (CPU), in the District of Jaro.

Central Philippine University

Central Philippine University (CPU) is a private, non-stock, non-profit educational institution. CPU stands in a 24-hectare campus in Jaro, one of the six districts of Iloilo City. It is about five kilometers away from Iloilo City proper.

CPU started as an industrial school for boys and has been in operation for almost a century. In 100 years, CPU's enrolment has grown from 17 to more than 13,

500. Its 24 hectare campus, which was originally quiet and relatively isolated, has developed into a veritable community by itself, with more than 35 buildings used for classrooms and support facilities (CPU Brief History, www.cpu.edu.ph).

CPU offers kindergarten, elementary, high school, and various undergraduate programs in the colleges of Agriculture, Arts and Sciences, Commerce, Education, Engineering, Nursing, Theology, Law and Medicine. Its Graduate School offers a variety of graduate programs in management, education, engineering, business, public administration, nursing, social work, theology, computer science, guidance and counseling, english, sociology and agronomy. Most of its students come from Western Visayas, but there are also many who come other parts of the Philippines and other countries.

Running the university operations and serving the needs of the university clientele are 42 administration and academic offices. These include the offices of the President, the vice president, the various colleges and departments, and offices of support services. Given the physical and population size of the university, its mailing transactions and service needs are definitely great.

The university has an office that takes charge of its mail services. A university mailman brings to and gets mails from the post office every other day and privately delivered mails of the university, unless they are specifically addressed or delivered to a particular office.

The post office inside the campus is located at the Third Gate of the university in front of the Old Valentine Hall, along Lopez, Jaena Street. The post office serves

not only the students, personnel, and offices of CPU, but also the population of the surrounding communities of the District of Jaro.

In the age of globalization, time is of the essence, and the companies who can deliver the goods at the most speed and at the limited cost will prevail. Technology as highlighted by globalization has altered greatly the traditional way of production and distribution of goods and services.

Given the latest trends in the use of postal services, it is interesting to determine if the same trend is also happening in a specific educational institution like CPU, which is a major user of mail services. It is also important to know what mailing preferences CPU offices have and what factors influence these preferences.

Knowledge about these will help Postal Service Office (PSO) look for solutions to the declining patronage of its services. . Determining the level and reasons of PSO patronage of CPU will help in understanding why the offices of the university patronize or do not patronize the postal service. There are some questions that need to be addressed on these issues. Is CPU aware of the services of postal office or does the latter know the service requirements of the former? Does awareness influence patronage? This questions can only be answered by a study.

Objectives of the Study

This study aims to determine the level of patronage of postal services of CPU departments/colleges/offices and the factors that influence this level of patronage.

The specific objectives of this study are:

1. To determine the type and volume of mails sent and frequency of mailing by departments/colleges/offices;
2. To determine the quality of services as perceived by the departments/colleges/offices in terms of reliability, speed, price, and convenience;
3. To determine the level of awareness of the departments/colleges/offices of Philpost services;
4. To determine the level of patronage of the departments/colleges/offices of Philpost;
5. To determine the reasons why departments/colleges/offices avail or do not avail of the mailing services offered by Philpost;
6. To determine whether the type and volume of mails sent and frequency of mailing by departments/colleges/offices is related to level of patronage;
7. To determine whether the quality of services as perceived by the departments/colleges/offices in terms of reliability, speed, price, and convenience is related to level of patronage;.
8. To determine whether the level of awareness of the departments/colleges/offices of Philpost services is related to level of patronage; and
9. To analyse the strengths, weaknesses, opportunities, and threats of Philpost