

**FACTORS ASSOCIATED WITH CHOICE/PREFERENCE OF BUSINESS MAIL
SERVICE AMONG PRIVATE BUSINESS FIRM IN ILOILO CITY**

2027

A Special Paper

Presented to

the Faculty of the School of Graduate Studies

CENTRAL PHILIPPINE UNIVERSITY

In Partial Fulfillment

of the Requirements for the Degree

MASTER IN BUSINESS ADMINISTRATION

by:

ARLYN C. CABABASAY

March, 2001

CHAPTER I

INTRODUCTION

Background and Rationale

The Philippine Postal Corporation today is facing intense competition. Traditionally, the postal service had a total monopoly on collection, transport, and delivery of mail. Comparing the volume of mails posted from 1996 to 1997, there is an alarming decrease in domestic mail of three million one hundred six thousand two hundred ten (3,106,210) pieces of mails. For the international mail there is a decrease of five hundred ninety six thousand two hundred fifty three (596,253) pieces of mails. The corporation lost P13,533,665.00 or 13.64 percent in 1996 and P9,723,557.00 or 9.35 percent in 1997. This resulted to nonpayment of employee's benefits and failure of the corporation to upgrade its employee's salaries based on the Standardization Law. This consequently resulted to decline in the employee's morale. This further eroded the efficiency of corporate services.

The presence of multinational courier companies and telecom companies also poses a threat to the corporation. Most of these companies have invested millions of pesos in technology, computerize system, and establish a comprehensive network of regional hubs and local offices. The most dominant are the DHL, LBC, JRS, Aboitiz Express, Libcap Super Express and Kabayan Forwarders, Inc.

The transformation of the Philippine Postal Service from government bureau to a corporation was necessary in order to modernize the service, promote efficiency in its operations, and bring the level of its performance at par with international standards.

With this change, new products and services were introduced to cater to the changing needs of the public. It had also conducted various training and seminars to improve its personnel capabilities and enhance public awareness of corporate products and services.

However, despite the modernization program of the Corporation, its still increasing preference/choice of business firm is the private couriers. It is along this line that this study was conceived. It is hoped that through this study, was conceived. It is hoped that through this study, the research can generate data on mail service preference of private firm and the factors that influence their preferences. The results of this study can serve as bases for improving services of the post office.

Objectives of the Study

General Objective

This study attempted to determine mail service preferences and the factors associated with the choice/preference of type of services among private business firms in Iloilo City.

Specific Objectives

Specifically the study will answer the following objectives:

1. To determine the characteristics of private business firm as to the type of sale, type of establishment and type of ownership.
2. To determine the awareness of postal service about its competitor among the private business firm.
3. To determine the respondents' perception regarding quality postal service as to integrity, economy, and delivery capability.

4. To determine the extent of accessibility and promotion of the postal service.
5. To determine choice/preference of business firms as perceived by private business firm in Iloilo City.
6. To determine if there is an association between characteristics of business and their choice/preference of mail service among private business firms in Iloilo City.
7. To determine if there is an association between respondents' awareness of postal service and their choice/preference of mail service among private business firm in Iloilo City.
8. To determine if there is an association between perception of quality service and choice/preference of mail service among private firm.
9. To determine if there is an association between accessibility and choice/preference of mail service among private firms.
10. To determine if there is an association between postal services promotion used and the choice/preference of mail service among the private business firm in Iloilo City.