

United parcel service essay sample

[Business](#), [Industries](#)



The contemporary business arena is filled with a vast array of business ventures that to the common eye may prove to be too challenging to classify especially in the quest for statistical information. For this reason, businesses are categorized into the industries upon the consideration of the relationship between the products and services they offer. This paper thus seeks to provide a succinct description of the industry within which the United parcel service (UPS) belongs to as well as its external analysis from a thread perspective.

Foremost, the courier industry is well developed and thus has several entry restrictions which grants UPS some breathing space. Secondly, customer loyalty plays an indispensable role in this industry since few clients are willing to experiment on new service providers owing to the sensitivity of parcels. The third strength is that the industry has high gross margins owing to its wide global coverage. On the other hand, the industry ails from weaknesses such as high transport costs, rigidity in pricing and reduced market share due to growing competitive segment. Despite this, all hope is not lost as various opportunities such as diversification of services to incorporate online facilities still exist. Secondly, acquisitions, as well as tie-ups with logistics service providers, has also proved to be promising.

As I conclude, the threats that face UPS in this industry include economic slowdowns, cheaper logistics options as well as market fluctuations not forgetting competition which is undoubtedly the greatest threat to any business. On the external scene, UPS faces completion from companies such as FedEx Corp, DHL, United States postal services and Deutsche Post AG among others. (Morningstar tab. 1) Adherence to current trends and

emerging issues within the Courier industry is, therefore, the utmost priority for UPS to maintain its competitive edge.

Works Cited

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