

United states postal service

[Business](#), [Marketing](#)



United s Postal Service One of the major areas in which the United s Postal services has gone wrong is in its initial pricing policy that charges uniform rates for inland services regardless of recipient's location. This has adverse economic effects owing to the ownership and operation of the agency. While the Postal Service is an independent federal agency and not a national corporation, this pricing strategy is meant for corporations that are funded by the government and aims at service delivery for public utility and not self-sustenance. The pricing approach therefore restricts revenues as uniform rates increment will be uneconomical to users, especially in short distance remittance, and have consequences such as further loss of market control. Retaining the pricing strategy over a long period is another weakness that the agency has communicated and beginning to change it after the long period will elicit a hostile response from the public (Carbaugh and Tenerelli 129). The Postal Service has also gone wrong in its response to counteract its declining revenues. Its approach to use price-oriented strategy as opposed to customer target strategies was a weakness and led to further decline in revenues. In response to its deteriorating income, The Postal service increased rates chargeable to its consumers but this exerted more pressure on the already low revenues. The strategy seems to have scared more customers to alternative communication channels and competing firms because the magnitude of the organization's handled mails declined. The organization's move to reduce quality of its services by withdrawing first class services in order to reduce its cost was another mistakes that could send off clients who had been attracted by the involved quality services of the first class package (Carbaugh and Tenerelli 131- 134). Being flexible to

demands from labor unions and yielding to the union's demands is another mistake that the United States Postal Service has made in the past and is significant to its current challenges. Even though its employees have a right to engage in unions and the unions' activities, the agency should have stood firm to reasonable rates that it could support in the end. It should have factored in market volatility and the fact that its revenues are not constant and ensured that it only agreed to reasonable remunerations. It however accepted the unions' demands and increased its employees' salaries to rates that are even better than those of other government agencies are. This has further strained the organization's financial position as employees' remunerations form the bulk, about 80 percent, of the agency's costs. The Postal Service also erred in contracting to advance hefty benefits to its employees as this also burdens its financial position (Carbaugh and Tenerelli 134- 136). Failing to establish competitive standards for service delivery is another wrong that has occurred in the Postal Service and explains, significantly, its competitive disadvantage in the communication industry and among its major competitors. While technology has been changing and applications that are more efficient have evolved, the agency has retained its traditional approaches that may not appeal to the current generation. Existence of private organizations in the market is also an indicator that the industry is profitable and the agency's failure to command the market and maintain profitability is a factor of low efficiency levels and poor quality services than what the private organizations offer. This is the reason for the private sector organizations' profitability in the same market in which the agency is struggling. Another identifiable wrong with the United States Postal

Services is its dormancy in the market as its control weathers off. It has failed to add value to its products or even diversify its products like other services providers in the private sector have done. This factor has also contributed to the organization's competitive disadvantage and led to its higher vulnerability to loss of customers and revenues (Cusumano 21, 22). There are different measures that the Postal Service can undertake to prevent these wrongs from repeating themselves. The agency can change its remunerations and rewards policies towards a flexible human resource base with lower remuneration rates and reduced benefits in an attempt to prevent future burdens on the agency's finances. Increasing the agency's power, over the trade unions, in determining its employees' remunerations rates is another approach to preventing the current financial condition that the Postal services is facing. Further, the organization can expand the scope of its services and align them with the current trends in technology in order to retain its clients and even contain competition from private sector enterprises. Being flexible in the price determination and changing approaches to service delivery are other actions that the organization can take to ensure a stronger market control, increase its revenues, and avoid financial strains (Carbaugh and Tenerelli 144, 145). Works cited Carbaugh, Robert, and Tenerelli, Thonas. "Restructuring the U. S. Postal Service." *Cato Journal* 31. 1 (2011): 129- 150. Print. Cusumano, Michael. "Technology strategy and management: Can services and platform thinking help the U. S. Postal Service.: How the U. S. Postal Service might improve the efficiency of its delivery platform." *Communication of ACM* 55. 4 (2012): 21-23. Print.