

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:5956

ANSWERED ON:29.04.2015

BUSINESS DEVELOPMENT PRODUCTS

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Department of Posts has set up a Business Development and Marketing Directorate dedicated to business products and services such as Speed Post, business parcels etc. and if so, the details thereof;
- (b) the expenditure incurred and the revenue generated in this regard during each of the last three years;
- (c) whether the Government has made any study to assess the viability of this dedicated network of business development products and other services under the Postal Department;
- (d) if so, the outcome thereof; and
- (e) if not, whether the Government proposes to review the services being rendered by the Department and if so, the details thereof and the time by which the final decision is likely to be taken in this regard?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) Yes Madam. The Department of Posts established the Business Development Directorate in 1996 to design, develop and monitor Premium Products and Services and also value addition to the existing Products and Services to cater to the market needs. In July, 2007 the Business Development Directorate was also given the responsibility of Marketing and Publicity of all the services & products of the Department of Posts.

(b) The expenditure incurred and revenue generated in this regard during the last three years are as under:-

Expenditure incurred (Rs. in Lacs)

Years	Plan	Expenditure	Non-Plan	Expenditure	Total	Expenditure
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2012-13	22	368.94		390.94		
2013-14	811	343.12		1154.12		
2014-15	1280	380.8		1660.80		

Revenue generated (Rs. in Lacs)

Years	Total
2012-13	244728
2013-14	272355
2014-15#	282868

#Preliminary figures upto March-2015

(c) The products and services of Business Development and Marketing Directorate are managed through the existing network of the Department. The Department undertakes study regarding viability of products and services through external sources as well as internal sources which includes market and customer satisfaction surveys. Studies have been undertaken for Speed Post, Express Parcel Post, Postal Life Insurance / Rural Postal Life Insurance, International Parcel, Commercial Mail, Money Transfer and Post Offices Savings Bank through M/s IMRB International (an International multi country market research and survey organization) from the period 2011 to 2013.

In addition to above, internal studies have been recently conducted on emerging e-Commerce market and rationalization of the product portfolio offered by the Department of Posts to cater to the e-Commerce market.

(d) and (e) Revision of product portfolio and tariff of various products is a continuous process keeping in view the market scenario, operational cost and the demand of the product. Steps are also taken regularly to modify service features to improve postal services and increase revenue of the Department.

As part of this continuous process Parcel services of the Department have been rationalized and two services namely, Business Parcel and Express Parcel have been introduced with effect from 2nd December, 2013 alongwith Cash on Delivery (COD) facility.