

ФІНАНСИ ТА БАНКІВСЬКА СПРАВА

UDC 656.8:336(477)

BURIMENKO Y. I., BOBROVNICHA N. S., GALAN L. V., SHCHUROVSKA A. Y.
O.S. Popov Odesa National Academy of Telecommunication, Ukraine

**PROSPECTS OF INTRODUCTION OF FINANCIAL SERVICES
IN THE SPHERE OF POSTAL CONNECTION OF UKRAINE**

Types of financial services, which are used for the sphere of postal connection of Ukraine are considered in the article. Attention is accented on the modern state of activity of sphere of postal connection, most of all in relation to the structure of earnings from realization of services and specific gravity of profits from the grant of financial services in total revenues of USEPS «Ukrposhta». The SWOT-analysis of the development of financial services is conducted for the postal sphere of Ukraine. Certain step for the improvement of introduction of financial services are specified- as an important direction of increase of efficiency of activity of sphere of postal connection; an improvement of technology of grant of financial services in the sphere of postal connection; development and introduction of new financial services and their influence on the increase of efficiency of activity of sphere of postal connection; determination of features of activity of sphere of postal connection.

Keywords: financial services, new services, efficiency of services, new financial services, competitiveness of service.

БУРИМЕНКО Ю. І., БОБРОВНИЧА Н. С., ГАЛАН Л. В., ЩУРОВСЬКА А. Ю.
Одеська національна академія зв'язку ім. О.С. Попова, Україна

**НОВІ ФІНАНСОВІ ПОСЛУГИ ТА ЇХ ВПЛИВ НА ПІДВИЩЕННЯ
ЕФЕКТИВНОСТІ ДІЯЛЬНОСТІ СФЕРИ ПОШТОВОГО
ЗВ'ЯЗКУ УКРАЇНИ**

В статті розглянуті види фінансових послуг, які характерні для сфери поштового зв'язку України. Акцентовано увагу на сучасному стані діяльності сфери поштового зв'язку насамперед відносно структури доходів від реалізації послуг та питомої ваги доходів від надання фінансових послуг в загальних доходах УДППЗ «Укрпошта». Проведено SWOT-аналіз розвитку фінансових послуг для поштової сфери України. Визначено етапи щодо удосконалення впровадження фінансових послуг; удосконалення технології надання фінансових послуг в сфері поштового зв'язку; досліджено вплив впровадження нових фінансових послуг на підвищення ефективності діяльності сфери поштового зв'язку; визначення особливостей та перспектив діяльності сфери поштового зв'язку.

Ключові слова: фінансові послуги, нові послуги, ефективність послуг, нові фінансові послуги, конкурентоспроможність послуги.

Introduction

In order to improve the efficiency of Ukrainian post in market conditions following financial services are widely implemented in its business: acceptance of different types of payments, registration of bank loans and receiving payments at maturity, implementation of electronic vouchers of prepayment for services, Internet access, sale of electronic tickets, etc. [1, 2]. State sphere of USEPS «Ukrposhta» constantly works towards expanding the scope of service in order to improve their performance and meet consumer's demand. USEPS «Ukrposhta» holds significant positions and has unlimited possibilities and opportunities that will increase the volume of service provision and its own revenues in the market of postal services.

Introduction of new financial services in the production activities creates necessary conditions for converting post operator in a strong, customer-focused, competitive enterprise with modern management. Therefore, the effectiveness of the postal sphere depends precisely on the new financial services in post offices and is quite a hot topic in today's competitive environment of the postal market in Ukraine [3].

Brief literature review

For postal services, which has a market saturated with traditional services, sufficiently stable nature of transfer postal technology and takes social mission of providing affordable services for all consumers, the market environments requires improving the quality of services and introduction of new services [4].

Many scientists were engaged with this problem: N.O. Knyazeva, S.B. Horelkina, V.P. Ivanov, L.V. Kuznetsova [1] (2003), L.A. Zakharchenko, N.U. Potapova-Sinko [5] (2012), O.A. Knyazeva [3, 6] (2015), and so on. However, it should be noted that the introduction of new financial services in postal services and the establishment of effective development of postal services in Ukraine is not fully understood, therefore require further research and study.

Purpose

The purpose of the article is to improve and to implement financial services as an important direction of increasing the efficiency of postal services areas; improvement of the technology of providing financial services in post offices; development and implementation of new financial services and their impact on improving the efficiency of the postal sphere of Ukraine; determining features of postal services areas; determining steps of further development of postal services in Ukraine

Result

Today when technological development and economic and financial awareness is quite high, requirements for the range and quality of postal services are rising. Today, everyone counts their money and time, so rapid response to the growing needs of the population in various financial services - is compulsory and primary task of Ukrainian post office. Currently, post offices offer consumers in the territory of Ukraine providing modern services such as sending urgent transfers, receiving money orders via Internet, payment remittances sent by international payment systems, payment acceptance and many others [2].

Postal sector in Ukraine is undergoing some changes under the influence of the economic and financial situation in the country as well as in the world and is characterized by the decline in letter mail and extension of activities in segments such as e-commerce, financial services and the development of international logistics. At the same time, the continuing process of market liberalization, leading to a constant increase in the number of providers of postal and courier and scope of their services. In 2015 services of postal connections in 2015 provided USEPS "Ukrposhta" over a network, which consists of 11.25 thousand offices. Projects. The total length of postal routes is more than 356.0 thousand km 88% of the population of Ukraine have access to post offices located at a distance of 3 km and 99% of individuals receive mails at their residence. In addition, postal services are provided by 32 operators of private ownership. Services of special purpose postal services (courier and special communication) are provided to certain categories of users by courier State Service of Ukraine and the State enterprise special connection. Sustainable development is reflected by the growth of the industry in 2015 revenues from services and accordingly increase the share of the sector in relation to telecommunications services in the field of communication. In 2015 revenues from postal services totaled 4,300,000,000. UAH., which is 1.2 % more than in 2014 [7].

Essential share of revenues from financial services in total revenues "Ukrposhta" is 55 %. The highest share is occupied by services such as payment of pensions and financial aid 29%, sending postal orders 8%, receiving payments and trading revenue 15% (Fig. 1, Fig. 2) [7].

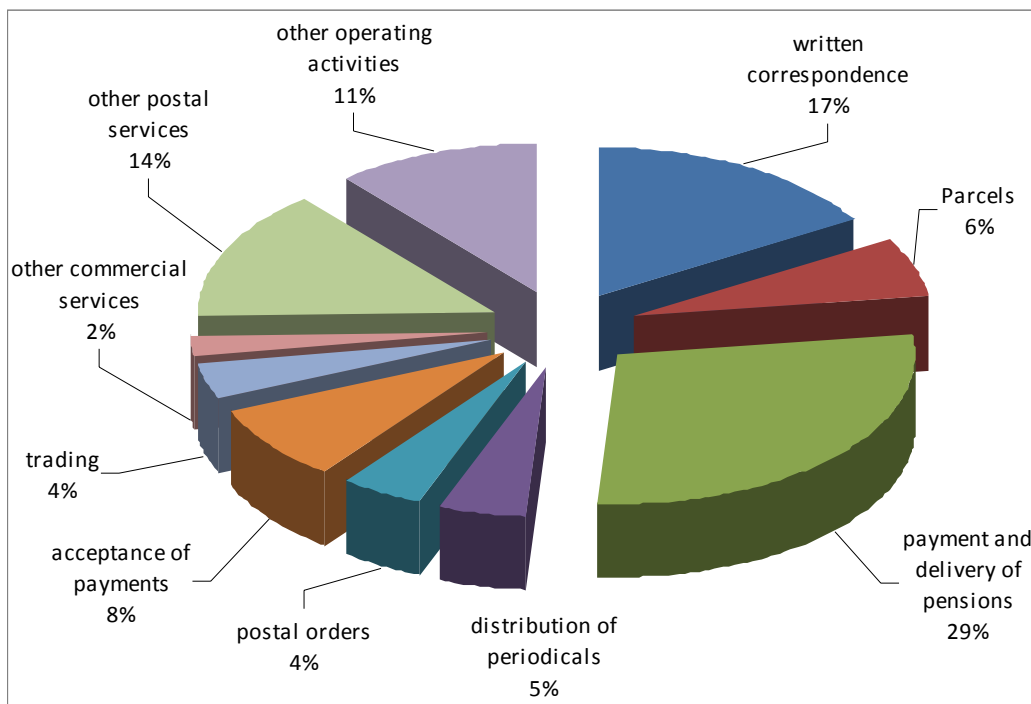


Fig. 1. Structure of revenues by the type of service for 2015 (excluding the cost price of the sold goods and foreign currency)
 Source: Annual report of the National Commission for State Regulation of Communications and Informatization

Postal financial services are the most profitable and at the same time most sensitive to competition among the range of services nowadays. Providing financial services is a common practice for postal operators all around the world. In addition, the government of many countries realized that these services are the great way for developing of financial networks in rural and other areas with underdeveloped service, the growth and accumulation of national capital and to support the development of small and medium businesses. Moreover, development of electronic communication decreases the volume of letters and network must be loaded with other services.

In a market economy the main task USEPS "Ukrposhta" is to ensure its competitiveness in the financial services market. That's why postal financial services must be standardized, simple and understandable for potential clients, convenient to use and available in every post office. [2] SWOT - analysis of the scope of the mailing must be displayed for clearly understanding of disadvantages, advantages, threats and opportunities which Ukrainian postal services sector has.

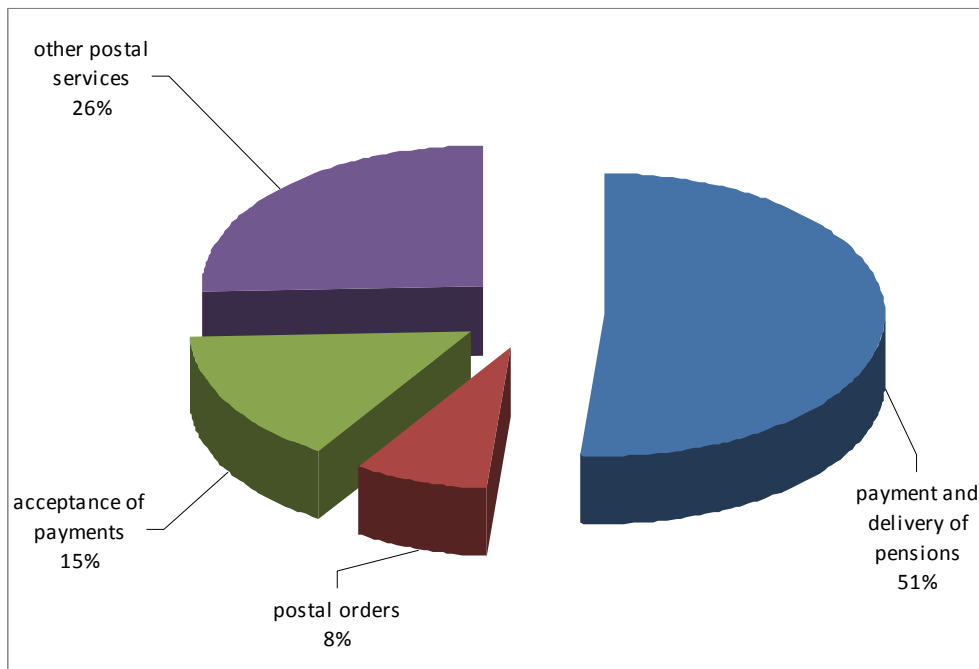


Fig. 2. Essential share of revenues from financial services in total revenues USEPS "Ukrposhta" for 2015
 Source: Annual report of the National Commission for State Regulation of Communications and Informatization

Analysis of advantages, disadvantages, opportunities and threats (SWOT-analysis) implementation and development of financial services by national postal operators, especially the national postal operator in Ukraine - USEPS "Ukrposhta" in terms of the functioning of the financial services market of Ukraine, showed following results (Table 1).

Information presented in Tabl. 1, makes it possible to clearly understand the scope of necessary transitions of the postal services sphere according to advantages, disadvantages, opportunities and threats, but it is better to summarize the information.

Advantages:

- existence of the developed network of post offices;
- working in all regions of Ukraine and in rural areas and, therefore, easy access for clients;
- traditional trust most of the population to postal services;
- compatibility of some processes of providing financial services with the provision of basic services;
- existence of a stable staffing ready for integration.

Disadvantages:

- lack of corporate and market orientation;
- limited access to finance and capital;
- low technological level of information and communication infrastructure;
- lack of skilled financial services professionals;
- lack of communication channels with global electronic networks of bank money transfers.

Features:

- modernization and diversification of the list of financial services;
- improving of the efficiency of management and commercial orientation;
- partnership with non-postal financial institutions and financial networks to form a wide range of services.

Threats should be expected from:

- limitations in the legal framework concerning banking transactions through post offices;
- limitations in the legal framework concerning struggle against money-laundering and financial crimes;
- competition with financial institutions;
- competition with postal operators;
- low purchasing ability of individuals;
- slow development of the private sector in the economy, and therefore small proportion of private capital that is accumulated in the banks.

It should be noted that the main advantage of financial services of USEPS "Ukrposhta" is the existence of the developed system of postal services.

Important task of the postal sphere is - creation of its own postal bank, work on improving the software, focus on the maximum reducing of manual labor in proving financial services. The main idea is to receive a banking license for USEPS "Ukrposhta" and ability to open own accounts of USEPS "Ukrposhta". That is, the postal

administration should get the right to provide banking services to the public, and it is necessary to provide these services to the public, especially in rural areas. That is why the worldwide postal administrations have banking licenses or create postal banks [8].

Table 1

SWOT-analysis of the development of financial service for the postal operator of Ukraine

Types of services	Advantages	Disadvantages	Possibilities	Threats
Postal orders	Longtime experience in providing, postal tariff rates are below those of competitors, comfortable accommodation in places of essential services	Lack of computerization, insufficient technical equipment for electronic transfers	Increase speed of transfers, diversification of services	Competition with bank institutions, international money transfer systems
Salary cards	Compatible with basic services, trust of users, working in the most remote villages	Lack of technical facilities for providing services, shortage of skilled professionals, lack of communication channels with networks of electronic banking payments	Development of technical base, computerization, organization of individual workplaces	Competition with commercial banks, shortage of funds for modernization
Deposits	Significant demand, easy access for users, clients' trust, working in the village	Undeveloped service, lack of experience, lack of skilled professionals, limitations in the legal framework	Cooperation with banks and other not postal financial institutions	Competition with financial institutions
Pensions' accounts	Trust users, experience in providing services, working in the village, stable demand	Lack of computerization, lack of technical facilities for providing services	Activation of advertising, delivery of pensions to residence	Growth of competition
Consumer loans for purchasing durable goods	Significant demand, easy access for users, clients' trust, working in the village	Weak advertising and competition with trading enterprises, lack of skilled professionals, limitations in the legal framework	Activation of advertising activities, cooperation with financial institutions	Foreign competition, possible lack of funds
International money transfers	Profitability, clients' trust, easy access for users, experience in providing services, postal tariff rates are below those of competitors	Low speed, insufficient technical equipment for electronic transfers, lack of skilled specialists, lack of communication channels with networks of electronic money transfers	Extension the number of additional services, advertising	Significant competition with international and national financial institutions
Plastic cards of international payment systems	Profitability, clients' trust, working in the village	Lack of technical facilities for providing services, lack of skilled professionals, lack of communication channels with networks of electronic money transfers	Cooperation with financial institutions, advertising activities	Significant competition with financial institutions
Depository boxes	Convenient location, a guarantee of safety	Lack of technical facilities, need of additional storage space	Activation of advertising activities, cooperation with financial institutions	Competition with bank institutions

The first step for the creation of the postal bank is amending of current legislation in order to get banking license and open their own client accounts and payment cards with the possibility to charge them interest on the balance, including the transfer of funds from these accounts by payment instruments and crediting funds to them through banks and placing own funds to the cards on its own terms and at their own risk, that accelerate the turnover of funds and will enable customers to perform various operations without cash, but also saves time, which is never enough [8].

Unlike banks, USEPS "Ukrposhta" has the most extensive network in Ukraine, nearly 13,000 branches are at its disposal, which will enable customers to use the services in any city. Also, the proposal is beneficial for the

company, because the state will receive additional working capital in the amount of stipulated balance at postal cards, 10% of annual turnover, growing positive image of the state in social responsibility and saving of more than 10,000 rural offices by return of lost customers and 100% coverage by the services of national Ukrainian post operator.

The key success factors of implementation of the above mentioned scenario is a gradual implementation of the following steps:

- amending current legislation, which will provide USEPS "Ukrposhta" the ability to open and accompany pension and postal accounts and conduct social issue payment cards;
- calculation of interest rates which are charged on balances of postal accounts of the owners of social payment cards;
- development of the list of categories of citizens, which the state provides money directly to home (eg pensioners, people with limited mobility, and so on) and securing exclusive rights for delivery of pensions and social benefits to these specified categories;
- legislative regulation of the opportunities to service pensioners only by I group banks (with assets of more than 15 bln. UAH. As of 2012).

Detailed studying of the postal sphere, makes it possible to form the main stages of the development of the postal market in Ukraine, which will facilitate the effective support of sustainable economic development of postal activity of Ukraine in the coming term:

- increase of the range and volume of services, including international and domestic express post, and sending goods by post;
- improvement of tariff policy and economic redistribution of income;
- intensification of marketing departments to ensure a professional approach to work of postal market research, identification of perspective and competitive directions;
- strengthening of financial foundation to avoid debts;
- creation of automatic information-technological network of postal activities for the provision of postal and banking services;
- strengthening the role of the dispatcher service for rigidity control the time of processing of postal items;
- optimization of transport routes, improving of processing technology of postal items to reduce parallel transport and labor costs;
- strengthening of the role of scientific and technological progress in the postal field through reorganization and strengthening of scientific sections of Ukrainian post;
- a radical recovery of all labeled products in order to improve service of the population and rapid profitability increase of postal sphere of Ukraine.

Conclusions

It is most likely that the position of the postal sphere not only remain at the current level, but even became worse, if necessary steps by strengthening the regulatory framework and capacity of public service will not be taken for the overcoming of existing problems of the postal market in Ukraine.

Creating appropriate regulatory framework for the provision of postal and banking services opens up prospects for further development towards retail banking business not only in major cities, but also extend it to the less attractive small towns and rural areas through an extensive network of post offices of USEPS "Ukrposhta". This will give possibility to improve further cost-effective development of the postal market of Ukraine [9].

Through the proposed stages, the post of Ukraine will be able to achieve maximum positive results relating to more detailed market research regarding expanding the range of financial services, the quality work of this sphere, as well as sustainable and effective development of perspectives of Ukrainian post in the future.

In following researches it is planning to form a scientifically and methodology approach, that aimed to increase financial availability and social integration of new finance services, that is direction of using of post-office net for the purposes of propaganda and spreading of finance services to users, who live in outlying regions.

References

1. Knyazeva N.O., Horelkina S.B., Ivanov V.P., & Kuznetsova L.V. (2003). Marketing of postal service. Kyiv: Ltd. "Aspect-Polygraph".
2. The official website of USEP «Ukrposhta». URL: <http://www.ukrposhta.com.ua> (in Ukr.)
3. Knyazeva O., & Lititanskas I. (2015). Postal service enterprise and financial institution integration as a source of synergy effect. *Economic Annals-XXI*, № 7-8 (2), 32–35.
4. The UPU. – International Bureau of the World postal Union. Proceedings of the 25th World Postal Congress «Doha Postal Strategy for 2013–2016».
5. Zakharchenko L., Zakharchenko K., & Potapova-Sinko N. (2012). The effectiveness of financial services development of postal operators. Odesa: ONAT named after O. S. Popov.
6. Knyazeva O.A. (2008). Postal services in Ukraine: strategy and mechanism of innovation development. Odesa: BMB.

7. Annual report of the National Commission for State Regulation of Communications and Informatization for 2015. URL: <http://www.nkrzi.gov.ua>

8. Draft Law of Ukraine «On Amendments to Certain Legislative Acts of Ukraine regarding further development of the postal services sector». URL: <http://www.ukrposhta.com.ua>

9. The official website of the Universal Postal Union (2015). URL: <http://www.upu.int>

Надійшла 12.05.2016; рецензент: д. е. н. Князева О. А.