



Mail Savings Strategies for the New Year

With the new year approaching, we are all anticipating a postage increase for January. This article is designed to be a high-level resource guide on different ways to save money around mail to combat this rate change. With all of the programs offered by the USPS®, it can be daunting to know if you are capturing all of the savings available. This guide will give you a simple way to know what options exist and where you can go to get more information. We are going to focus on the most applicable domestic savings options that should be easy to implement in your organization. For many of you this may be a review, but hopefully the structure will make it easy to find savings that can help reduce costs for the future.

Letters and Flats

Barcoding your Mailings – (Up to 80% Savings!)

Postage savings is the main reason most companies barcode their mailings (See the chart below). As the mail piece get larger or the customer completes work share steps, the savings can increase dramatically. Also, since 2016, the third ounce is free with all First-Class Mail® – Automation and Presorted. This can allow mailers to add extra invoices or marketing information at no additional postage costs!

Mailers who are sending similar, non-personalized pieces, can get bigger discounts using **Marketing Mail®**. This is designed for a newsletter or a solicitation where every piece is the same and the customer can live with a slightly slower delivery. This compares to items like invoices, statements and checks have to go First-Class Mail® because every piece is slightly different or has personal information. Check out the [Marketing Mail® Eligibility](#) test provided by the USPS to see what class your mailing qualifies for.

Mail Piece Examples	Single Piece Rates			Automation Mail with Barcodes		
	First-Class Mail® Retail Single Piece	First-Class Mail® Metered Single Piece	Typical Presort Service - First-Class Mail®	First-Class Mail® - Automation	Marketing Mail® - Automation	Marketing Mail® Non Profit-Automation
1 Ounce #10 Envelope	\$0.49	\$0.46	\$.403-.453	\$.373-.453	\$.251-.288	\$.134-.171
3 Ounce Newsletter (6X9)	\$0.91	\$0.88	\$.403-.453	\$.373-.453	\$.251-.288	\$.134-.171
8 Ounce Flat (9X12)	\$2.45	\$2.45	\$2.10-2.22	\$1.916-\$2.22	\$.612-.775	\$.442-.605
Post Card	\$0.34	\$0.34	\$.266-.284	\$.253-.284	n/a	n/a

Pros to barcoding: It saves you postage, cleans addresses prior to sending, keeps track of customer moves, and processes mailings with automatic sorting and forms creation, not to mention faster delivery.

Cons to Barcoding - Software and hardware costs, there are many steps to barcoding that require resources, taking mail to the USPS, and keeping software up to date.





Additional Ways to Reduce Costs with Barcoding:

- **Density** – The more pieces you have going to a specific area, the better the rates.
- **Destination Entry Discounts** – For Marketing Mail®, you can get deeper discounts (Up to \$.044 per piece for Letters (Under 3.5 oz) and up to \$.208 for flats (Over 4 oz)) by delivering it to the Destination Delivery Unit (DDU), Destination Sectional Center (DSCF) or Destination Network Distribution Center (DNDC). This is great for mailers with a local mail list. Services are also available that can transport mail throughout the country to help you qualify.
- **Intelligent Mail Barcodes** – For mailers using this barcode, there is an additional \$.001 (Marketing Mail®) and \$.003 (First-Class Mail®) discount that can be applied. This barcode offers a lot of value on top of the rate discounts (Tracking of mail, free move updates, better reporting) that should be explored.
- **Presort Services** – Many companies want the benefits of automation and barcodes but cannot cost effectively manage it inside their operation. These providers have one or several sorters that are similar to what the USPS uses in their facilities. Presort providers work on a savings split arrangement with the customer and USPS.
- **USPS Promotions and Incentives** – The USPS has a schedule of different promotions they offer to higher volume mailers, typically geared to using the latest technologies, that can improve the value of mail. These promotions have limited time periods and require the client to be proactive in its management and refunds.

Here are the minimum requirements to barcode your mailings:

- **Pieces** – At least 500 pieces for First-Class Mail® or 200 pieces for Marketing Mail®.
- **Software** – Need software that meets all USPS certifications.
- **Permits** – Need to have at least one permit from the USPS.
- **Preparation** – All mailings must have barcodes on each piece, be sorted, placed in trays with tray tags, have reports attached and brought to the USPS for processing.

Folding your Flats

If you are sending out light weight items in flat sized envelopes (9x12 or 10x13) you may be able to save by folding them in half into 6x9 envelopes or in thirds into #10's. The savings is significant in four ways:

1. The postage savings is huge because you are changing from a Flat to a Letter category.
2. The envelope costs are much less expensive.
3. The envelopes are lighter.
4. If you barcode your mail or use a presort service, up to 3.5 ounces of mail can be processed at the one-ounce rate!





	Flat Envelope	Letter Envelope - Example 6X9 or #10			
Sheets	First Class Mail® Flat - Large Envelope	First Class Mail® Letter - 6X9 Envelope (Metered)	Typical Presort Service - First-Class Mail® Letter	First-Class Mail® - Automation Letter	Savings
1-2	\$0.98	\$0.46	\$.403-.453	\$.373-.453	53-62%
3-4	\$1.19	\$0.46	\$.403-.453	\$.373-.453	61-69%
6-10	\$1.40	\$0.70	\$.403-.453	\$.373-.453	50-73%

Weight Assumptions - Paper = .16 Ounces, Flat = .6 Ounces, 6X9 Envelope = .3 Ounces

Parcels and Expedited Mail

Commercial Base™ and Commercial Plus™ – (Up to 42% Savings!)

There are additional discounts of up to 42% off the retail rates, for mailers who submit their pieces through PC Postage or an electronic manifest with a permit imprint. These rates are available for Priority Mail®, Priority Mail® Express Mail®, and First-Class Mail® Package Service. It is important to note that up until January 24, 2015 you could get the Commercial Base rates through a postage meter but now the USPS is now requiring that these items are submitted electronically through one of the methods above so they can maintain full package level detail on every item.

USPS Priority Mail®					
	Retail	Commercial Base		Commercial Plus	
Weight LB's	January 22, 2017	January 22, 2017	% Savings over Retail	January 22, 2017	% Savings over Base
1	\$6.65-10.50	\$5.95-9.89	6-13%	\$5.75-9.59	3%
5	\$9.85-30.25	\$7.17-28.72	5-27%	\$6.96-27.86	3%
10	\$12.65-52.10	\$9.09-50.17	4-28%	\$8.82-48.66	3%
USPS Priority Mail® Express					
1	\$23.75-46.20	\$21.18-41.19	11%		
5	\$24.95-74.45	\$22.14-64.76	11-13%		
10	\$37.60-109.80	\$33.35-95.48	11-13%		

There are two different rate tiers and the savings are based on the package weight and zone:

Commercial Base™ - 6-39% discount for single piece rates that you can get for all of your packages.

Commercial Plus™ - This is an additional 3% discount (over Commercial Base™ Rates) if the specific volumes are met. **Priority Mail®** requires 5,000 at one time or 50,000 total pieces in the previous calendar year, and a customer commitment agreement with USPS. To reach these Commercial Plus™ volumes, it can be for your combined usage across multiple locations.

Choose the right mailing equipment to maximize discounts

It used to be everyone paid the same amount to mail an item, but now the solution that you use to process the piece makes a big difference as you can see from the table below.





Mail Type	Stamps	Postage Meter	PC Postage	% Savings Available
1 Ounce Letter	\$0.49	\$0.46	\$0.46	6%
1 Ounce Certified Mail with Return Receipt	\$6.59	\$5.26-6.56	\$5.26	20%
5 Ounce First Class Parcel	\$3.16	\$3.16	\$2.77	12%
10 Ounce First Class Parcel	\$3.96	\$3.96	\$3.46	13%
15 Ounce First Class Parcel	\$6.65-8.35	\$6.65-8.35	\$4.16	37-50%
Priority Mail	\$6.65-8.35	\$6.65-8.35	\$5.95-7.25	6-13%
Priority Mail Express	\$23.75-32.30	\$23.75-32.30	\$21.18-28.78	11%

Here are the main areas of savings:

- The USPS has a reduced letter rate for organizations that use a Postage Meter or PC Postage. This savings is now \$.03 per piece!
- PC Postage and some higher end postage meters will provide a way to use electronic Return Receipt (eRR) for your Certified Mail items that can save \$1.30 per item.
- With PC Postage, you can qualify for Commercial vs. Retail First Class Package Service that savings 12-50%.
- Priority Mail costs are reduced significantly (14% average across all weights and zones) by submitting through PC Postage and utilizing commercial rates.

It is important to note that many new postage meters are coming with a PC Postage tool to be able to utilize the rates above.

Additional Savings Ideas

Here are some additional strategies for you to consider helping lower postage and shipping costs:

1. **Compare USPS Rates to the Private Carriers** – USPS may be able to provide faster delivery (To specific zones) at lower costs for lightweight items (Less than 10 lbs) and should be shopped regardless of your discount. Here are the main reasons why:
 - a. The private carriers typically have a base rate that they do not go below. When you take this rate, plus the additional fees for residential, delivery area surcharge, fuel surcharge, address corrections and Saturday delivery, USPS may be a bargain.
 - b. The USPS has amazing rates on lightweight packages less than 16 oz (\$2.61-4.30 vs. most private carriers that start over \$5.00). No one can typically come close to these rates, which is why the main E-Tailors will typically send these items through the Post Office. This is especially true now that USPS Tracking® can be added for free!
 - c. When comparing Ground and 3-Day service to USPS Priority Mail®, many areas will get faster delivery.
 - d. Packaging is Free for Priority Mail® with special rates for flat rate boxes.

Consider Media Mail®, Library Rate® and Bound Printed Matter® for printed material and DVDs. If you can live with the 3-8 day expected delivery time, these services may be a huge win. You can ship 1 lbs.





starting at around \$2.50 and 10 lbs. starting at \$3.42! You need to pay special attention to the type of material you are sending (as well as where it is going with Library Rate) to make sure it qualifies.

The goal of this article was to give you either some direction or review of the different savings available. Hopefully with this overview, you can find strategies to lower your mailing and shipping costs and combat any increases we may see with the new year.

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