

A SENSE OF PROPORTION

Info for the end user.

BY JON PACKMAN



Perhaps the upheavals of recent years have bought on some kind of post-traumatic stress, but is it me or has Royal Mail suddenly become schooled in aesthetics?

A number of Britain's 'spectacular new architectural feats' will find their way onto a moist tongue or two this summer, and you'll even get the chance to lick Shakespeare's head in celebration of the National Portrait Gallery's 150th birthday.

But this appreciation of art and design on stamps is just the tip of a big red iceberg that's about to hit your letterbox: Royal Mail is now basing prices on what the actual post looks like. And while it's stopped short of charging for different colours of parcel or envelope, delivery costs will depend on shape and size, as well as weight, when 'Pricing in Proportion' arrives on 21 August.

Currently, the cost of sending mail depends entirely on how >>

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heavy the item is, whereas the new system will also take into account size, length and thickness. Basically, large heavy items will cost more to send than small, but just as heavy ones.

It's not a new concept. Countries worldwide use this method, including Australia, Canada, Japan and Germany. Royal Mail's been pursuing it for a few years because it believes PIP reflects the cost of handling mail more accurately – a nice way of saying it needs to raise some more cash. Given past financial troubles and future competition it's probably right. Nonetheless, the present system does mean that most light but bulky items are priced below cost, whereas smaller, heavier ones are generally overpriced. So it's a fair enough move - to most anyway.

PIP will bring benefits to some and headaches to others: Postwatch, the independent watchdog, asked Royal Mail to mitigate the effect on those set to lose out financially but it has only drawn up proposals for large users (who spend over £100,000 per year on post), while small and medium-sized businesses are left to like it or lump it.

All Royal Mail customers will be affected by the changes, but it estimates that about 70% of mail will not change in price. Every service apart from Special Delivery, Door to Door, standard parcels, and items over 1kg will fall under PIP.

There will be three categories of mail: letters (includes items slightly bigger than A5 size, maximum width 5mm – e.g bills); large letters (envelopes slightly bigger than A4, maximum width 25mm – e.g magazines); and packets (anything outside these boundaries and

heavier than 750g – e.g parts and samples).

The bottom line is there could be an increase or decrease in your postage costs, depending on the type of mail you normally send. In practical terms, your business may face a slower mail run as items are sorted into posting categories and length, width, depth and weight are all checked to ensure correct postage is applied; promotional material and direct mail may need to be re-designed to take advantage of the lower price bands; new postage rates will be required for your franking machine and you may also need to upgrade equipment such as scales to help automate the process.

Luckily, according to Royal Mail, all franking machines in the UK will be able to cope with the changes. Those who select correct postage manually will just need to refer to the new prices, and if you use a tariff rate chip your manufacturer should contact you to arrange for

the chip to be updated.

PIP can be financially beneficial if you do regular mailings and ensure items are posted in their smallest practical state. For instance, an A4 (large) letter folded in half and posted in a C5 size envelope would be regarded as a letter. In this case, the cost would be reduced from 44p to 32p first class. You can also fill up your envelope with additional material – promotions or updates, for example – without increasing the cost because the weight threshold rises from 60g to 100g.

"It's important that businesses do an audit on envelope use as soon as possible, because they'll probably find they are currently using a lot of C4-sized ones," says Peter Harrison, product manager of envelopes at logistics and paper specialist, Antalis. "But after 21 August these will fall into the large letter category and cost an extra 12p to send. Even if they're only using 100 a day it means a difference of £12."

To take full advantage of these

savings you don't want half the office engaged in basic origami all day, so you may want to have a look at the various mail folding and inserting systems available. Plus, dynamic scales like those from Neopost will calculate postal rates according to size and weight, which means staff won't have to collate mail into same size/same weight batches prior to franking.

Some companies are making the learning process a little easier by redesigning their products. Bubble-popping enthusiasts will be glad to hear that Jiffy, for example, has recently adjusted its products in line with the new regulations.

"We have made some very subtle changes that will ensure both our customers don't have to worry what's a large letter or packet size product," says Lisa Booth, marketing manager at Jiffy. "Also, our direct mail business customers will be able to take advantage of an A4 size protective mailer in the Large Letter category too." ■

Format	Size	Weight	1st Class stamps	1st Class metres / accounts	2nd Class stamps	2nd Class metres / accounts
Letters	Maximum 240 x 165mm 5mm thick	0–100g	32p	30p	23p	21p
Large Letters	Maximum 353 x 250mm 25mm thick	0–100g	44p	41p	37p	33p
		101g–250g	65p	61p	55p	49p
		251–500g	90p	85p	75p	68p
		501–750g	£1.31	£1.24	£1.09	98p
Packets	Minimum 353mm long 250mm wide 25mm thick	0–100g	£1.00	94p	84p	79p
		101g–250g	£1.27	£1.20	£1.09	£1.02
		251–500g	£1.70	£1.60	£1.39	£1.31
		501–750g	£2.20	£2.07	£1.77	£1.63
		751–1kg	£2.70	£2.55	£2.12	£1.95
		1kg–1.25kg	£4.47	£4.60	N/A	N/A
		Each additional 250 or part thereof	+85p	+83	N/A	N/A