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*"Standing on the Promises of God"*

## Eliminate Postage Uncertainty by Locking In Rates

Mail Service Providers offer low, fixed postage costs for mailers seeking to take advantage of pass through pricing models.



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## Overview

The USPS offers mailers the chance to save money on postage, by sharing in the mail preparation workload. But this pass through pricing model can introduce uncertainty to your postal costs and budget, as your prices rise and fall with your mailer's volumes. A fixed presort pricing model eliminates this uncertainty.

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Most smart mailers are actively pouring over their operational details. They work to maximize their production and supply costs, and to optimize their talent and labor pools. But many mailers are actually leaving out one important detail from this cost-saving equation: postage rates.

There are a lot of postage misconceptions among mailers – one common myth being that postage costs what it costs, and you simply can't do much about those costs. Actually, the USPS offers mailers several incentives and methods to save money on postage, including commingling, co-pal, drop shipping and [presort discounts](#). Presorting mail allows you to qualify for steep postal discounts.



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**Definition of pass through pricing:** The USPS is pleased to share their massive workload with mailers; and, the more presorting work mailers do, the greater the potential savings in postage. Taking on the lion's share of labor for the USPS, these large mail service providers (MSPs) enjoy in workshare postage discounts for all of the upfront processing work they do. Then, your MSP passes those savings *through* to you. Thus, the use of the term "pass through," when we're discussing presort pricing models.

**How presorting mail saves you money:** Presort postage savings are achieved when a MSP sorts large volumes of mail by zipcode, and presents the post office with trays of mail that are sorted, sleeved and tagged according to regulations; and, are ready to be dropped deep into the mail stream. A large volume of mail going to the same five digit zipcode qualifies for large postal discounts.

**The problem at hand:** Mail service providers often operate on a variable rate pricing structure. When the MSP's mail volumes are high, they qualify for the best postage rates – and so do you. But when volumes are lower, you may wind up paying a lot more to send out your mailings.

This variable rate pricing model leaves the mailer with a lot of uncertainty regarding postage costs, budgeting, and the ability to effectively plan ahead.

**The solution:** Larger presort mailers with consistent drop dates and a diverse client base are in a position to offer their customers fixed pricing. Their stable operations and industry experience allow them to estimate volumes, and to accurately plan for what's coming next. Their stability as presort mailers translates to stability and predictability for you, as well.

There are some situations when a traditional pass through pricing model may be the best option for you. At other times, you might get the most bang for your buck with a fixed pricing structure.

A knowledgeable mail service provider will be happy to help you understand what pricing model works best for your needs, in order to secure you the best postal rates in every situation.



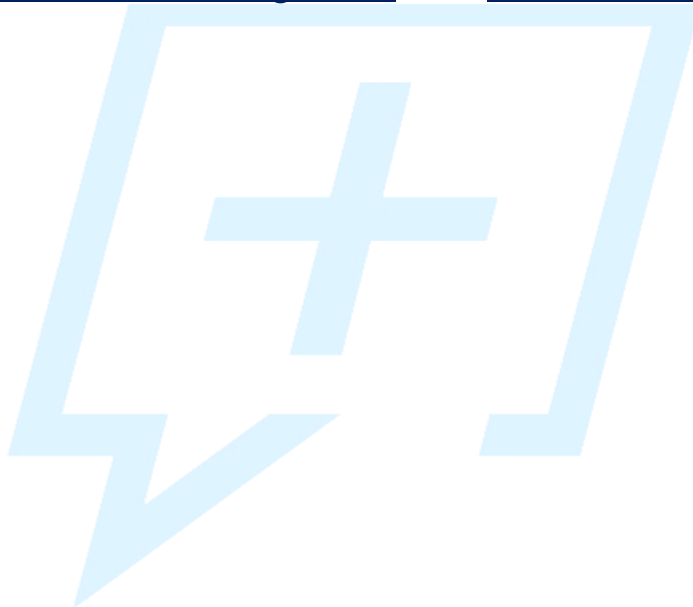
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Of course, it's always [good to understand your presort and commingling mail options](#), so you are able to save the most money relative to your unique situation. Fixed presort pricing provides mailers with postage price consistency, making it easier for planning mail campaign budgets while saving money in the process.

**Additional resources:**

[Midwest Direct is a mail service provider](#) offering flexible pricing structures to our clients. For more information about your postage pricing choices, visit [Midwest Direct's Presort +](#).

For additional information on working with MSPs, and the mail sorting process, please visit [How To Do Direct Marketing series](#) and [Intro to commingling mail](#).



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