Meyer's Connection/ U.S.P.S.

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The Meyers' Connection
by Barbara Meyers (President, Meyers Consulting Services)

What Price Postage?

What am I describing below?
It delivers to every house in America.
It delivers 6 days a week.
It has over 40,000 offices.

If you said the United States Postal Services you would be correct. This Meyers' Connection deals with the economics of how publishers get their journals to subscribers. And more often than not, it is via the U.S.P.S. And just as often, the fact that those journals are joining business and personal mail from all over the country to combine and total 166 billion pieces annually is usually not a part of anyone's equation.

To prepare for this article, I asked for assistance from my dear friend and colleague, JoAnn Malpass, Corporate Postal Freight Coordinator at Waverly Press, a printer of books and journals located in Baltimore and Easton, Maryland. In addition to a series of calculations based on such variables as weight, percent of advertising, and number of copies mailed, JoAnn provided me with a few pieces of information about the U.S.P.S. Some of which I used to start this column, but there is one set of descriptions that I'd like to share with you as well which the U.S.P.S. uses to help us relate to that figure of 166 billion pieces a year. It goes like this:

"How much is a billion?
• One billion seconds ago, President Eisenhower was running for re-election.
• One billion minutes ago, the Caesars were still ruling in Rome.
• One billion hours ago, Cro-Magnon man was coming out of the caves.
• One billion letters ago was the day before yesterday in the U.S. Postal Service!"

With that in mind, let us now examine what it costs to get scholarly journals from the publisher to subscribers, say once each month.

The first thing to realize about the postage involved in the fulfillment of journal subscriptions is that the cost depends on five main variables:

• class of postage
• commercial (regular) versus non-profit
• weight
• percent of advertising
• percent of international addresses

Unlike previous columns that cut across journals based on what was published — science, engineering, medicine, or humanities — because those differences impacted publisher's services (editing and composition to name but two), the cost of postage is definitely primarily by CLASS of postage. The two classes most frequently applied to periodicals are SECOND and THIRD class postage with the most frequent sub-classes being REGULAR (paid by commercial publishers) and NON-PROFIT (paid by the professional societies, trade associations, and other educational institutions).

To simplify the multiplication and comparison, I have treated each postage case as having a monthly frequency, rather than changing one more variable in an already complex equation. Each final cost per annum that you see here is the end result of an entire page of calculations by JoAnn and her staff.

But before I provide examples of what happens when journals are mailed under different classes of postage, let me first quickly show postage differentials based on a single journal copy. See the accompanying table. The following postal charges are the average of the rate per piece and the rate per pound which often varies considerably between and within classes of postage (weight of a single issue is 11.73 ounces).

<table>
<thead>
<tr>
<th>3rd class bulk NON-PROFIT</th>
<th>Domestic</th>
<th>$.36/issue</th>
<th>Canadian</th>
<th>$1.98/issue</th>
<th>Overseas</th>
<th>$2.38/issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd class bulk REGULAR</td>
<td>Domestic</td>
<td>$.55/issue</td>
<td>Canadian</td>
<td>$1.98/issue</td>
<td>Overseas</td>
<td>$2.38/issue</td>
</tr>
<tr>
<td>2nd class NON-PROFIT</td>
<td>Domestic</td>
<td>$.22/issue</td>
<td>Canadian</td>
<td>$.98/issue</td>
<td>Overseas</td>
<td>$1.10/issue</td>
</tr>
<tr>
<td>2nd class REGULAR</td>
<td>Domestic</td>
<td>$.26/issue</td>
<td>Canadian</td>
<td>$.98/issue</td>
<td>Overseas</td>
<td>$1.10/issue</td>
</tr>
</tbody>
</table>

Now let us look at what a publisher's postal bills might be on an annual basis for a monthly journal depending on the class of postage paid. As you can see, whether or not a publisher qualifies for second class postage can make a tremendous difference in the annual postage costs for a journal.
3rd class bulk NON-PROFIT w/ 0.733 lbs (11.73 oz) = weight of single piece (issue)
Number of domestic copies: 1,062
Number of international copies: 486
Cost per annum/frequency = monthly: $18,043.56

3rd class bulk REGULAR w/ 0.733 lbs = weight of single piece (issue)
Number of domestic copies: 1,062
Number of international copies: 486
Cost per annum/frequency = monthly: $20,515.68

2nd class NON-PROFIT (Special) w/ 0.733 lbs = weight of single piece
Number of domestic copies: 1,062
Number of international copies: 486
Cost per annum/frequency = monthly: $9,060.00

2nd class REGULAR w/ 0.733 lbs. = weight of single piece (issue)
Number of domestic copies: 1,062
Number of international copies: 486
Cost per annum/frequency = monthly: $9,605.40

In addition to the class of postage, the percent of advertising carried in a journal impacts the total amount of postage paid for domestic subscribers (especially when coupled with class as seen below). Domestic charges are calculated on a per pound and per piece charge, whereas international copies pay a piece charge based on the weight of the copy (percent of advertising makes no difference here).

2nd class NON-PROFIT w/ 0.0% advertising (weight = .738 lbs)
Number of domestic copies: 9,165
Number of international copies: 840
Cost per annum/frequency = monthly: $34,429.20

2nd class NON-PROFIT w/ 16.5% advertising (weight = .738 lbs)
Number of domestic copies: 9,165
Number of international copies: 840
Cost per annum/frequency = monthly: $36,388.44

2nd class REGULAR w/ 16.5% advertising (weight = .738 lbs)
Number of domestic copies: 9,165
Number of international copies: 840
Cost per annum/frequency = monthly: $41,886.24

As mentioned earlier, the number of international addresses also plays a significant role in how much postage a publisher will pay each year.

2nd class NON-PROFIT w/ 0.0% advertising (weight = .603 lbs)
Number of domestic copies: 13,169
Number of international copies: 0
Cost per annum/frequency = monthly: $31,276.68

2nd class NON-PROFIT w/ 0.0% advertising (weight = .603 lbs)
Number of domestic copies: 13,169
Number of international copies: 1,744
Cost per annum/frequency = monthly: $50,901.00

2nd class REGULAR w/ 16.5% advertising (weight = .738 lbs)
Number of domestic copies: 9,165
Number of international copies: 0
Cost per annum/frequency = monthly: $30,798.24

The impact of advertising is seen even more clearly when calculating the postage on a journal with extensive number of advertisements mailed to only domestic subscribers:

2nd class NON-PROFIT w/ 67.1% advertising (weight = 1.211 lbs)
Number of domestic copies: 24,599
Number of international copies: 0
Cost per annum/frequency = monthly: $108,048.48

2nd class REGULAR w/ 67.1% advertising (weight = 1.211 lbs)
Number of domestic copies: 24,599
Number of international copies: 0
Cost per annum/frequency = monthly: $131,181.36

Publishers, printers, and mailers spend a great deal of time and effort trying to stay informed about the latest rate changes and other developments in the U.S. Postal Service. Currently, the U.S.P.S. is pushing for what they call "work-sharing discounts" which can save significant dollars off the costs per annum you have seen in this article, IF either the publisher or the printer/mailer does a significant amount of address hygiene (ZIP+4), presorting, barcoding, and the like prior to entering the mail into the system.

It is all a great deal of work and is certainly one of the more complicated areas of journal publishing. We are glad that there are professionals like JoAnn Malpass at printers and mailers everywhere who take on the major burden of deciphering all the rules and regulations for us. But, when all is said and done, the U.S.P.S. is the leader internationally — it handles 40 percent of the world's mail, is larger than the next 8 postal systems combined, and has the lowest first-class postage in the industrialized world. So, I guess we might cut the U.S.P.S. just a bit of slack if it takes just an extra day or two for a journal issue to arrive. But, explaining the U.S.P.S. to any extent is not the reason for this article, rather trying to define another piece in the publishing process is. The figures provided here should be coupled with those in my last column on fulfillment to get a general idea of what publishers mean when they talk about distribution costs for journals.

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coast to coast, a faculty spot at the NYU summer publishing institute, serving as keynote speaker at a national publishing conference, and domestic and overseas publishing consultations.

I guess two of the most satisfying experiences for this ‘anonymous’ writer were placement of Book Marketing Handbook in the permanent public reference collection of the Library of Congress and a nomination to The Publishing Hall of Fame. €

Eventually, all the pieces I have described and “costed out” will come together into a larger picture called the economics of journal publishing.

NOTE: For those publishers reading this column, JoAnn says that it is important to realize that if your journal subscription is not reaching its destination because of faulty addressing or other reasons then your mail to that subscriber is delayed, from renewals to meeting notices to promotional brochures. It makes a very simple, yet strong case, for JoAnn’s constant reminder to “keep those mailing lists clean and in proper address order.”

FINAL NOTE: A very large thank you to JoAnn Malpass for all her time and effort in getting such a grand amount of information to me for this article along with very best wishes as she begins a well-earned retirement this year. The industry will miss you, greatly, JoAnn, for there will be a large hole that no one will fill easily or quickly. €