

Freight Changes

Understanding how shipping industry trends impact promotional products buyers.

Getting Your Money's Worth Amidst Shipping Industry Changes

Several major shipping companies have recently made headlines after announcing changes to their pricing models. **The adjustments, ranging from small percentage hikes to revised charge calculations, will impact every industry.**

As the world's leading supplier of branded merchandise, Staples Promotional Products monitors shipping trends closely. We work to help our customers get the best quality and value for their money. This document is designed to help you understand the changes instituted by our primary freight partner United Parcel Service (UPS) and what those changes mean for you as a promotional products buyer.

How Much Will UPS Shipping Prices Increase?

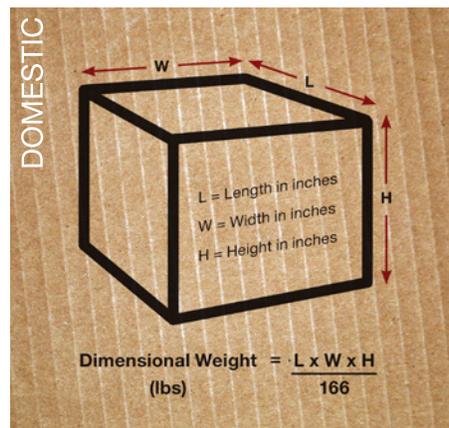
Effective December 29, 2014, ground, air and international shipping rates for UPS will increase by an average of 4.9 percent. According to a statement released by the company, the changes will help UPS offer more solutions and improve services, including providing freight to and from more countries, adding more pickup options and reaching customers more quickly.

How is Shipping Cost Calculated?

Traditionally, weight was a primary factor in the way freight companies calculated shipping. Typically, this meant lighter weight products accrued less of a charge for ground shipping, as long as they were not oddly shaped or oversized. Under the **dimensional weight pricing model**, shipping calculations always take into account both the weight of a package and its exterior size.

Dimensional weight pricing applied to air and international shipping in the past. In 2014, FedEx announced it would begin charging for dimensional weight pricing on all packages. Soon after, UPS announced it would follow

suit. Both companies believe the changes will lead to better optimized freight loads, as their customers seek to reduce excess packaging materials and overall package sizes. As a result, shipping companies hope to achieve fuel reductions and lower vehicle emissions and transportation costs.



Will I Pay More for Shipping?

It is estimated that up to 32 percent of shipped packages will be affected by the new rates. In many cases, dimensional weight pricing will lead to higher shipping costs, with UPS charges for some packages even doubling. However, as a Staples Promotional Products

customer, you may not feel the total impact of rising shipping fees on every order.

What is My Promotional Products Provider Doing to Help Me Save Money?

As the leading promotional products distributor, with the backing of one of the world's biggest brands, Staples Promotional Products possesses the financial strength to lessen the impact of rising shipping costs on our customers. As one of the leading shippers of small parcels in the United States, our purchasing leverage enables us to lock in and enjoy certain benefits, which we then pass on to our clients.

Furthermore, efficiently packaging the products we ship to customers has always been our priority. At our state-of-the-art fulfillment center, a computerized pick and pack system helps us ensure we are maximizing available space in every package we ship. This practice was in effect well before UPS announced broad application of dimensional weight pricing.

As your brand partner, we promise to keep you informed about important matters, such as trends in parcel shipping.

For the most current information about UPS shipping rules and rates, you may also visit www.rates.ups.com.

SmartPapers™

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