



Some additional PIP advice for our customers

The introduction of the new PIP postal rates in August 2006 will mean that it may be possible to make significant savings on postage costs through making some slight changes to envelope purchasing patterns.

What is PIP?

PIP is the Royal Mail's new system of calculating postage costs, which will be on the basis of size, thickness and weight:

Category	Thickness	Weight up to	Maximum envelope size of:	New Royal Mail Symbol
Letter	5mm maximum	100 g	165 x 240 mm	
Large Letter	25mm maximum	750 g	353 x 250 mm	
Packet	More than 25 mm	More than 750 g	More than 353 x 250 mm	

What impact is PIP likely to have on my customers' envelope requirements?

Initially, we suspect that very little will change, but within six months, it is likely that C5 and DL envelope requirements may increase slightly, and we also anticipate a drop in demand for the very large Imperial sizes.

Gusset envelopes are also likely to become more popular, and boardback envelope requirements may also increase, as these may be used in place of drawing tubes, and other bulkier cardboard packaging, to qualify for the large letter price bracket.

The B4 size will also come into its own, as this is the largest envelope size that will qualify for the Large Letter rate.

Will PIP kill demand for C4's?

No - we suspect that it won't. C4 will fit comfortably into the large letter category, and will continue to be a useful, widely used envelope size. In fact, it is even possible that C4 and B4 sizes will become the new "first class" for when you want to show your customer how much you value them. Using a C4 envelope, combined with first class postage could suggest to a customer that you value their business and will spare no expense to communicate with them! And C4 and B4 gussets will certainly increase in popularity, at the expense of some of the larger Imperial sizes.

If you would like to discuss PIP and its implications for envelopes in more detail, please contact Lyreco customer services or your Lyreco sales representative

Should I opt for a different size?

The rate for packets is significantly higher than for the other two postage price bands, because large mail has to be sorted by hand.

It is certainly worth finding out what your customers are using larger Imperial sized envelopes for, and exploring the possibility of a money-saving switch to a smaller, metric size, possibly with additional capacity.

Remember! Even if the alternative envelope costs more than the one that your customer is currently buying, it could still pay to make the switch in terms of PIP savings. This is especially true in the case of the larger Imperial sizes, which will class as Packets. The difference in postage cost between a Large Letter and a Packet can exceed £1.00 per item!

Here are a few alternatives that you could consider:

If you are buying	Size in mm	PIP Category	Consider changing to	PIP Category
16 x 12"	406 x 305 mm	Packet	B4,C4 or C4 gusset	Large letter (up to 25 mm thick)
15 x 10"	381 x 254 mm	Packet	B4,C4 or C4 gusset	Large letter (up to 25 mm thick)
14 x 9"	356 x 229 mm	Packet	B4,C4 or C4 gusset	Large letter (up to 25 mm thick)
12 x 10"	305 x 254 mm	Packet	B4,C4 or C4 gusset	Large letter (up to 25 mm thick)
10 x 7"	254 x 178 mm	Large Letter	C5 or C5 gusset or 162 x 235 mm,	Letter (up to 5 mm thick)
9.5 x 6"	241 x 152 mm	Large Letter	C5 or C5 gusset or 162 x 235 mm	Letter (up to 5 mm thick)

How can I help my customers? Should I label envelope boxes or price lists with the PIP category?

If you decide to do this, please bear in mind the weight and thickness qualifications for PIP. A filled envelope has to meet all of the criteria in order to qualify for the price band, not just size alone.

For example, a C5 envelope will only qualify for the lowest price band if it is 5mm (or less) thick, and does not exceed 100g in weight. A C5 envelope that is 6mm thick, or exceeds 100g in weight must go up a price band. Therefore, you would need to print both icons, which could be confusing.

Whatever decision you make with regard to labeling, we definitely recommend that you explain about PIP in the foreword of your catalogue or envelope section. You could also consider having some personalised PIP templates, printed with your details, as useful giveaways, or perhaps you could build PIP template slots into the cover of your catalogue?

Royal Mail will send every household a PIP information pack and size gauge, and there will also be an extensive advertising campaign, so your customers are likely to have some awareness of PIP. Some business mail services will also have a slightly broader qualifying criterion. If in doubt, we recommend that you check the facts with Royal Mail on **08456 113 113**

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