



The Ultimate

Postage Meter Buyer's Guide

The go-to reference for mailing and
shipping equipment, solutions and tips



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Introduction



According to the National Federation of Independent Business, most small businesses spend \$338 per month on postage—about \$4,000 per year¹. As a small business you don't have time to invest in the wrong mailing and shipping solution for your business. So, we've made it simple to evaluate and determine the best options for your company with this essential guide.

We'll take you through:

- The four ways to mail and ship
- Key benefits and challenges of each mailing and shipping solution
- Deep dive into meters, their cost, features, and benefits
- Latest mailing and shipping trends and how to handle them

All the information you need to make a smart buying decision is inside, so what are you waiting for?

Dive in!

1. Four Different Mailing Options

There are four different ways to mail and ship for your business. Before you evaluate them be sure to understand your business needs and objectives:

How much are you mailing a week?

Larger volumes are better for a Postage Meter and Print to Mail Service.

Do you have busy periods that you should consider?

Factor in your busy periods when choosing a mailing solution.

Are you doing any shipping?

Shipping is available with Online Postage and a Postage Meter. You can also do shipping at the Post Office.

Do you need to track spending on mailing or shipping or both?

You can track both mailing and shipping spend with Online Postage and a Postage Meter. You can track just mailing spend with Print to Mail Service.



Stamps

Traditional self-adhesive postage that is purchased from the Post Office at a specified value. Shipments can also be processed at the Post Office.



Online Postage

Postage that can be purchased online and printed from your computer. Shipping labels can also be purchased and printed.



Postage Meter

Machine used to apply postage, with optional features like sealing, stacking, weighing and accounting. Can also be used for shipping mail and oversized packages when paired with low-cost shipping software.



Print to Mail Service

Mail invoices, statements and other business documents directly from your desktop with this outsourcing mail option. A vendor takes care of the printing, processing, mailing and tracking of your mail pieces. Some vendors offer mail, email, fax, or text delivery options.

2. Key Benefits and Challenges of Each Mailing Solution

Stamps

Traditional stamps are bought at the post office but at retail prices, so you receive no business discounts. You can also do your shipping at the Post Office at retail prices. This is the solution for individuals or companies that need to send only a handful (5-10) of letters and shipments weekly.

Key Benefits

- ✓ No contract required to mail or ship
- ✓ No equipment required to mail or ship

Main Challenges

- ✓ Spending time and money for trips to the Post Office
- ✓ Incremental cost of stamps to cover rate increases or oversized mailings
- ✓ Not eligible for Commercial Base Pricing discounts* on shipping
- ✓ Must pay cash or credit at the Post Office
- ✓ Limited to Post Office hours of operation

Online Postage

Stamps and shipping labels that are bought online and printed on your personal printer on special paper or labels. This works for individuals or companies that send a few (5-20) letters and shipments a week.

Key Benefits

- ✓ Mail and ship directly from your desktop
- ✓ Add company logo or message to envelope
- ✓ Automatically updates when a postage rate change occurs
- ✓ Expense tracking available
- ✓ Free trials available
- ✓ Available 24/7

Main Challenges

- ✓ Manual process with multiple steps
- ✓ Requires computer, external scale, label printer, labels and ink
- ✓ Fees for additional users
- ✓ Credit card required



*Commercial based pricing discounts are available for parcels, flats and USPS Priority Mail® and Priority Mail Express® items that are processed with an online shipping solution. These discounts can save you up to 39% on shipping costs. Find out more on page 11.

Postage Meter

Postage meters and related software that process different sized mail and shipments. A good option for businesses across all mailing and shipping volumes looking to automate their mailing and shipping process.

Key Benefits

- ✓ Manual to fully automated process
- ✓ Expense tracking available
- ✓ Weigh, calculate and print postage onto the mail piece, all on one device
- ✓ Automatically updates when a postage rate change occurs
- ✓ No trip to the Post Office required
- ✓ Built-in scale ensures accurate weighing to avoid overpaying for postage
- ✓ Eligible for Commercial Base Pricing discounts when using eligible online shipping software
- ✓ Efficient bulk mailing capabilities
- ✓ Credit extension available
- ✓ Free trials available
- ✓ Available 24/7

Main Challenges

- ✓ Lease or rental contract required
- ✓ Requires ink, a scale and printer for shipping

Print to Mail Service

A solution that completely automates the mailing process. Documents are sent directly from the desktop or business app to a location that handles the physical mail delivery. This is an option for businesses across all mail volumes, looking to fully automate the mailing process.

Key Benefits

- ✓ Fully automated mailing process
- ✓ No equipment required
- ✓ Expense tracking available
- ✓ Track mail from start to finish
- ✓ Multichannel delivery options via postal mail, email, fax or text
- ✓ Efficient bulk mailing capabilities - Send hundreds of letters in minutes instead of hours
- ✓ No trip to the Post Office required
- ✓ No risk of losing or running out of stamps
- ✓ Available 24/7

Main Challenges

- ✓ Shipping packages not yet available
- ✓ Small fee for outsourcing

Did You Know?

American companies spend more than \$150 billion dollars annually on business documents, marketing materials, letterheads and packaging materials. Outsourcing handles the storage, production and delivery of mail materials that could save your business valuable time and money.

3. Revealed: Bottom Line Benefits of Each Solution



There are a lot of factors to consider when deciding which mailing option is right for you. We've compiled a comparison chart that goes through the main features and benefits of each solution. As you go through be sure to keep your business needs and objectives in mind.

Stamps

- ✓ No commitment: No agreement or equipment required
- ✓ Easy to use: Tried and true, as long as you're not mailing a lot of letters

Online Postage

- ✓ Eliminates trips to the Post Office™: No need to wait in line, simply print postage from home
- ✓ Hit "print" once: Print postage and address in one shot
- ✓ Create shipping labels: Print shipping labels quickly and easily

Postage Meter

- ✓ Get discounts: Save five cents on all first class mail pieces and have access to Commercial Base Pricing discounts on USPS shipping services
- ✓ Prevent overspending: Integrated scales with precision weighing print exact postage denominations, so there's no risk of overpaying
- ✓ Save time: Eliminate trips to the Post Office and take back all that time spent waiting in line for stamps
- ✓ Make a good impression: Deliver a professional look to your customers, and special software can even add custom logos or advertising right on the envelope

- ✓ Automatic updates: Postage meters can automatically update to reflect USPS® rate changes and meet the latest compliance requirements by the USPS including automatically printing required barcodes
- ✓ Versatile option for any mail volume: There are tons of different combinations and capabilities that make postage meters accessible and useful to businesses of all sizes
- ✓ Includes shipping capabilities plus the option to have low-cost shipping software that allows you to receive Commercial Based Pricing discounts

Print to Mail Service

- ✓ Eliminates Trips to the Post Office: There's no longer a need to wait in line for stamps
- ✓ Increases efficiency and productivity: Leave the mail prep nightmare behind; send hundreds of letters in minutes – not hours
- ✓ Multichannel delivery options: Deliver through traditional postal mail, email, fax or text
- ✓ Speed up invoicing time: Send invoices as they are created so they reach your customers faster, and you can get paid sooner
- ✓ Tracking: Automated service lets you track every piece of mail
- ✓ Secure: Submitting through a secure server means your information is completely safe

4. Trends Driving Mailing and Shipping Volumes



Shipping has never been more important or prevalent

Driven partly by e-commerce, shipping has grown 48% from 2014-2016 and the projections for the next four years keep going up. Conversely, mailing volumes have been declining year over year. Businesses are finding new ways to communicate and send documents to their customers, for example via email, text, and in-app. For this reason mailing and shipping providers, like Neopost, are offering more options than ever, such as shipping software with mailing systems and multichannel mail delivery with print to mail service.

Take a moment to audit your own mailing and shipping volumes. Be sure that you have the right hardware and software in place to scale with the changing needs of your business.

We are here to help!
Our customer success specialists can introduce you to products and solutions available that can help your business.

Four Tips for a Winning Shipping Strategy

- **Select the best shipping method for each order.** Identifying the best carrier and service for every order can be time consuming. Multi-carrier shipping software identifies the shipping carrier with the lowest cost and best delivery time for a more convenient solution for both retailers and consumers.
- **Provide accurate and simple tracking information.** Customers are eager for their orders, especially around the holiday season. By providing customers with tracking numbers, you will greatly enhance the customer experience.
- **Don't pay to ship excess space and weight.** One of the most important aspects of efficient packaging is choosing boxes that fit your items easily and safely without leaving unnecessary excess space or added excess bulk. Size and weight determine how much you'll pay to send your item. Nothing runs up costs more quickly than paying for superfluous space.
- **Verify addresses for customers.** From time to time there will be an out of date or incorrect address in your system. Address correction software can solve this problem.

All About the Mailing System



5. Postage Meter Overview



Companies use postage meters to streamline their postage operations and reduce their mailing costs. Postage meters are suited to businesses of all sizes, not just large businesses that send huge volumes of mail.

“Postage meters provide efficiency and productivity through speed, cost-savings, and convenience. Metered mail typically arrives 24 hours faster than stamped mail.”

6. Postage Meter Uses

Simply run the mail through the machine whenever you are ready. The postage meter prints a block of ink in place of where a traditional stamp would be. This ink mark is referred to as indicia. It includes important information that identifies your mailing and helps it travel through the postal system. By making the postal service's job easier postage meter customers receive a 9% discount on each piece of first class mail. If the item you are mailing is too thick for the mailing system, you have the ability to print postage onto a strip tape that can be applied to the mailpiece.



“Be sure to get Commercial Base Pricing - a set of discounted rates available when using shipping software that prints a barcode on your package. In addition to lower shipping costs you'll receive USPS tracking.”

What Else Can a Postage Meter Do?

In addition to printing indicia, a postage meter can also be used to print corporate marketing messages right on your envelopes. These can be altered with ease, meaning you can alert customers to upcoming promotions or pass on important information. Postage meters can also be used as part of an effective accounting strategy as they have departmental codes which allow for mailing costs to be charged back correctly to the relevant department.

You can also ship flat envelopes or parcels from your postage meter. The best way to do this is with shipping software that can be added on or included with your lease. This shipping software includes IM[®]pb barcodes that have advanced package tracking and discounted shipping rates called Commercial Base Pricing.

7. Top 10 Postage Meter Benefits

1. Convenience

It's like having a dedicated mailroom in your office. Metered mail ensures a hassle-free process, eliminating trips to the post office and wasted postage due to uncertainty over rates.

2. Out The Door Faster

Applying stamps to a huge stack of envelopes is a tedious process. With a postage meter, envelopes are stamped quickly and easily.

3. Online Postage Refills

Replenish your postage supply 24/7, avoiding time-consuming trips to the post office.

4. Savings

Save money using a Neopost postage meter and scale with up-to-date rates. With an integrated digital scale for precision weighing, a postage meter enables you to print the exact denomination — instead of using multiple stamps. You can also earn up to 39% savings over standard rates for Priority Mail® or Express Mail®.

5. Increased Security

Eliminating physical stamp inventories means you'll never have to worry about lost or damaged stamps. Your postage dollars are safe-and-sound in your lockable meter, as opposed to a cluttered desk drawer.

6. Cost Accounting

A built-in cost accounting feature can accurately track postage expenditures for multiple accounts. This shows you where postage dollars are being spent, for easier budgeting and reconciliation.

7. Package Compatibility

Self-adhesive metered tapes are ideal for larger items such as packages, large flat envelopes and tubes. This looks cleaner and more professional than wallpapering an item with stamps, in addition to enabling you to apply the exact postage needed.

8. Faster Delivery

Metered mail is expedited as high-priority business mail. It's already dated, postmarked, and cancelled when it arrives at the post office, so it requires fewer steps in the handling process. That means quicker results for your important correspondence...for the same dollar you're spending now.

9. Enhancing Your Image

Metered mail makes a statement about your company. Small businesses can appear larger and more prominent. And after all, your envelope is often the first impression you make on the customer.

10. Free Advertising

With its ability to print a logo, advertisement or even a product image, a postage meter can turn your envelope into a mini-billboard. This is important since envelope marketing has been proven to enhance open rates and readership, while improving response rates.

One Last Reason - A Special "Bonus" - Free Postal Consultation

Contact a Neopost Mailing Expert and we'll help you minimize postal costs, understand confusing regulations, and prepare your mail more efficiently. Getting the mail out doesn't have to be a time-consuming task. Find out how a postage meter can work for your business. Call 1.800.NEOPOST (636.7678)

8. Postage Meter Costs

It's not an exact science, but postage meters can range from as low as \$9.95 up to over \$500 per month, depending on your machine's configuration and features. In addition to your monthly fee, be sure to consider operating costs which can include paying for ink or other machine-specific supplies. It's important to know what exactly is included in your monthly fee, and what will cost you extra. Some vendors present too-good-to-be-true promotions, but they are just that... too good to be true. They could actually result in your company paying extra charges in the long run, so make sure you ask your vendor lots of questions before you commit. Check out the Vendor Fee Cheat Sheet on page 17.

Postage Meter ROI

Believe it or not the USPS® wants to pay you for making their job easier. So postage meter users pay less for postage than regular stamp users. In fact, on average it's up to 9% cheaper to send a First-Class letter that you've stamped with a postage meter than to use the regular stamps you'd buy at a post office. While this might not seem like a lot, it adds up. A postage meter customer whose monthly postal volume averages 5000 single-piece letters will save \$250 a year.

What Do You Mean I Can't Buy a Postage Meter?

USPS tightly controls the postage meter industry as postage is viewed the same as currency. For this reason, USPS will only allow businesses to rent postage meters and in face their purchase is expressly forbidden by federal law.

Rent vs. Lease

Now that you've found the postage meter of your dreams, you are faced with a dilemma: rent or lease. Rental rates are a bit lower but can change after the first year, while your lease rate remains the same for the term of contract. Rentals can be cancelled with just a liquidation charge, while a lease customer would owe the balance of payment. So if you are more confident your business will be using the postage meter for years to come a lease might be the right fit. If you want more flexibility a rental may be for you.

Insider Tip

An average business will save 20% on their mailing costs once they start using a meter because the postage calculation will be accurate and overpayment will not be a problem. On top of this, metered mail receives a 9% discounted rate.²

9. How to Fund a Postage Meter

When you rent or lease a postage meter, you can choose to pre-pay, pay electronically, or pay later.

If you pre-pay for postage you send a check, ACH credit or wire to the USPS®. Once the check, ACH credit or wire clears, you are able to process your mail against those funds. This is a good way to control how much you spend but it is not very flexible. Once the funds run low or out, you will be required to send a new check to the USPS for additional processing.

The second option is to have automatic electronic payments. In this case, funds are auto-debited from your bank account when your account reaches a set level. This method gives you the flexibility to automatically add funds when you need it but it might be more difficult to track spending.

Finally, some postage meter companies, like Neopost, offer “pay later” options which allow you to just add postage as needed, and the company sends you a bill at the end of the month. This gives you the most visibility to what you are spending on mailing and shipping and won't hold up your business while you wait for funds to clear.

Before choosing a method of payment determine what is best for your company's accounting department and be sure to ask your vendor what fees are associated with each method so you can be aware of any additional charges.



10. Your Checklist: What Postage Meter Is Right for You

The quest for the perfect postage meter match is not exact - identifying the volume of the mail and shipping you typically handle will be your best guide. But there are other business-specific needs that you might want to factor into your decision. Luckily we've pulled together the top five questions you should ask yourself before buying a postage meter. Your answers will be essential whether you are speaking with a specialist on the phone, doing research online or speaking with colleagues.



How much do I mail a week? Additionally, are any packages being shipped?

Mailing equipment is designed for specific usage levels, so it's important to know your demand before diving in to a lease or rental. If not, you risk underestimating your mail volume and negatively affecting machine performance as a result, or overestimating volume and overpaying for the machine. Be sure to track your mailings for a week or two to determine just how much mail you're sending.



How fast do I need the machine to work?

This can depend on mail volume, or how often you have an influx of mailings to turnaround quickly. Manufacturers provide the amount of letters per minute that a machine can process. Note that these are just a guideline and may be different from your actual speed, especially if you need to weigh each piece of mail prior to processing. But, they're good to use as a comparison between meters.



How much hands-on service do I want?

You can either have a technician come to your office to service equipment, or "depot" service where you ship the damaged machine back and get a replacement one. Note that if your machine is used far above the recommended volumes, you may find yourself calling for frequent service.



Do I need to track postage spending?

Whether you need to track postage spending by department or cost centers, or just in general, there are options available for any desired level of detail. Choices range from a report of each individual transaction up to a consolidated month-end summary. You can access the data from the mailing system screen, a meter tape print-out, through a connected printer, PC or laptop, or vendor website in some instances. Be sure to ask about your options.



How much space to I have?

How much space do you have in which to place the physical meter, and is it in an ideal location for those who will be using the machine most? Choose an optimal location and make good use of the physical space in your office.

11. Postage Meter Parts and Features

We've taken the typical postage meter and are zooming in on the critical parts and optional features you should know whether you are a postage meter newbie or veteran.

1. Weighing: Most mailing systems come with a built-in scale that makes it easy to calculate the proper amount of postage and it will automatically update to have the most current USPS rates. In order to get auto updates, you need to have the system connected via LAN.

3. Stackers: A case for mail pieces once they've been processed. Mailing systems offer catch trays, drop stackers or even motorized conveyers to collect and stack processed mail.

5. Shortcut Keys: Save time and eliminate keystrokes with programmed buttons for frequent tasks such as jobs, rates, reset funds and more.

Meter Tape: There are times when you'll need to run items that are too thick to fit in the machine, so you'll need to print postage on a meter tape. All vendors supply meter tape that can be run through the unit, and they come in a few different forms.

2. Envelope Feeding: This is the way mail pieces are processed in the machine. They can be manual (hand fed) 18 letters per minute (lpm), semi-automatic 30-50 letters per minute and automatic up to 300 letters per minute or more.

4. Sealing: Some mail systems seal the envelopes for you, no licking required. There's a variety of sealing options based on the size of the machine.



6. Screen: These vary in size, flexibility, display design and menu options for the mailing system. Some are in grayscale while others are in full color, depending on your system. Some even come with touchscreen technology.

Meter: The actual meter is a small device located inside the machine that securely stores and keeps track of your postal funds.

7. Connectivity: In order to download postage funds or perform software updates, your solution will need a method of communicating. Vendors offer a range of connection types including high-speed LAN (most popular), Wi-Fi, or Cellular Service. Analog modems have been and continue to be phased out as an option.

Your Vendor Cheat Sheet

This is a list of some of the most important and common questions to ask your vendor when shopping for a postage meter, and our insider tips to explain why.

1. Which machines are available for my mail volume, and how fast are they?

They may make a recommendation but you should know your options.

2. What is the cost for extras (if needed) and can they be added to any of the machines?

Consider if you need any extras like sealing, stacking, feeding, etc. and get the costs individually. Be sure to ask about any bundled offers the company may have.

3. What is your estimate of the total monthly supply cost for each machine (per impression)?

This includes the cost of ink, tapes and sealing fluid.

4. What is the total cost of ownership?

Do you need to pay for rate updates, equipment, maintenance, postage labels, print head replacement, etc.?

5. What type of connection do your units offer?

Refer to the “Types of Connections” section of this guide to determine if your office needs LAN, PC, Wireless or Modem.

6. Is there an extra cost to refill the postage meter?

Some vendors will actually charge you a fee to add postage!

7. Is there a minimum balance required on the machine at all times?

Vendors could charge for this, too, if your machine's balance is below their mandated threshold.

8. What is your policy for getting postage funds back after the meter is returned?

Each vendor has its own policy, so be sure to ask.

9. Can you provide a copy of your Terms and Conditions?

Take a good look at this document for hidden fees or stipulations.

10. Can you spell out any cancellation fees, rental rate increases, or additional fees that are in the proposed contract?

This can be a good way to get the overview, but be sure to double check the answers against your proposal.

Remember

Don't forget to tell your rep how you are using your postage meter, are you just mailing First-Class letters? Are you doing any shipping? Are you sending Certified Mail®? Once the rep knows what you are using the machine for they will be better able to find the hardware and software to best meet your needs.

Not Free After All: Fees to Watch Out for

Small fees can quickly add up. We've listed the most common fees and surcharges below so that you can beat the system and save on your postage meter bill.

Fee Category	Service Category	Comments
Installation	Lease	One-time fee to install equipment
Meter rental	Lease	Monthly fee to rent the meter
Print head replacement	Lease	Consider if there are additional costs for maintenance or if they are built into the lease
Maintenance	Lease	
Spare parts	Lease	
Property taxes	Lease	Administrative fee for preparing and filing the property tax returns on the meter
Value insurance	Lease	Protects the leased equipment from loss, damage or destruction, but not needed if you have proof of insurance
Cancellation fees	Lease	Fee to cancel your lease agreement that covers the cost of restocking the meter
Late charges	General Billing	May be applicable to late payments
Finance fees	General Billing	Interest that accrues on the outstanding balance of your account after your payment due date
Loyalty program fee	General Billing	Usually an annual membership fee through your vendor to get rewards on your purchases
Annual account access fee	General Billing	Provides priority annual statements and priority customer service calls – Many vendors' customer service departments are located outside of the U.S., but not all, so be sure to ask
Returned check fee	General Billing	If your check doesn't clear, the bank will charge the vendor and this cost is passed on to you
Dormant fee	General Billing	Fee charged when you don't use your account for a while; ask your vendor for their timeframe
First rental invoice	Meter Rental	Some vendors charge a prorated amount (shown on a complicated invoice) when your new meter is not installed on the first of the month
Interim rent charges	Meter Rental	The billing charge for the time between the installation date and the start of the lease date
Rental rate change	Meter Rental	Check the fine print of your contract – some vendors include a clause that states the price will only be valid for one year, and therefore your rental rates can be increased after that point
Postal rate change fee	Postage	Charge for updating postal rates on your meter when there is a change
Refill/reset charges	Postage	You may be charged for refilling your postage meter (typically \$7.99 and up per transaction) with some vendors
Over limit fee	Postage	Applicable when you go over your line of credit (typically \$700 a month with small business equipment) or exceed your transaction limit
Postage advances	Postage	Covers the cost of getting advanced postage funds

Sources

1. NFIB National Small Business Poll, Volume 2, Issue 3, 2002.
2. "What is a Postage Meter & How do they Work? *ExpertMarket*, www.expertmarket.com/postage-meters/what-is-a-postage-meter.

Contributors

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Whether your company is sending five pieces of mail a week or five hundred, you've now got the know-how and the tools to determine the best way for your business to mail and ship.

For even more resources and support, visit www.gowithneopost.com or www.neopost.com and sign up for our [NeoNews newsletter](#). Our innovative products bring simplicity and efficiency to your mailing process, so your business can run better and at a lower cost.