

HOW TO CALCULATE

Dimensional (DIM) Weight

for Ground Shipping

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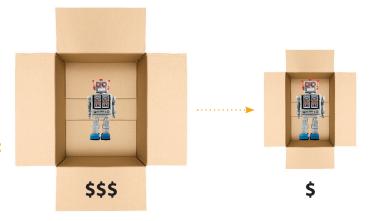
UPS® and FedEx® Ground Delivery now using dimensional weight for all packages.

In January 2015, shipping rates were modified for UPS Ground and FedEx Ground delivery. Rates are no longer based on the weight of the package. They are now based on the **size** of the package. This pricing program is known as Dimensional Weight Pricing, also referred to as "DIM Weight."

Previously, UPS Ground and FedEx Ground only used DIM pricing for packages larger than three cubic feet (Example: $24" \times 18" \times 12"$ box = 5,184 cubic inches, or 3 cubic feet). In 2015, DIM weight pricing will be applied to **ALL PACKAGES** shipped using ground delivery.

By using shipping rates focused on package size, shippers will be able to operate more efficiently and ultimately benefit from using smaller package sizes.

Lower shipping costs by keeping package size as small as possible:



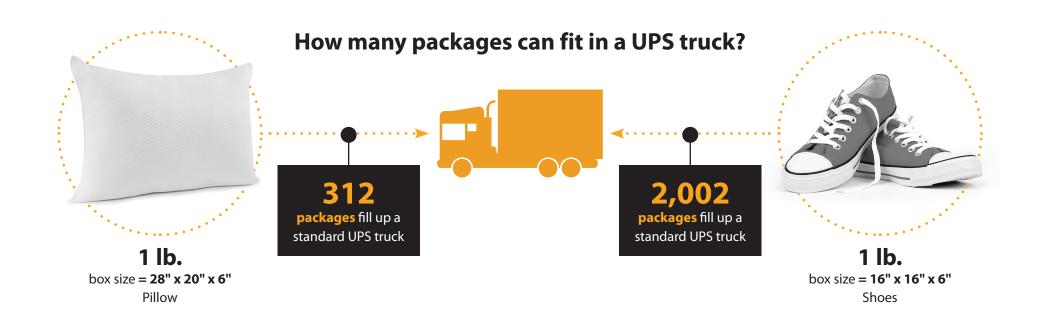
START DATES

for DIM Pricing in Ground Delivery:



What is Dimensional Weight?

DIM WEIGHT = Shipping rate based on package size, not weight



Dimensional weight reflects package density, which is the amount of space a package occupies on a delivery truck in relation to its actual weight. Space is important for shipping carriers since they want to keep costs low by filling their delivery trucks with as many packages as possible.

A 1 lb. box containing a pillow can weigh as much as a 1 lb. box of shoes, but the box with the pillow will take up a lot more space on the truck. A delivery truck may have room for 312 boxes of pillows, but

that same truck can carry 2,002 boxes of shoes. When shipping carriers charged by weight, the cost to ship the box with the pillow was the same as the cost to ship the box of shoes.

The new DIM pricing will be cost-effective for shipping carriers since they'll be charged by calculated volume weight rather than by actual weight. That's why carriers prefer small packages instead of large packages.

How to Calculate DIM Pricing

Example: Shipping a 1 lb. package using UPS Ground



DETERMINE PACKAGE CUBIC INCHES

Box size: length x width x height = total cubic inches of package **Example:** $12" \times 12" \times 8" = 1,152$ cubic inches



DIVIDE CUBIC INCHES BY DIM DIVISOR

Divide total cubic inches by **DIM Divisor**.

The divisor is a set number determined by each carrier.

Example: 1,152 / 166 = 6.93, or 7 lbs.

(UPS Ground divisor is 166. See table at right.)

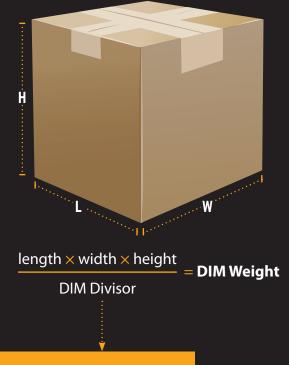


DETERMINE THE SHIPPING RATE

If DIM weight is **greater than the actual weight of the package**, you will be required to pay the DIM weight, not the actual weight.

Package Example: Shipping a 1 lb. package from Los Angeles to Atlanta (Zone 8)

- 12" x 12" x 8" = 1,152 cubic inches / 166 = **6.93 or 7 lbs.**
- 1 lb. actual weight cost = \$10.70 UPS Ground
- 7 lbs. DIM weight cost = \$14.39 UPS Ground ✓ PAY THIS AMOUNT
- Extra cost for DIM = **\$3.69**



DIM DIVISOR

CARRIER	DOMESTIC	INTERNATIONAL		
UPS	166	139		
FedEx	166	139		
USPS	194	166		

DIM Weight for Common Box Sizes

25 Top Selling Box Sizes											
box length		box width		box height		(L x W x H) = total cubic inches (TCI)		UPS and FedEx Divisor		DIM weight	(TCI/166) = DIM adjusted billable weight
4	×	4	×	4	=	64	÷	166	=	0.39	1 lb
5	×	5	×	5	=	125	÷	166	=	0.75	1 lb
6	×	6	×	4	=	144	÷	166	=	0.87	1 lb
6	×	6	×	6	=	216	÷	166	=	1.30	1 lb
8	×	6	×	4	=	192	÷	166	=	1.16	1 lb
8	×	8	×	8	=	512	÷	166	=	3.08	3 lbs
10	×	8	×	6	=	480	÷	166	=	2.89	3 lbs
10	×	10	×	10	=	1,000	÷	166	=	6.02	6 lbs
12	×	12	×	4	=	576	÷	166	=	3.47	3 lbs
12	×	9	×	6	=	648	÷	166	=	3.90	4 lbs
12	×	8	×	8	=	768	÷	166	=	4.63	5 lbs
12	×	12	×	6	=	864	÷	166	=	5.20	5 lbs
12	×	12	×	8	=	1,152	÷	166	=	6.94	7 lbs
12	×	12	×	12	=	1,728	÷	166	=	10.41	10 lbs
14	×	14	×	14	=	2,744	÷	166	=	16.53	17 lbs
16	×	12	×	12	=	2,304	÷	166	=	13.88	14 lbs
16	×	16	×	16	=	4,096	÷	166	=	24.67	25 lbs
18	×	12	×	12	=	2,592	÷	166	=	15.61	16 lbs
18	×	14	×	12	=	3,024	÷	166	=	18.22	18 lbs
18	×	18	×	18	=	5,832	÷	166	=	35.13	35 lbs
20	×	14	×	6	=	1,680	÷	166	=	10.12	10 lbs
20	×	20	×	20	=	8,000	÷	166	=	48.19	48 lbs
24	×	12	×	12	=	3,456	÷	166	=	20.82	21 lbs
24	×	18	×	18	=	7,776	÷	166	=	46.84	47 lbs
24	×	24	×	24	=	13,824	÷	166	=	83.28	83 lbs

Example: 1 lb. Package to Zone 8									
UPS Ground 2015 rates at 1 lb.	UPS Ground 2015 rates at DIM weight	Increase in shipping cost	Increase in shipping cost %						
\$10.70	\$10.70	Actual Weight	0%						
\$10.70	\$10.70	Actual Weight	0%						
\$10.70	\$10.70	Actual Weight	0%						
\$10.70	\$11.82	\$1.12	10%						
\$10.70	\$11.82	\$1.12	10%						
\$10.70	\$13.40	\$2.70	25%						
\$10.70	\$12.73	\$2.03	19%						
\$10.70	\$14.39	\$3.69	34%						
\$10.70	\$13.40	\$2.70	25%						
\$10.70	\$13.40	\$2.70	25%						
\$10.70	\$13.89	\$3.19	30%						
\$10.70	\$14.08	\$3.38	32%						
\$10.70	\$14.39	\$3.69	34%						
\$10.70	\$16.46	\$5.76	54%						
\$10.70	\$21.07	\$10.37	97%						
\$10.70	\$18.97	\$8.27	77%						
\$10.70	\$26.37	\$15.67	146%						
\$10.70	\$20.26	\$9.56	89%						
\$10.70	\$22.62	\$11.92	111%						
\$34.90	\$34.90	Already DIM	0%						
\$10.70	\$16.42	\$5.72	53%						
\$42.22	\$42.22	Already DIM	0%						
\$10.70	\$23.01	\$12.31	115%						
\$41.03	\$41.03	Already DIM	0%						
¢51.70	¢51.70	Already DIM	004						

UPS Ground Rates include 15% volume discount off Standard List Rates, 6.50% fuel surcharge and \$3.10 residential surcharge

DIM and the USPS

Huge cost savings with Priority Mail®



DIM pricing: Box size matters in 2015!



2 inches in box size can add OVER \$1 IN SHIPPING COSTS!

TIPS to reduce DIM costs



Save time and money.

Print your postage online.

No more trips to the Post Office[™]. Stamps.com lets you prepare and print USPS postage and shipping labels quickly and easily from your own computer. Sign up and experience an online suite of mailing, shipping and international services guaranteed to save you time and money. And that's just the beginning.

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No risk • Cancel anytime



1 USE THE APPROPRIATE BOX SIZE

Use the appropriate box size for your product. Is the box designed for product retail or shipping? Avoid unnecessary empty space if your product doesn't require it for safe delivery.



2 USE ENVELOPES

Look at other packaging options. Tyvek®/poly envelopes can be great for durable items, like t-shirts and sporting goods. These envelopes are weatherproof and durable, which makes them a good option to lower costs.



3 RENEGOTIATE YOUR CARRIER AGREEMENT

With new products and pricing changing every year, now is the time to make sure you know all the specifics of your carrier agreement. Try renegotiating terms such as DIM Divisor, Net Minimum Value or when DIM starts.



4 USE MULTIPLE CARRIERS

Shipping rates vary by carrier. USPS is often the lowest cost for smaller packages going to a residence. UPS and FedEx are great for larger packages delivered to a business. Each carrier provides low shipping cost options for its own niche package weight groups — make sure to use the right carrier for each of your packages to optimize your shipping program.

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