

TIPS ON FULFILLING U.S. SUBSCRIPTIONS

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If you are considering making inroads into the U.S. market, make sure to set up proper systems and to determine the costs associated with maintaining American subscriptions before you take the plunge.

IN CALCULATING YOUR COSTS, POSTAGE is the biggest part of the equation. The really fun part of this process is understanding the various options available from Canada Post and the United States Postal Service.

Magazine Mailing

Canada Post's Publications Mail program, nor the Publications Assistance Program (PAP), does NOT cover magazines mailed in Canada going to U.S. addresses. Mailing to the U.S. with Canada Post under their other rates can be expensive, however Canada Post does offer a service called "U.S. and International Incentive Letterpost" that can reduce costs if you are mailing over 100 copies per issue. You must apply for this (at no cost). The application can be found at http://www.canadapost.ca/business/offerings/incentive_lettermail/int/.

The USPS has a special "periodical" rate that Canadian titles can apply for, but approval and pricing depends on circulation levels, ad/edit ratios, destinations, weight and minimum volumes, and you must maintain a physical U.S. address (however you may be able to use an existing mailing house address.) There are companies in Canada that will prepare your mail and truck copies across the border to go directly into the U.S. mail stream. More information can be found on their website www.usps.com.

Renewal, Invoice & Direct Mailings to the U.S.

Your renewals and direct mail campaigns may be eligible for reduced postage rates depending on the volume being sent. Canada Post's first-class postage for U.S.-bound mail is \$0.96 per piece. USPS regular rate is \$0.39 per piece. If mailing over 200 pieces, you can get reduced bulk rates for as low as \$0.18.

Business Reply Mail

To set up a USPS business reply account with a U.S. post office address with USPS costs \$175 annual fee and \$0.96 per item for low volume. Canada Post charges an annual fee of \$600 for a Business Reply Account and \$0.70 per return for mail in Canada.

How Much to Charge?

Once you've determined how much it will cost to mail your magazine and renewal notices to American subscribers, you'll be in a good position to figure out how much to charge for a subscription. Here's a quick comparison of postage costs for a hypothetical quarterly magazine:

Cost to Fulfil Canadian Subscriptions:

Reg. Mailing (PAP Rate) x 4 issues = $\$.28 \times 4 = \1.12
Renewal Mailings (1st class) x 3 efforts = $\$.52 \times 3 = \1.56
Total = \$2.68 per year

Cost to Fulfil U.S. Subscriptions Using Canada Post:

Reg. Mailing (incentive rate) x 4 issues = $\$.250 \times 4 = \10
Renewal Mailings (1st class) x 3 efforts = $\$.96 \times 3 = \2.88
Total = \$12.88 per year

Cost to Fulfil U.S. Subscriptions Using USPS:

Reg. Mailing (periodical rate) x 4 issues = $\$.45 \times 4 = \1.80
Renewal Mailings (1st class) x 3 efforts = $\$.41 \times 3 = \1.23
Total = \$3.03 per year

So if you use Canada Post to fulfill American subscriptions, it would cost approx \$12.88 per year—which is \$10.20 more that it costs to fulfill your Canadian subscriptions under the PAP rates.

It's important to emphasize that the ballpark USPS rates above are based on application approval, which can be quite complicated, but certainly worth it if volumes warrant.

Most magazines charge extra for U.S. and international subscriptions and therefore your renewal letters should reflect these prices. The easiest way to do this is to add an extra fee on top of the regular price e.g. "One year for \$24 (outside Canada, please add \$10 per year for postage.)" Some magazines have a separate U.S. renewal series and/or are able to customize the offer e.g. "One year for \$34."

Basic Checklist for Potential U.S. Subscriptions

1. Print the U.S. pricing in your masthead and include U.S. pricing on all printed subscription materials i.e. insert cards, direct mail, renewals, website etc.
2. Give U.S. pricing functionality on your website
3. Confirm if you want payment in USD or CAD
4. If you have a 1-800 number, make sure it works for American callers
5. Watch for currency fluctuations
6. Make sure your bank accepts cheques from a U.S. bank. You may have to set up a U.S. dollar account.

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