



You've made it, advertised it, and sold it. Now, how much does it cost to send it to your customer.

SHIPPING PRICES



Business Finance: Shipping

From here to there:
We can get it where you
want it to go.



Lesson Objective

Students will learn the basics of shipping a product to the customer.



Lesson Objective

Large Envelope 3 Day Select Flat Rate Box
Standard Post Priority

Shipping companies offer a variety of shipping options that are more numerous than it is possible to list here. For simplicity sake, we will only cover a few of the basics that will help you choose which options are best for you.

Balloon Rate Freight Service
Ocean Freight 2nd Day Air
Expedited Parcel Post Overnight



Lesson Objective

No matter what shipping company you use, there are common factors that they all use to determine the cost of shipping the item: the packaging, the measurements, and the distance being shipped.



Packaging

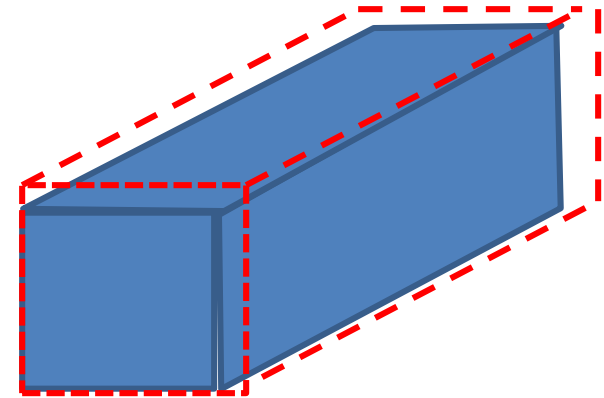
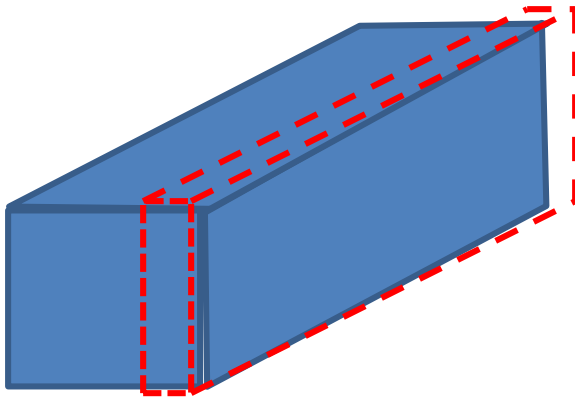
Like shipping options, there are a large variety of packaging options. Some items, like tires, can even be shipped without any packaging.

The vast majority of the time, the packaging you choose will be the one that must closely matches the size of the item being shipped.



Packaging

For example: If I were shipping a present that was 6.5" x 7.5" x 14", which box size would I want to ship it in?



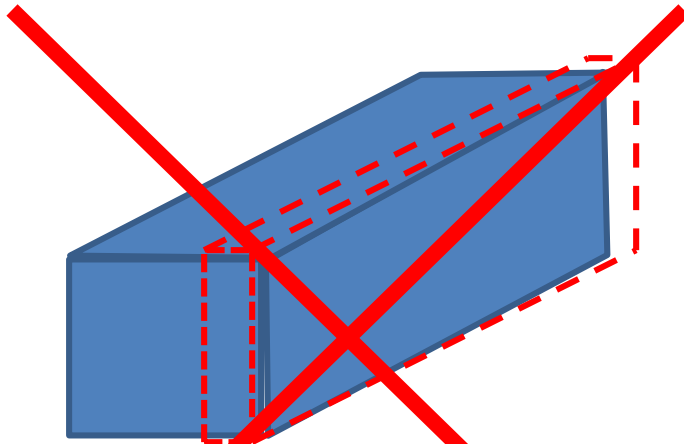
2" x 8" x 15"

7" x 9" x 14.5"

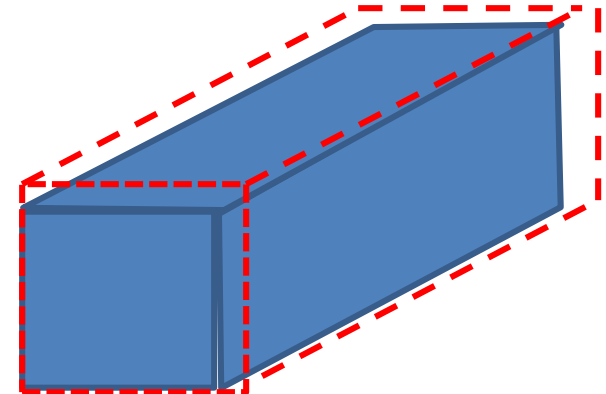


Packaging

For example: If I were shipping a present that was 6.5" x 7.5" x 14", which box size would I want to ship it in?



2" x 8" x 15"



7" x 9" x 14.5"



Packaging

Some shipping companies offer flat rate boxes. Most of those companies even give away the boxes for free. If it fits inside the box, and doesn't go over a certain weight, it ships for that flat rate price, no matter how much it weighs or how crammed in the items are.



Ways to Measure

Next the postal service is going to look at the measurements of the package. There are 4 measurements they are concerned with:

Girth

Dimensions

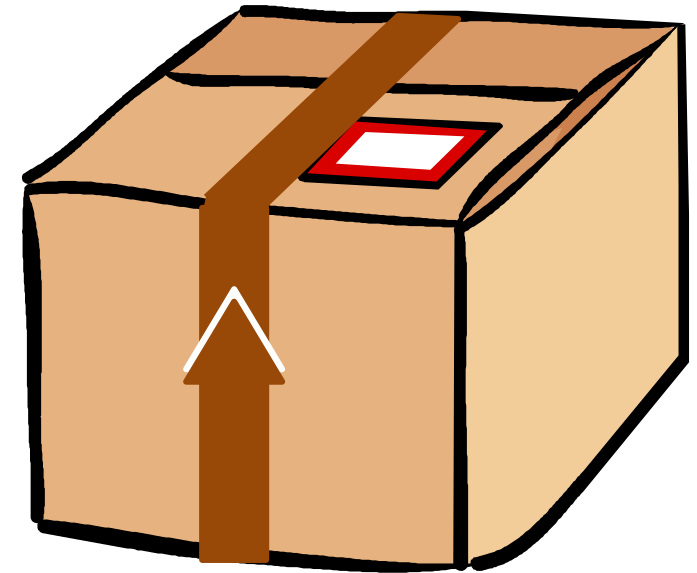
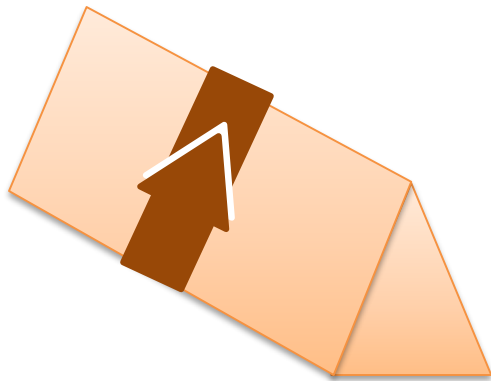
Volume

Weight



Ways to Measure

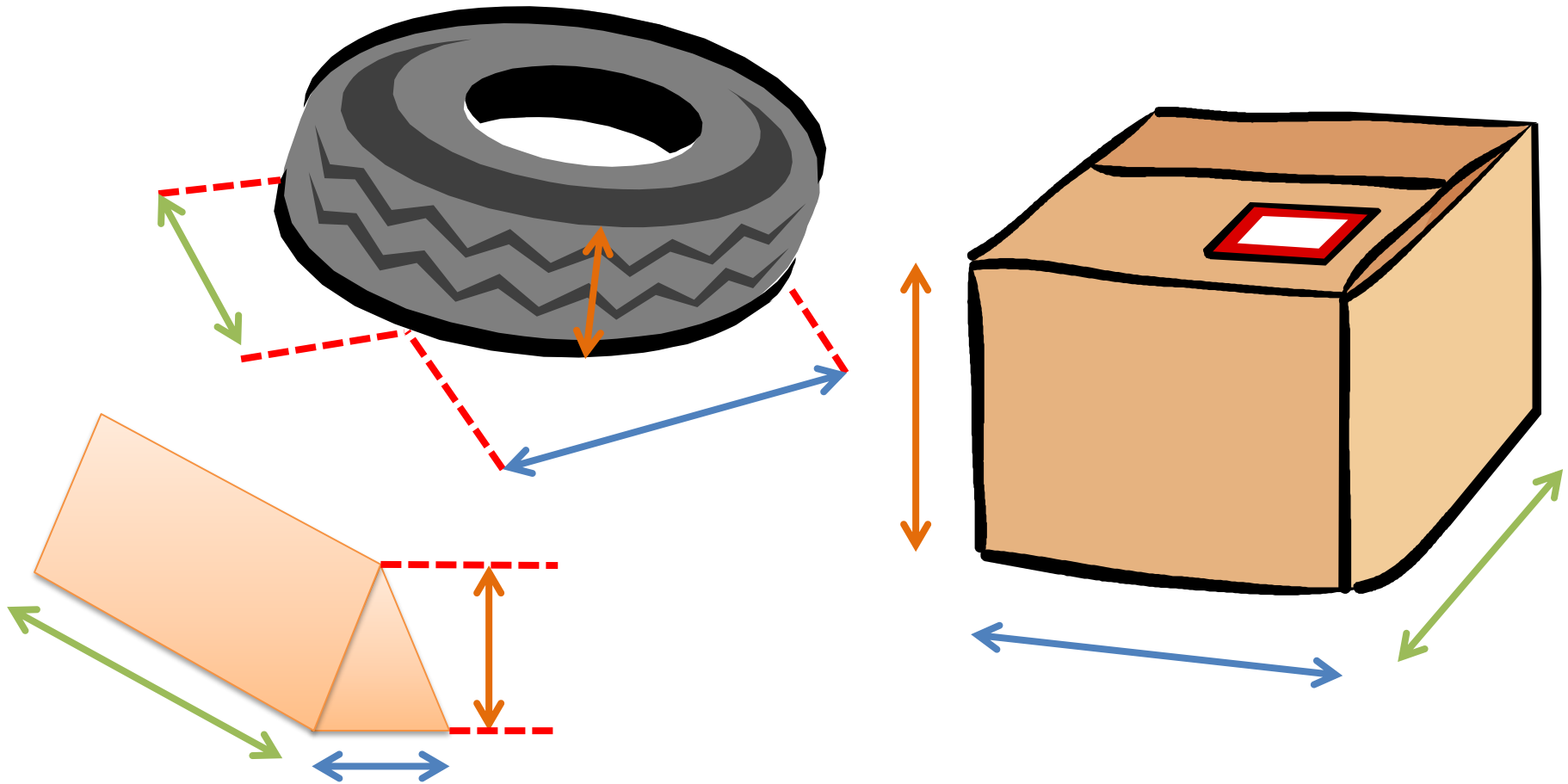
Girth– The measurement around an object.
(Width and Height)





Ways to Measure

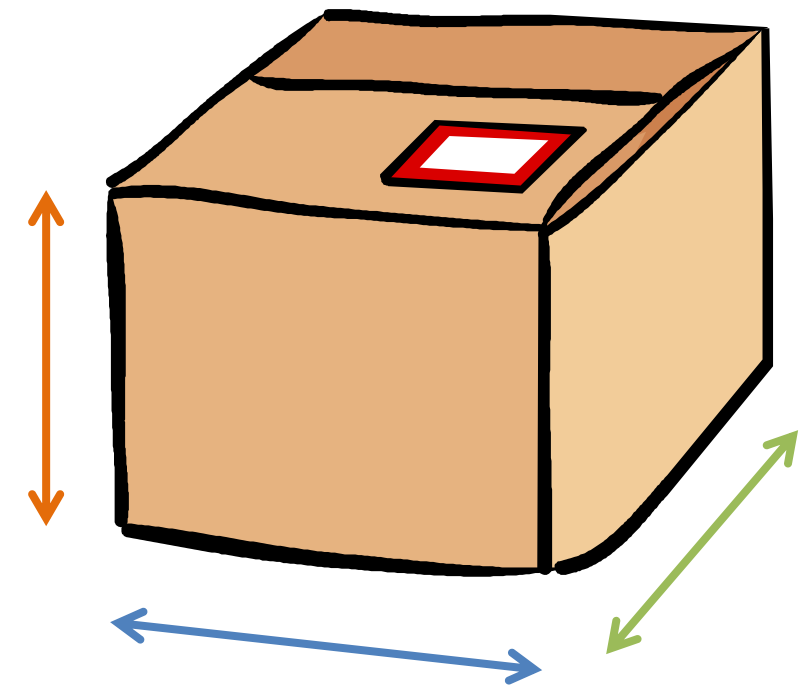
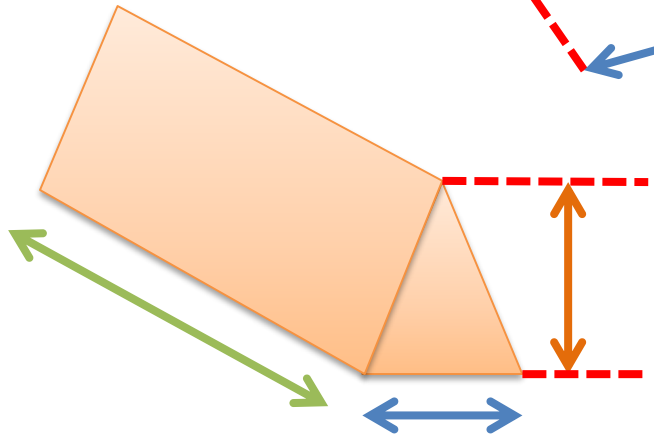
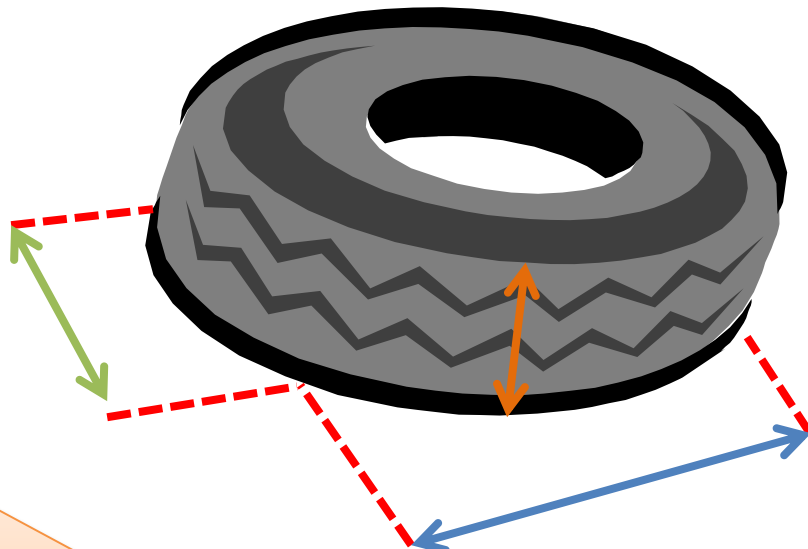
Dimensions– Length, Width, and Height





Ways to Measure

Volume– Length x Width x Height





Ways to Measure

Weight– Pounds and Ounces





Ways to Measure

I am shipping a box that is
10" (length) x 6" (width) x 5" (height).

What is the packages:

Girth =



Ways to Measure

I am shipping a box that is
10" (length) x 6" (width) x 5" (height).

What is the packages:

$$\square \text{Girth} = 6'' + 6'' + 5'' + 5'' = 22''$$



Ways to Measure

I am shipping a box that is
10" (length) x 6" (width) x 5" (height).

What is the packages:

Girth = $6'' + 6'' + 5'' + 5'' = 22''$

Dimensions =



Ways to Measure

I am shipping a box that is
10" (length) x 6" (width) x 5" (height).

What is the packages:

□ Girth = $6'' + 6'' + 5'' + 5'' = 22''$

□ Dimensions = Length = 10"

Width = 6"

Height = 5"



Ways to Measure

I am shipping a box that is
10" (length) x 6" (width) x 5" (height).

What is the packages:

Girth = $6'' + 6'' + 5'' + 5'' = 22''$

Dimensions = Length = 10''

Width = 6''

Height = 5''

Volume =



Ways to Measure

I am shipping a box that is
10" (length) x 6" (width) x 5" (height).

What is the packages:

□ Girth = $6'' + 6'' + 5'' + 5'' = 22''$

□ Dimensions = Length = 10''
Width = 6''
Height = 5''

□ Volume = $10'' \times 6'' \times 5'' = 300$ cubic inches



Ways to Measure

The package weighs 35 oz.,
but the shipping company want me to convert
that to Pounds and Ounces.

$$35 \text{ oz} = \text{-----lb.} \quad \text{-----oz.}$$

Hint: There are 16 oz. in a pound.



Ways to Measure

The package weighs 35 oz.,
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$$35 \text{ oz} = \text{-----lb.} \quad \text{-----oz.}$$

$$35 \div 16 =$$

Hint: There are 16 oz. in a pound.



Ways to Measure

The package weighs 35 oz.,
but the shipping company want me to convert
that to **Pounds** and **Ounces**.

$$35 \text{ oz} = \text{-----lb.} \text{ -----oz.}$$

$$35 \div 16 = 2; \text{ remainder } 3$$

Hint: There are 16 oz. in a pound.



Ways to Measure

The package weighs 35 oz.,
but the shipping company want me to convert
that to **Pounds** and **Ounces**.

$$35 \text{ oz} = \underline{2} \text{ lb. } \underline{3} \text{ oz.}$$

$$35 \div 16 = 2; \text{ remainder } 3$$

A red arrow points from the number 2 in the division equation to the underlined 2 in the conversion equation. A blue arrow points from the number 3 in the division equation to the underlined 3 in the conversion equation.

Hint: There are 16 oz. in a pound.



Distance

Finally, the shipping company is concerned with how far away the package is being delivered.

A package traveling to New York will require far less fuel to deliver than a package traveling to Hong Kong.

Most companies use zones to help determine prices. The further the package has to travel, the larger the zone number is, the more expensive it is to deliver.



Distance

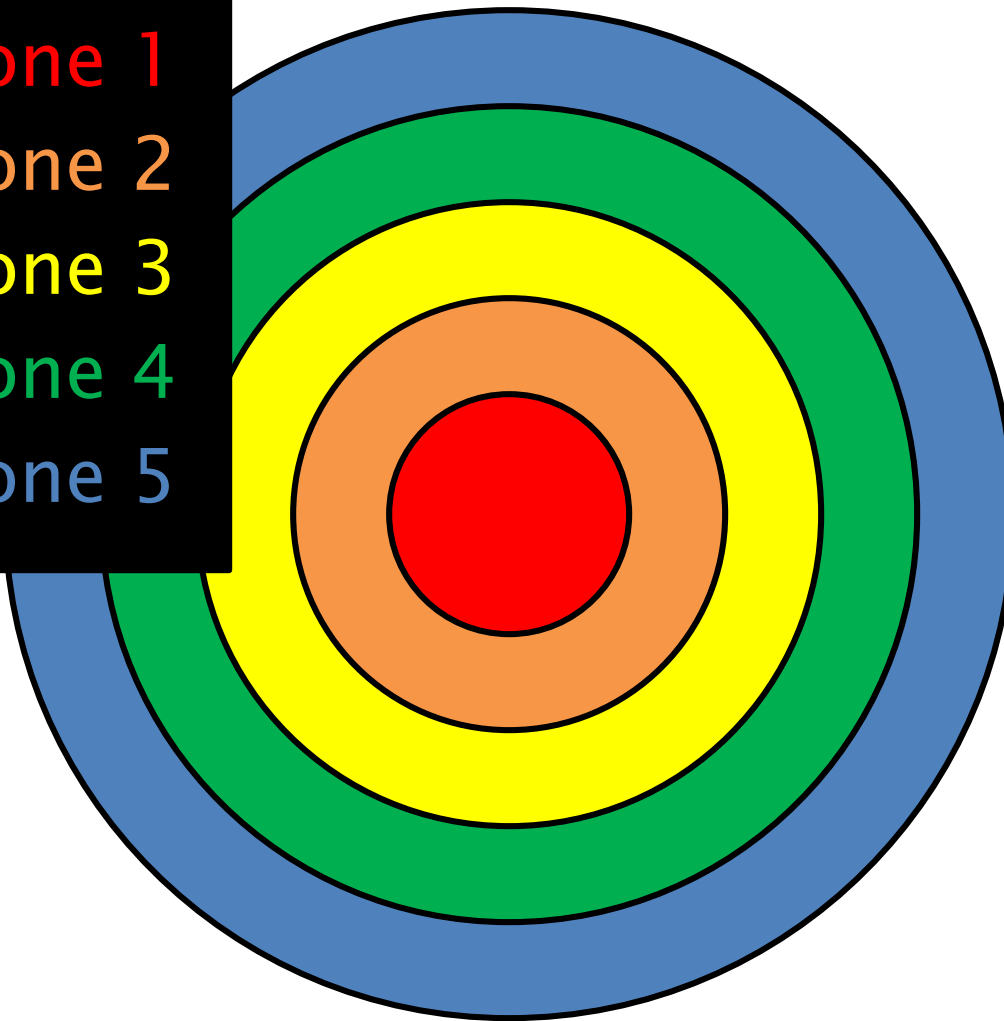
Zone 1

Zone 2

Zone 3

Zone 4

Zone 5



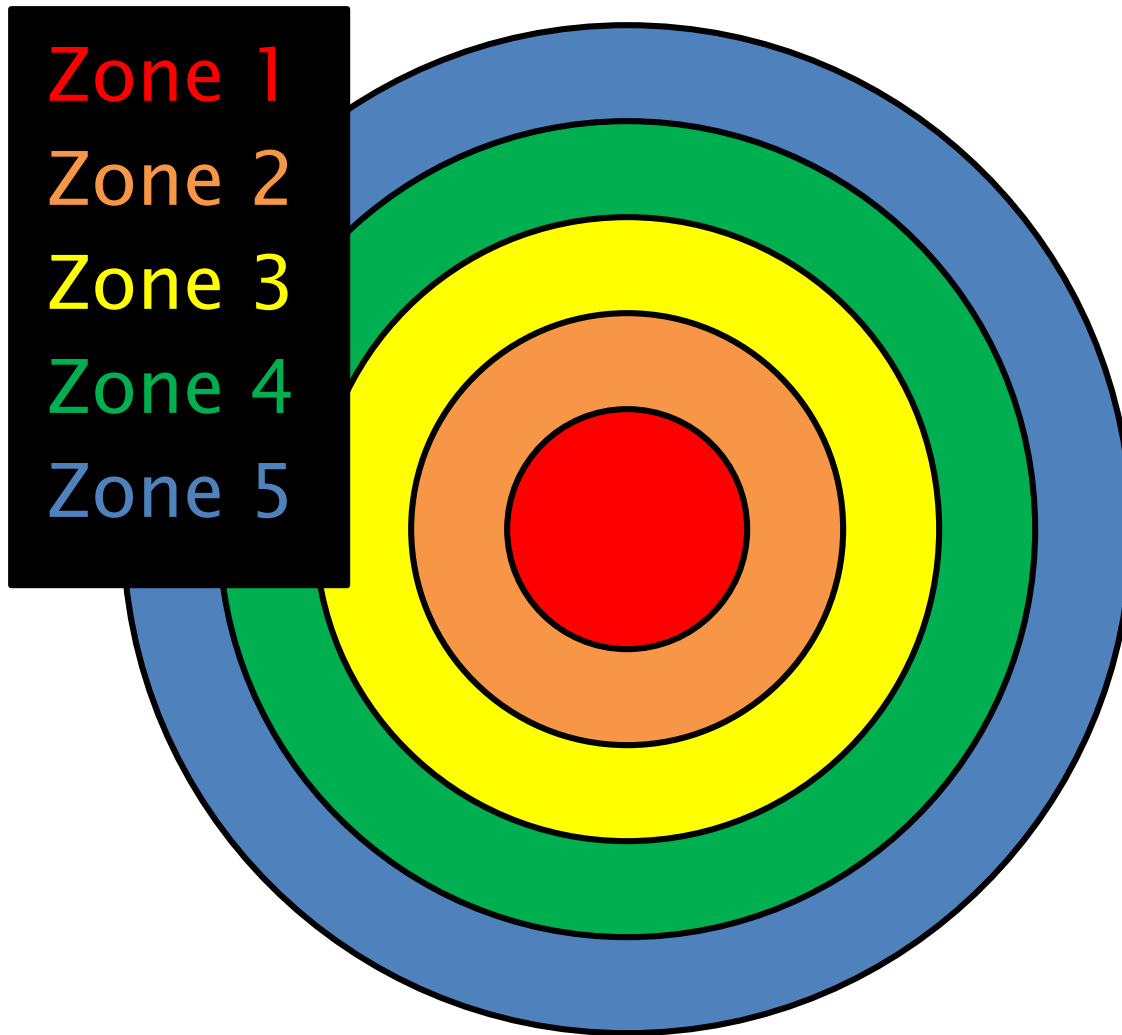
For Example:

Zone 1 is anything being delivered within 50 miles from the spot the package was mailed.

Zone 2 is anything being delivered more than 50 miles away, but less than 150 miles.



Distance



For Example:

Zone 3 is anything being delivered more than 150 miles away, but less than 300 miles.

Zone 4 is anything being delivered more than 300 miles away, but less than 600 miles.

And so on...



Distance

	Miles Equal to or More Than	Miles Less Than	Shipping Cost
Zone 1	0	50	\$2.40
Zone 2	50	150	\$4.65
Zone 3	150	300	\$5.90
Zone 4	300	600	\$8.35
Zone 5	600	1200	\$15.25

How much does it cost to mail a package that is going 586 miles?



Distance

	Miles Equal to or More Than	Miles Less Than	Shipping Cost
Zone 1	0	50	\$2.40
Zone 2	50	150	\$4.65
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Zone 5	600	1200	\$15.25

How much does it cost to mail a package that is going 586 miles? **\$8.35**



Distance

	Miles Equal to or More Than	Miles Less Than	Shipping Cost
Zone 1	0	50	\$2.40
Zone 2	50	150	\$4.65
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Zone 5	600	1200	\$15.25

How much does it cost to mail a package that is going 23 miles?



Distance

	Miles Equal to or More Than	Miles Less Than	Shipping Cost
Zone 1	0	50	\$2.40
Zone 2	50	150	\$4.65
Zone 3	150	300	\$5.90
Zone 4	300	600	\$8.35
Zone 5	600	1200	\$15.25

How much does it cost to mail a package that is going 23 miles? **\$2.40**



Review:

1. What are the three common factors that all shipping companies use to determine the cost of shipping an item?

2. What is the girth of a package that is 8" (length) x 4" (width) x 3" (height)?



Review:

1. What are the three common factors that all shipping companies use to determine the cost of shipping an item?

Packaging

Measurement

Distance Being Shipped

2. What is the girth of a package that is 8" (length) x 4" (width) x 3" (height)?

$$4'' + 4'' + 3'' + 3'' = 14''$$

Girth is only concerned with width and height.