

PRICING - CASE STUDIES

In early 1994 a number of alternatives were explored routing selected shipments of different weights, to a range of destinations. The illustrative routings were from an origin within 50km of Pearson International Airport to a destination within 50km of (Manchester) United Kingdom, (Tokyo) Japan and (Denver) U.S.A.. Shipments priced were 10kg, 25kg, & 250kg. There is no price variation with content. The carrier is only concerned with weight and volume. The charts on the following pages show how much variation there was in pricing of single items to the same destination, between different carriers. The rate quotes received also demonstrated that the least cost made of carriage was not the same for all weights and destinations. The carriers were:

- Canada Post
- Courier services
- Air carriers offering freight service
- Air freight forwarders
- Surface freight forwarders

While Canada Post and couriers provide service within a single fee, other carriers have a series of add-ons, of which you should be aware. These add-ons can materially affect the overall shipping cost, and may include some or all of the following:

- Pick-up
- Domestic freight
- International freight (Air, Ocean, Truck, Rail)
- Domestic handling
- Customs brokerage at destination
- Local delivery

Not all carriers provide a complete service in all areas. Where a carrier omits foreign customs or local delivery charges, independent arrangements must be made, often at considerable expense.

Example - what is *really* least expensive

Carton of books approximately 10 kilos shipped Toronto to Manchester. Selection based on air freight cost, without inclusion of additional costs.

Basic Quote	Air Freight	C\$ 84	2 wkg days	Deliver to & pick up at airport
	Canada Post	C\$132	7 -10wkg days	Door to door
	Courier 1	C\$152	5wkg days	Door to door
	Courier 2	C\$179	3wkg days	Door to door

The additional costs for air freight were: Export and import brokers, time and expenses for trip to Pearson International airport, time and expenses for trip to Manchester airport. Total cost, excluding duties, for air freight was \$406.