



New Zealand Essential Email Insights 2021

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Executive Summary

Welcome to Cumulo9's first insights report about essential emails. An essential email is a business email that must be delivered (such as an invoice, a payslip, or a statement), is typically high volume, and focuses less on marketing. A campaign email is a marketing-specific email (such as a newsletter or a promotion). The glossary to this report explains both email types. The purpose of this insights report is to give you access to unique insights from a level of data that you would not normally be able to access. You can then use this analysis to improve the effective ongoing management of your digital communications.

Our report is a fresh approach to delivering insights about essential emails

We recognise that email insights reports are not new. For many years, companies have been diligently downloading data, performing analysis and producing reports. Our report focuses on three aspects to deliver a fresh approach.

- Our report focuses on “essential email”.
- Our report reviews insights from data about essential emails.
- Our report focuses on New Zealand data.

We can deliver this fresh approach because we have unrivalled access to essential email data. We manage the digital communications for many of New Zealand's largest companies.

We gained enough data for a detailed analysis

This report focuses on data analysis of the millions of essential business emails that Cumulo9 delivered from 1 April 2020 to 31 March 2021. We analysed comparisons of key metrics. We also analysed the results by various verticals (government and 12 industries).

Executive Summary

Here are a few insights from our analysis.

- On average, a person is 3.5 times (or 65%) more likely to open an essential email rather than a campaign email (18%).
- The best time of the day and week to send your essential emails is 8pm on weekdays or on Sunday morning.
- Gmail received the highest volume of email and one of the lowest hard bounce rates.
- Recipients are viewing their emails multiple times. This shows how valuable email is as a channel for cross-promotion (trans-promotional).

We also took the opportunity to see how New Zealand's results compare with global campaign results.

- The average click-through rate for New Zealand essential emails was slightly less than for global marketing emails. Essential and transactional emails have fewer links and direct response mechanisms than campaign emails.
- While essential email opens remain highest on Tuesdays and Thursdays, marketing emails sent globally have the highest open and click rates on a Friday.
- Globally, recipients may be experiencing a bit of fatigue with the increase in campaign emails. This is not surprising given that many companies in the year to March 2021 sent COVID-19 updates that required no action.

We explored the impact of COVID-19 on email in detail.

- Companies throughout the world started to rely on email to deliver their messages when restrictions due to COVID-19 came into force.
- Through the COVID-19 lockdowns, recipients have been more engaged and responsive to essential emails.
- Lockdown and the COVID-19 pandemic did not stop the growing shift to using mobile devices to open emails.
- Many recipients worked more from home and juggled multiple responsibilities. Yet this did not negatively impact how quickly they responded to the emails they read: the click-to-open rate increased slightly.

Purpose of this insights report

The purpose of this insights report is to give readers access to unique insights from a level of data that they would not normally ever have access to. We compiled this report due to the lack of quality/accurate essential email data available to businesses. We are publishing this report now because we have had the opportunity to analyse our essential email insights data over a unique 12-month period that included the impact on essential email communications by COVID-19. We hope this report will help you improve the effective ongoing management of your digital communications.

This insights report includes a headline insight and supporting insights with data. You'll also find helpful tips from our team of essential email experts about why you should care about your essential emails, and a glossary explaining some terms used in the report.

Scope of this insights report

The first of its kind globally, this New Zealand insights report about essential emails focuses on essential and transactional email data. To produce it, we analysed send data from 24 million essential emails sent by New Zealand businesses from 1 April 2020 to 31 March 2021. This one-year timeframe was unique because it included a period of COVID-19 lockdown and subsequent business recovery.

The COVID-19 pandemic has shaped, and continues to shape, how many enterprise companies and their teams work. The pandemic has challenged how businesses and people communicate. Email was one response to this challenge. It solidified its place as a core channel for essential customer communications. We examined opens, clicks, delivery, response, security and recommendations for businesses. We also compared New Zealand essential email with global campaign email.

About C9 Transact

C9 Transact is one of New Zealand's leading delivery solutions for transactional documents. It has a world-class success rate of 99.5% deliverability of essential emails, as confirmed by audit. As a result, important emails reach their intended recipients so they can act promptly. C9 Transact customers span a wide range of verticals (government and industries). Essential email communications include items such as payslips, remittances, rates notifications, invoices and statements.

Inbox placement, delivery, bounce and open rates, ISPs and email authentication

First, we analysed inbox placement trends in placement, delivery, and bounce rates.

Delivery failures are often hard bounces

We analysed almost 24 million emails sent from 1 April 2020 to 31 March 2021. Around 170,000 (or 0.7%) of these email messages did not arrive in the recipient's inbox, becoming hard bounces. Invalid address data was one main reason for non-delivery.

Insights

Non-delivery has a negative financial impact. Having to process, print, envelope and deliver nearly 170,000 messages by traditional mail channels costs more than NZ\$255,000 a year – or almost 0.01c for each of the 24 million emails we analysed.

\$255
THOUSAND



Delivery to mobile is increasingly important

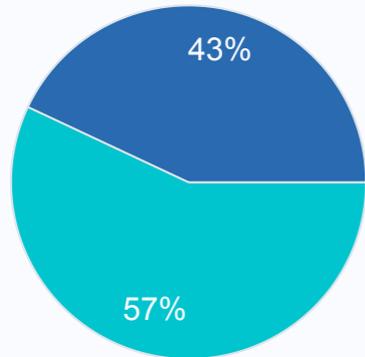
The importance of “Mobile First” remains. When it comes to email (and most things digital), designing for mobile first is more important than ever.

Insights

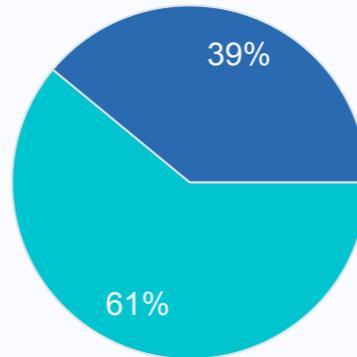
The trend towards using a mobile device to open email continues to grow, with a significant jump last year to a 61% open rate for mobile compared with 39% for desktop. (See the Glossary for a definition of “open rate”).

This rate is up from 57% for mobile compared with 43% for desktop in the previous 12 months. How long until we see two-thirds of all email being opened on a mobile device?

2020



2021



■ Mobile 57% ■ Desktop 43%

■ Mobile 61% ■ Desktop 39%



Design your emails for mobile. If you don't do this, about 60% of your customers are going to have a less than ideal experience with your brand.

Many people do not read their essential emails

Of all emails, 35% may not be opened and read. This average open rate was 5% lower than for the same period in the previous year. We tracked an overall open rate of 65% for the year (compared to 70% for the same period in the previous year).

Insights

While 65% is not bad when compared to campaign open rates, the rate still means that recipients may not be opening and reading many of the emails they receive.

The design of an email and its composition (structure and how it reads) are significant reasons for this. For instance, plain text emails with attachments cannot be tracked.



Improve the content of the email and provide recipients with a click through or a way to access their accounts. This action will improve your data capture around engagement.

Focus on increasing your open rates. This action can have a significant impact on your customer communications.

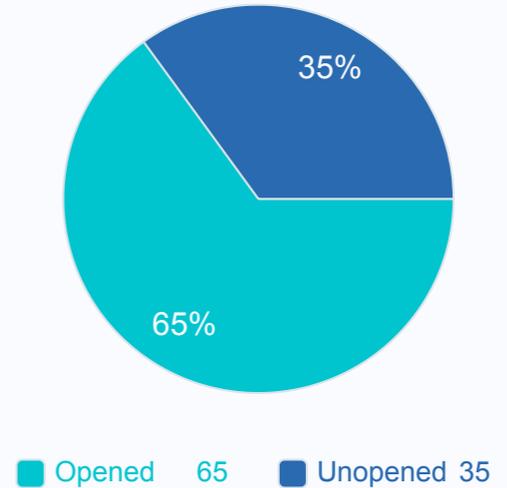
You could use strategies such as A/B testing (a user experience research methodology) to ensure you meet best practice for email security so that you establish your reputation as a trusted sender.

You could also focus on:

- delivering frequently and regularly
- writing compelling subject lines
- adding content (even just a logo and your mail address) to identify you as the sender and provide a level of authenticity.

Also use and maintain an accurate and up-to-date Sender Policy Framework (SPF) to improve delivery, but also inbox placement and therefore open rates.

Average Open Rate to year ending 31 March 2021



Few people click on a link after opening an essential email

Just under 11% of links in essential emails get clicked. Over 90% of clicks were from emails with SPF correctly configured. The click-to-open rate (CTOR) measures the percentage of unique recipients who clicked on a link after opening an email. We have used this measure rather than click-through rate (CTR) as CTOR provides a more accurate measure of the effectiveness of the email content. By contrast, CTR measures clicks as a percentage of the overall delivered emails regardless of whether or not they were opened.

Insights

Over the year we tracked essential emails, people only clicked on 10.8% of links in opened emails. Even allowing for some monthly variation and email client variation, the overall percentages are fairly consistent throughout the year. For example, of the main email client providers tracked, the highest CTR achieved was 14.8% (xtra.co.nz) and the lowest was 7.7% (gmail.com).



Make sure you include all your critical client information in the body of the email. Do not rely on your recipient clicking on your links

Make sure that important direct response mechanisms are effective, well displayed and well placed. Alternatively, host your clients' PDF documents in an accessible archive and provide a link to your portal login so engagement is easy to accurately measure. Then you will not face the technical challenge of recording when each PDF attachment is opened and viewed.

Many people open an essential email more than once

Emails that are essential and transactional often get viewed multiple times. For the period we tracked, the open rate was 1.6.

1.6 open rate

Insights

This open rate shows how valuable essential email is as a channel for essential communications, with recipients going back to check invoices, payslips and updates multiple times. As a result, recipients also refer to essential emails more often than marketing or promotional messages they receive.



Use email to send your essential communications.

Two ways to help your recipients engage with the email are to personalise each email and use relevant merge fields. These emails receive multiple views, and therefore offer you a great opportunity to include trans-promotional messages.

Most essential emails are sent in the evening and overnight

A large percentage of essential emails are sent outside typical working hours. Nearly a third of weekday emails are sent between 8pm and midnight. However, over the weekend more than 60% of essentials emails are sent between midnight and 8am. One result is that the “time to open” is relatively high – an average of 17 hours.

Days of the Week	Time of the Day	Percentage emails sent
Monday – Friday	00:00 - 03:59	15%
	04:00 - 07:59	11%
	08:00 - 11:59	13%
	12:00 - 15:59	23%
	16:00 - 19:59	9%
	20:00 - 23:59	30%
Saturday / Sunday	00:00 - 03:59	32%
	04:00 - 07:59	30%
	08:00 - 11:59	27%
	12:00 - 15:59	1%
	16:00 - 19:59	1%



Schedule your sends according to the type of communication and intended audience. When thinking about send times, also think about open times.

- Larger companies tend to batch process their essential emails overnight. When their customers log in the next day, those emails will already be in their inboxes.
- Make sure you have adequate resource to manage increased customer enquiries at the times when customers are likely to open those emails.

Insights

These times signal an important difference we noted between essential and campaign email. The time to open an essential email is less important than for a campaign email where the marketing objective may require a quick open time. Campaign emails are typically sent during times of the day when the intended audience is most likely to open them quickly.

Most essential emails are opened between 8pm and 9pm on weekdays

Most people open their emails between 8pm and 9pm from Monday to Friday.

Insights

If you want your customers to open your essential emails, think about this golden hour where the average open rate for essential emails is 72.5%. This rate compares with an average open rate of 65.5% for all emails we measured. The other popular open rate time is Sunday morning, with an average open rate of just under 71% between 8am and 10am. This weekend time may indicate that people are using their downtime to catch up on essential email communications.

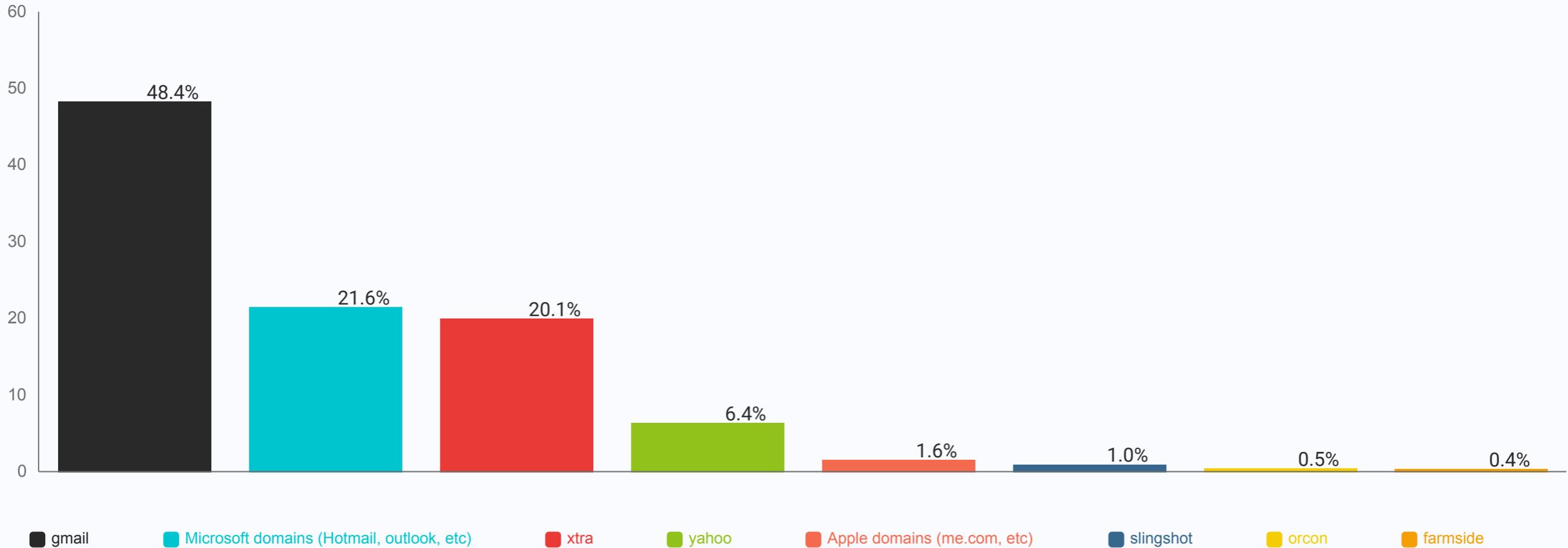


Test different send times for your customer email communications to see if your open rates improve and if they do, what times your customers prefer.

New Zealanders use a range of email providers, but Gmail is the favourite

Most New Zealanders prefer Google as their Internet Service Provider (ISP). Nearly 50% of essential emails are delivered to @gmail.com addresses. Hotmail is second and Xtra is third: these two make up 42% of the market.

ISP Breakdown/ Delivery
Percentage is of total send across the top 8 domains



Use of email authentication techniques such as SPF and DKIM is vital, but adoption of best security practices is slow

Gmail performs well with the highest volume of mail.

With the largest volume of emails sent (just under 50%), Gmail had one of the lowest hard bounce rates at only 0.3% compared to Hotmail at 1%. Xtra was in the middle, with a hard bounce rate of 0.6%.

Email authentication methods prove to ISPs and email services that senders are truly authorised to send emails on behalf of a particular domain (the web address that comes after the @ symbol in an email address).

SPF is nearing 80% adoption across all industry verticals after nearly two decades, while Domain Keys Identified Mail (DKIM) is still in its infancy —under 20%.

Insights

Soft bounce rates are low for most clients, with rates under 0.1% common across most domains.

ISPs continue to improve their filtering and antispam processes.

Over the past year, ISPs have significantly increased enforcement of SPF. Failure to have SPF in place results in emails being immediately rejected for many domains.

Major email providers are now starting to enforce DKIM and Domain-based Message Authentication, Reporting & Conformance (DMARC). As a result, SPF alignment and DKIM implementation are increasingly determining inbox placement.



Keep your IP reputation clean, and track your bounce rates. Both help genuine emails reach their intended recipients. Make sure you use SPF, DKIM and DMARC. If your ISP doesn't already require you to use these, it might do so in the future.



Covid-19's impact on essential emails sent, opened and read during lockdown in 2020

This section identifies changes in sender and recipient behaviour in New Zealand between 2019 (the year before the COVID-19 pandemic) and 2020 (the first full year of COVID-19).

We analysed the data for one Level 3 and 4 lockdown period in 2020 (23 March 2020 to 13 May 2020) against the same period in 2019. We also analysed a full year when we experienced COVID-19 against the non-COVID-19 year before that.

More essential emails were sent in the 2020 lockdowns

The COVID-19 pandemic with its subsequent restrictions and lockdowns led to more essential emails being sent. More than 6% additional emails were sent during the year after the first COVID-19 lockdown than during the previous year.

The total emails sent through C9 Transact increased by nearly 3% between 23 March 2020 and 13 May 2020 when the country was in Level 3 and 4 lockdown, compared to the same non-lockdown period in 2019.

Insights

This open rate shows how valuable essential email is as a channel for essential communications, with recipients going back to check invoices, payslips and updates multiple times. As a result, recipients also refer to essential emails more often than marketing or promotional messages they receive.

More people read essential emails in the 2020 lockdowns

The read rate for successful deliveries during the Level 3 and 4 lockdown period was almost 2% higher than the same non-lockdown period in 2019: 72.6% in 2020 compared with 70.7% in 2019.

Recipients engaged more with essential email communications when they were at home.

More people clicked on a link after opening an essential email

The CTOR for successful deliveries during the Level 3 and 4 lockdown period was 2% higher than for the same non-lockdown period in 2019: 11.6% in 2020 compared with 9.8% in 2019.

Insights

Again, recipients were more responsive to the emails they received during lockdown.



Use COVID-19 data to assist in the analysis of how you can better engage with your customers.

↑ CTR
2%

Covid Trends between 2019 and 2020

The read rate dropped by around 4% overall in the year after the COVID-19 lockdown.

While read rates improved over lockdown, they decreased for the rest of the year after restrictions ended. This trend may continue.



Include plenty of direct response mechanisms and opportunities for click engagement when COVID-19 restrictions are active.

Carefully consider the relevance, frequency and content of your email communications.

↓ OPEN
4%

Insights

Interestingly, while emails were opened more slowly on average in 2020, the click to open rate (CTOR) was consistent in 2021. Recipients did not open their emails as quickly in the year after the COVID-19 lockdown. Many recipients worked more from home and juggled multiple responsibilities. Yet this did not negatively impact how quickly they responded to the emails they read: CTOR increased slightly.

Lockdown and the COVID-19 pandemic did not stop the growing shift to using mobile devices to open emails. During the 12 months from 1 April 2020, more recipients opened emails using a mobile than a desktop. A 4% shift to using mobiles instead of a desktop resulted in 61% of essential emails being opened on mobile devices.

The table below shows the switch to mobile maintained its growth even though people were less “mobile” during the COVID-19 lockdown period.

Period	Mobile	Desktop
01/04/20 - 31/3/21	61%	39%
01/04/19 - 31/3/20	57%	43%
01/04/18 - 31/3/19	53%	47%
01/04/17 - 31/3/18	50%	50%



Stay “Mobile”.

“Mobile First” remains, and will continue for the foreseeable future. If you’re not designing your emails for mobile, then more than 60% of your customers are going to have a less than ideal experience with your brand.



New Zealand and Australia - Trends in essential email and campaign email

Using our unique access to both types of email data, we wanted to identify differences between key email metrics for essential email and for campaign email in New Zealand and Australia.

To help identify the differences between key email metrics, we have defined “essential email” and “campaign email” in the glossary of this report.

Far more people open essential emails than campaign emails

As noted earlier, the average open rate for essential email is 65%. We expected to see a drop in this for campaign email and this was confirmed, with an average open rate of just under 38% recorded for campaign email.⁴

More people click on a link after opening an essential email

The average CTOR in Australasia is higher for essential email than for campaign email.⁴ We also noted earlier that the average CTOR for essential emails was just under 11%, and 7.3% for campaign email data.⁴

Insights

We noted earlier that global CTOR were higher than CTOR for New Zealand essential email. So, the above is interesting as it shows that Australasia needs to do more work on CTOR for campaign email.

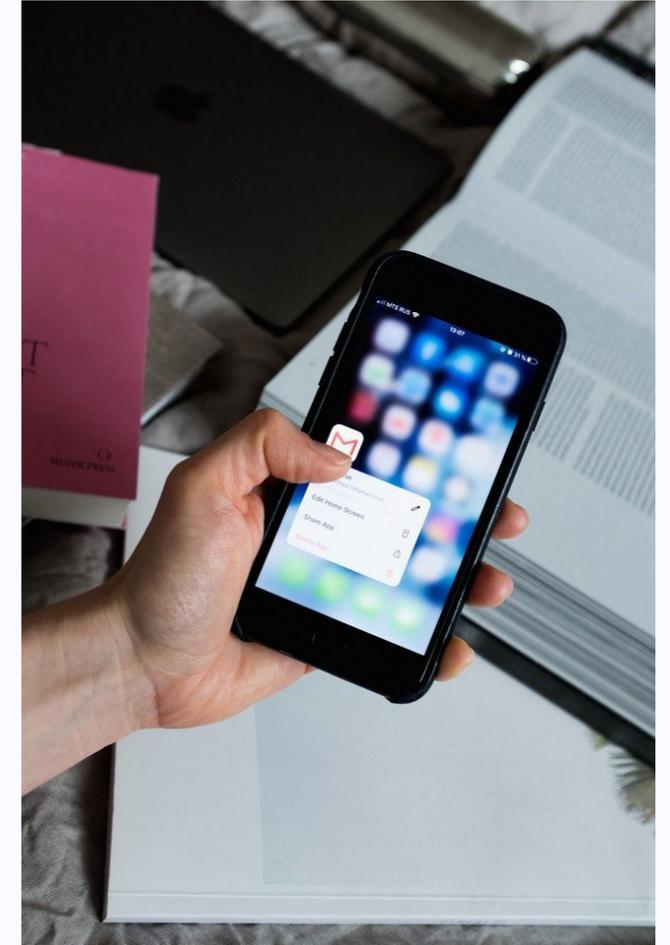
Higher click-to-open rates show that the emails you are sharing are engaging and adding value.

More people open emails on mobiles than on desktops

In Australasia, recipients are more likely to open essential email and campaign email on a mobile than on a desktop.⁴ During the lockdown period, the percentage of New Zealand essential emails opened on a mobile was markedly higher: on average, 61% compared with 54% for campaign email opens.⁴

This insight reveals an interesting contrast with the global comparison where desktop increased because COVID-19 restricted people's movements.

CAMPAIGN	ESSENTIAL
54%	61%



Gmail is the favourite email provider in both countries

Again, Gmail is the most used email provider for opening essential email (50%) and campaign email (42%).⁴



Format each email to match how the email provider renders its emails.
Make sure the email displays well on mobile and desktop.



New Zealand and the wider world - Trends in New Zealand essential emails versus global campaign emails

We thought we might gain insights by comparing similarities and differences in trends for New Zealand essential email and global campaign email.

We compared C9 Transact data with data from a 2021 global email report. (The references section in this report has a full list of information sources.) It is worth noting that the New Zealand data is based on essential and transactional email communications while the global data is campaign email. In part, this is due to a distinct lack of essential/ transactional email analysis worldwide. As a result, we also compared the differences between the two types of communications.



Send volumes increased by 6% to 7% for the 12 months to 31 March 2021

Globally, the volume of emails sent between 2020 and 2021¹ increased by an estimated 7%, while the Cumulo9 essential email increased by 6.5%. This increase is part evidence that companies throughout the world started to rely on email to deliver their messages when restrictions due to COVID-19 came into force.

People are three times more likely to open New Zealand essential emails than global campaign emails

The average open rate for the period for New Zealand essential emails through C9 Transact was 65.5%. This percentage is more than 3.5 times higher than the average 18% for global marketing emails.¹

It is more important than ever that you use email effectively to get noticed. Data consistently shows that the volume of emails is not slowing.



Think carefully about the subject lines, content, length and frequency of your essential email communications. Do you see an opportunity to use your essential email for marketing purposes?

Think about your branding and call-to-action strategies.

Highest open and click rates for essential emails are on Tuesdays and Thursdays

Essential email opens remain highest on Tuesdays and Thursdays consistent with past trends. Yet marketing emails sent globally now have the highest open and click rates on a Friday.¹

The global email benchmark open rates range between 17% and 18% each day, yet Friday showed the highest open rate at 18.9%.¹ Interestingly, in contrast to our essential email trends, Thursday had the second worst open rates and the Tuesday open rate dropped when compared with last year.

From this result, we draw two important insights about trends, especially during the pandemic. First, essential and transactional emails are still best sent during the week. Second, many people are still at home and choosing to open their marketing emails on a Friday (at the end of the work week).¹



Maximise the chances of recipients opening and engaging with your emails.

- Send your essential emails during the week.
- Send your marketing emails at the end of the week.

New Zealanders opened more essential emails on a mobile than the rest of the world

While globally, the average open rates for mobiles reduced over the period we tracked, in New Zealand they increased.¹ The opening of essential email on a mobile in New Zealand increased by 4% to 61%, while the global mobile opens decreased in by 7% to 54% for the first time in many years.¹

Insights

Recipients are more likely to open essential emails (such as invoices) on their mobile devices for follow up using their mobile.

Recipients are now less likely to treat marketing emails they receive on mobile with the same urgency.

Many New Zealanders own more than one smartphone on which they can receive emails

More than a third of New Zealanders have more than one phone, and 135.6% of the population has at least one smartphone as of 2021.³ This perhaps helps to explain our proportionately high rate of using a mobile to open an email. In contrast, the average smartphone ownership globally is about 67%.² Australia is expected to reach 75% smartphone ownership by 2022.³



Think “mobile first”. No matter where you do business in the world, more than 50% of emails are being opened on mobile devices. We will be tracking this trend with interest to see what develops.

Definitely design for “mobile first” when you are emailing to a New Zealand audience.

Click to open rate for New Zealand essential emails is lower than for global campaign emails

The average click to open rate for New Zealand essential emails was slightly less than 11% compared with just over 14% for global marketing emails.¹ Analysis shows that essential and transactional emails have fewer links and direct response mechanisms than campaign emails. Senders of essential email communications should include more cross-promotion and call-to action links. What difference would an increase in click-through rates make to your business retention and growth strategy?



Use your essential emails to cross-promote your business.
Add a call to action or a marketing action to the end of an email.
Add payment buttons to invoices where possible.

Click-to-open increased for essential emails and decreased for global campaign emails

When compared with the previous year, the CTOR increased slightly for essential emails in New Zealand to March 2021 and decreased slightly globally for campaign emails.¹

Insights

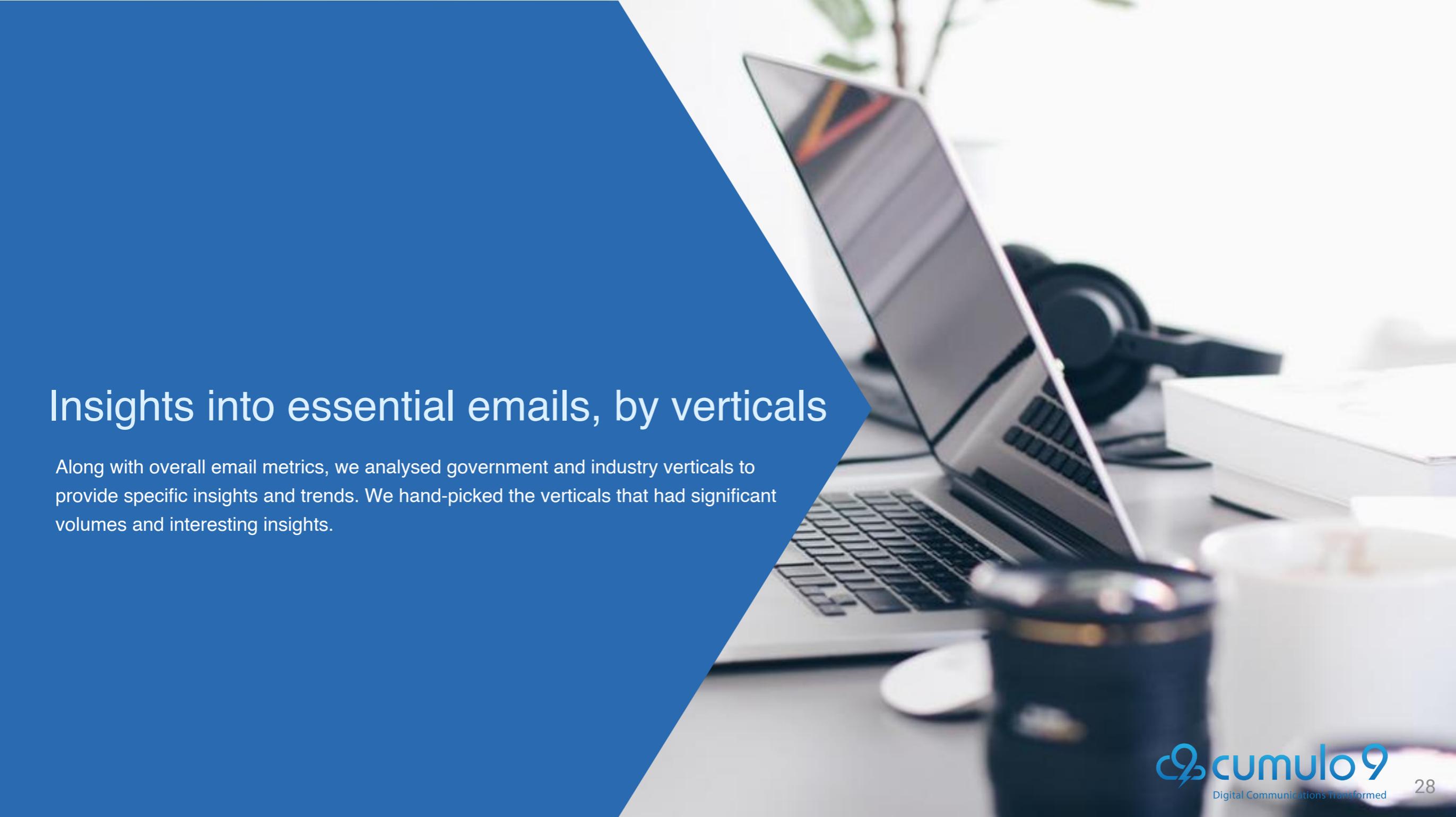
New Zealand essential emails are getting more engagement. Businesses in New Zealand are slowly including more direct response and click-through mechanisms and links in their essential emails.

Globally, recipients may be experiencing a bit of fatigue with the increase in campaign emails. This is not surprising given that many companies in the year to March 2021 sent COVID-19 updates that required no action.



Recognise that click-through mechanisms in emails definitely pay.

Given COVID-19, make these mechanisms timely and relevant. Recipient email fatigue during the pandemic has resulted in slightly reduced engagement with non-essential messages.



Insights into essential emails, by verticals

Along with overall email metrics, we analysed government and industry verticals to provide specific insights and trends. We hand-picked the verticals that had significant volumes and interesting insights.

We analysed government, local government, and 12 industries

Here are the verticals we analysed to gain useful insights.

Government	Local Government	Primary Industries
Utilities	Waste Management	Health
Finance	Insurance	Social
Services	Retail	Entertainment
Travel	Security	

This section has our observations from verticals that had significant volumes and very interesting insights.

Government, entertainment and utility industries deliver more essential communications by email

Government, entertainment and utilities industries have embraced email to deliver essential communications. Essential transactional communications sent for the Government, entertainment and utilities sectors represent more than 70% of the emails that C9 Transact delivered between April 2020 and March 2021.

Overall insights about essential communications by email

- Looking beyond simple volumes of email, one insight is that the highest click-to-open rates (CTOR) occur where incentives are part of the message. Recipients engage with these emails more.
- Verticals such as Finance and Insurance, which rely on document archives (with username and password-secured access portals) to protect their customers' information, have the highest engagement rates.
- We also see good engagement rates for senders who provide key information in the email or as an attachment. In these emails, senders provide a link or button for customers to access their account login from inside the message.
- Delivering messages to a schedule also helps drive results in engagement. We note across all sectors: the more regular the contact between senders and their contacts, the higher the engagement.
- Frequency also helps to improve engagement, but senders need to strike a balance between sending often enough and sending too often. This balance also depends on the type of communication, the industry, and recipients' expectations.



Use email as a cost-effective way to deliver your essential transactional information so that it reaches your customers with internet access.

- Email is a mature medium and the time for caution has passed.
- Email is the preferred medium for most customers, as they have ready access to the information on any device, at any place and at a time that best suits them.

Follow best practice by providing key details in the email so that customers have a positive experience.

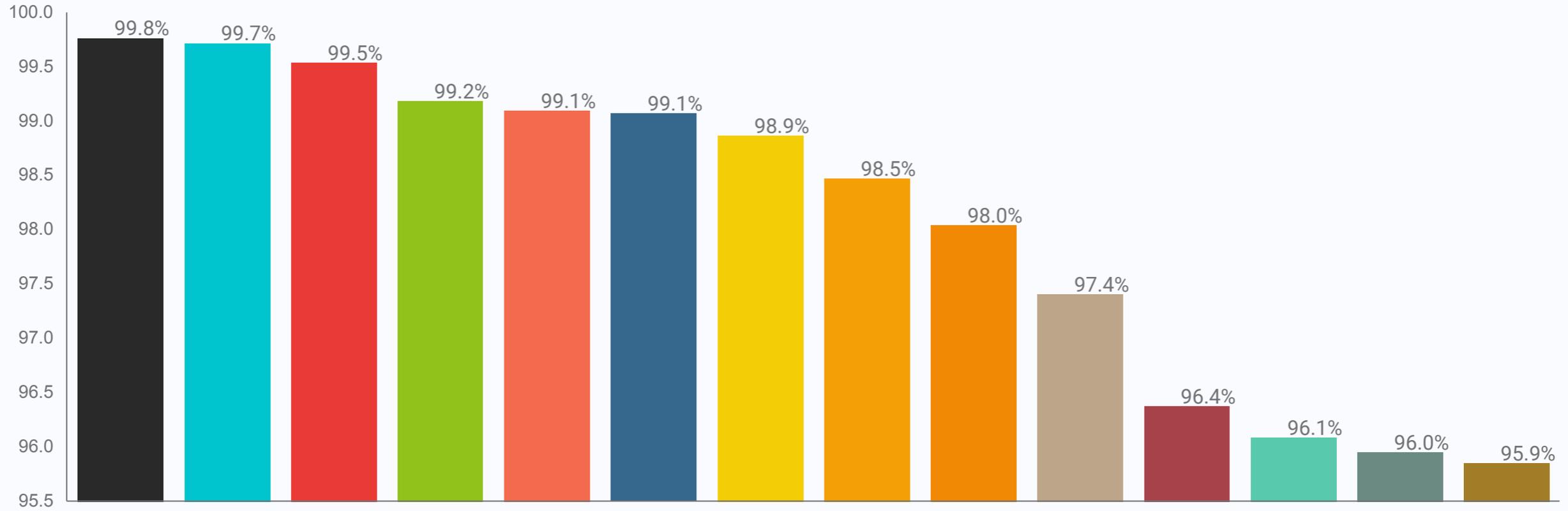
Include a call to action in every email. Even something as simple as a link to your website can connect recipients to more information about the services and products your business offers. A call to action in an email can also help you track and measure your email's effectiveness.

Government and industries show high open rates for key communications

Essential messages cut through clutter. Across verticals, and particularly in business-to-consumer (B2C) communications, we see high CTOR for key communications such as payslips, annual renewals, monthly statements and other messages customers expect to receive.

Delivery Rate by Industry
Measured delivery via C9 Transact

This bar chart shows delivery rate by industry.



- Health
- Utilities
- Education
- Waste Management
- Social Services
- Entertainment
- Travel
- Finance
- Local government
- Retail transactional
- Primary Industry
- Security
- Banking
- Insurance

Insights

From the range of emails we deliver, we know that when senders do certain things, more emails get to the correct inbox and more people open and act on them.



- Clearly identify the sender.
- Keep databases of customer contact details up to date.
- Communicate regularly and often.
- Follow email security standards (such as SPF, DKIM and DMARC).
- Provide opportunities for recipients to engage through links. You will see your click-through rates (CTR) improve.

Click rate shows finance, travel, utility and insurance industries are leaders in engagement

Finance, travel, utility and insurance industries lead the way in engagement.

Insights

The companies that take these actions show consistently high deliverability, read rates and click-throughs.

- Deliver graphically rich, personalised, targeted (and segmented) messages that contain key information to their customers.
- Deliver these messages regularly.
- Direct recipients to portals to access additional or private information.



Best practice contact management and data integrity help to counter bounce rates

Best practice in contact management is clear in delivery results.

Insights

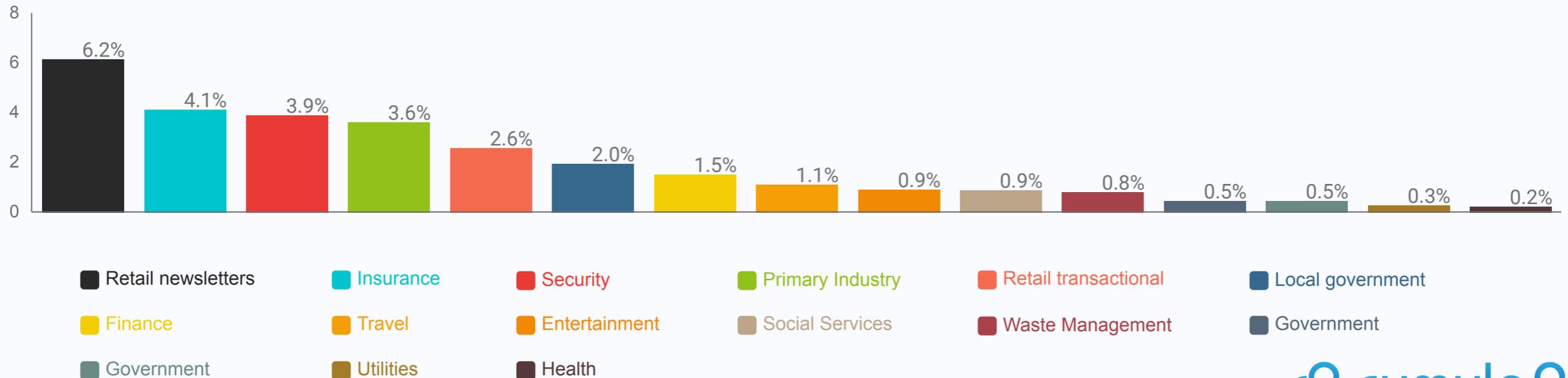
- The deliverability of C9 Transact essential email is far higher than the deliverability for regular marketing newsletters.
- The vast majority of non-delivered emails are the result of Hard Bounces that are caused by out-of-date or poorly captured customer email address details.
- This bar chart shows the total bounce rate by industry (axis labels are in order from left to right, line by line).



Have processes and facilities in place to confirm that contact data is relevant, up to date and accurate.

- Have data validation processes to make sure all captured data requires double entry and is verified upon saving.
- Have facilities that allow customers to update their records directly.

Bounce Rate by Industry
Measured delivery via C9 Transact



Local Government: People favour links that connect them directly with government

Recipients of essential communications from local government will interact with that local government if the communications contain links for them to interact.

Insights

While CTOR are generally high across this vertical, click-throughs are only noted on those emails that feature an option to connect directly to interactive portals — such as dog registrations.



Provide a call to action in every email if you want to measure response and engagement.



Primary Industries: Building trust for business-to-business emails takes time and consistency

Insights

The primary industries sector is dominated by business-to-business (B2B) messages. The open rates consistently improve after DKIM is put in place and used. The increase in open rates over time also correlates with users of traditional postal service migrating to email and with the growing expectation that delivery will be by email.



Are you still treating email as a new technology?

Two actions increase uptake of email over time.

- Constant use of email to deliver messages.
- Passing on the costs of traditional postal delivery to business customers who insist on receiving paper statements.



Utilities: Mature branding, innovation, responsiveness, and consistency deliver positive outcomes

Insights

Delivery and open rates are high, as is adoption of SPF and DKIM. Email templates tend to be graphically driven, and mobile responsive. Some templates use innovative approaches such as animated GIFs (Graphics Interchange Format) to deliver design requirements.

Content is also segmented and highly personalised, with incentives to log in to Utility portals for further information or to do essential tasks.



Get your essential emails right. This will take time and dedication, but:

- you will find the results are measurable
- you will find the return on investment (ROI) justifies the effort.



Finance: Contact management realises significant return on investment

Investments in contact management show real ROI.

Insights

Keeping contact records up to date is essential. When comparing delivery rates for hard and soft bounces across the finance industry, the differences are profound. Financial companies that maintain their records carefully have up to 10 times fewer rejected emails.

Frequency of delivery also impacts on delivery rates, but particularly on open rates. Financial companies that send monthly accounts have considerably higher open rates than financial companies that send accounts twice a year.



Make sure you have processes in place to capture changes in client details, particularly email addresses.

Another option is to allow customers to manage these details. If you take this option, make sure your data entry includes careful validation of the customer's input and that you have a robust confirmation process.



Insurance: Personalisation and segmentation boost engagement

We have seen consistently high CTOR (around 30%) in the insurance industry for essential emails sent with a specific purpose. Examples are:

- emails sent within one hour of a customer signing up to a policy.
- graphic-heavy annual statements that contain links to industry portals (compared to daily letters that are informational and contain limited links).

Insights

As a whole, the insurance industry has been slow to adopt DKIM. Despite this, the industry enjoys good open rates, particularly on purely transactional emails such as policy confirmations.

Click-throughs are consistently higher when content is personalised to the customer and they have to access information via a portal linked to from inside the email.



Use data on a customer if you have it. Segmentation of data to provide relevant information to recipients improves customer experience.

Engage with your customers effectively. The result will be quick turnaround of transactional communications with a specific purpose (such as policy documents).



Retail: Business-to-business enjoy higher engagement than business-to-consumer retailers

Content is king. Our retail customers span a wide range of businesses.

Insights

In general, B2B retailers enjoy a far higher engagement than B2C retailers. This difference is largely due to the purpose of, and content in, B2B messages. These messages enjoy far higher open rates because they are transactional and recipients are expecting them.



Be intentional with your message delivery.

Follow best practice by using separate services and sender addresses to deliver specific message types. Then you will see your essential email cut through a recipient's inbox clutter.



Entertainment: Security and database maintenance are vital

Over the course of the year, SPF was put in place and enforced by our customers in the entertainment sector. This was followed by putting DKIM in place.

Insights

Deliverability rates improved markedly for main domains (used for transactional emails) and for subdomains (used for informational emails) once SPF and DKIM were both in use. Where DKIM was put in place, failed deliveries decreased by between 4% and 5% to under 2%.

Clients in the entertainment industry also invested in API-linked systems to monitor failed emails and remedy incorrect addresses in their databases. An application programming interface allows two applications to communicate with each other to access data.



Note any failed emails, and why they failed.
Keep all addresses in your database correct, and remove addresses no longer used.

Removing out-of-date addresses can improve delivery to legitimate addresses. Some ISPs monitor all delivery attempts from a source. If more than a set number of emails fail for any reason, the ISP temporarily rejects all other emails (greylists them), or rejects them. Keeping correct addresses helps to prevent this happening.

Security: Simplistic email design and default subject lines lead to fewer opens and click throughs

The security industry has low open rates.

Insights

Failure to adopt email security best practice (SPF and DKIM) is a main contributor to overall non-deliverability.

Some in the security industry also prefer text-only emails with simplistic designs, along with default subject lines. The result is fewer emails being opened and a lower CTOR.



Think carefully about how your customers will judge your message. If possible, personalise an email's subject line and content. Effective email design and content can boost the number of customers who open emails and drive engagement with your business.



Key insights and helpful tips: Final thoughts

We hope you have enjoyed our first Cumulo9 Essential Email Insights report, and are now thinking about how you can use these insights to further improve your digital communications. To summarise here are our key insights and helpful tips.

Key insights

- We found that, on average, a person is 3.5 times (or 65%) more likely to open an essential email than a campaign email (18%).
- Email is a mature medium and provides a cost-effective method to ensure essential transactional information reaches your customers who have internet access. It is also the preferred medium for most customers, as they have ready access to the information on any device, and at any time and place.
- Recipients are viewing their emails multiple times. This shows how valuable email is as a channel for cross-promotion (trans-promotional).
- Gmail received the highest volume of email and one of the lowest hard bounce rates.
- Through the COVID-19 lockdowns, recipients have been more engaged and responsive to essential emails.

Key helpful tips

- Send your essential emails at 8pm on weekdays or on Sunday morning. We found that the best time of the day and week to send essential emails.
- Design for “mobile-first”. Mobile device open rates for email continue to grow. Effective design and composition of your emails are pivotal to making sure that more people open and read your emails.
- Include all your critical client information in the body of an email: do not rely on your recipient clicking links in the email.
- Send your bulk essential emails at a time when you have enough resources to manage the resulting increased customer enquiries.
- Take time to ensure you have the best email security in place. Email service providers are becoming stricter with security, particularly around SPF, DKIM and DMARC. Your action will help to speed up the slow pace of adoption of best security practices.
- It takes time and dedication to get essential emails right, but the results can be measured and tracked, and the ROI justifies the effort.

About Cumulo9

Cumulo9 helps businesses transform their digital communications with focused solutions. Our suite of on-premises and cloud offerings comprises a full range of products including our own C9 Transact, C9 Signature and C9 Campaign, as well as Quadient's Inspire and Syncsort's Vault.

The team at Cumulo9 are experts in ensuring that all our clients' essential business communications are relevant, clear and secure — and all with world-class deliverability (audited at 99.5%*).



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Glossary

Bounce Rate: the percentage of email addresses in a database that did not receive your email because a recipient mail server returned it. Bounces can be “hard” or “soft”.

- A **hard bounce** is the term given to an email that cannot be delivered (permanently). In most cases, bounced email addresses are cleaned from your database automatically and immediately. Cleaned addresses are then excluded from all future campaign sends. For essential email, a “hard bounce” typically means the communication will have to be sent another way such as by post with the additional expense incurred. This increased cost is one reason why a high delivery rate is important, such as Cumulo9’s audited 99.5% deliverability.
- A **soft bounce** is the term given to an email that gets as far as your recipient’s mail server, but bounces back undelivered before it gets into the inbox. A “soft bounce” is usually where the address is valid, but the email was not delivered for another reason (such as the recipient server being down or the recipient’s inbox being full).

Campaign Email: An email that:

- is more marketing based, while still typically delivered by a business
- contains promotional, marketing or brand-based content
- is typically sent out in smaller volumes and with a targeted approach

Examples of campaign emails are newsletters, invitations, promotions and special offers.

Click Through Rate (CTR): the percentage of people who clicked a link in your email.

Click To Open Rate (CTOR): the rate at which people opened an email:

- also measures how many people clicked on a link, but only considers people who got as far as opening your email
- does not include everyone on your email list or all the emails delivered.

Domain Keys Identified (DKIM): an email authentication technique that gives the email a digital signature, which allows the receiver to check that an email was actually sent and was authorised by the domain’s owner.

Domain-based Message Authentication, Reporting & Conformance (DMARC): an email authentication, policy, and reporting protocol that allows the receiver to check that an email was actually sent and authorised by the domain’s owner. This is done by giving the email a digital signature.

Essential Email: a business email that must be delivered (such as an invoice, a payslip, or a statements), is typically high volume, and focuses less on marketing.

Global Email: email sent and reported on globally; global email generally refers to campaign or traditional marketing email metrics.

Internet Service Provider (ISP): In essential email circles this is sometimes referred to as “The Client”; for email, ISP means providers like Gmail, Hotmail, Outlook and AOL.

Open Rate: the percentage of people who opened your email in the first place.

Sender Policy Framework (SPF): an email-authentication technique used to prevent spammers from sending messages on behalf of your domain.



References

We used the published resources below to compare New Zealand email and campaign email trends, as well as New Zealand email and global email. The numbers for each reference match the reference numbers in sections 3 and 4 of this insights report. All additional statistical analysis was drawn from C9 Transact reporting.

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2. Bankmycell. 2021. Smartphone Addiction Facts & Phone Usage Statistics: the definitive guide (2020–2021 update).
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