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Digital Communications Transformed

# New Zealand Essential Email Insights Report 2024

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# Executive Summary

Email insights reports have been established for some time now; various companies have been meticulously downloading data, analysing it, and generating reports for many years. The Cumulo9 email insights report, however, is distinctive in that it focuses exclusively on 'essential email' data and its analysis. With our ongoing management of digital communications for many of Australasia's largest organisations, we (Cumulo9) enjoy unparalleled access to essential email data. Now in its 4th year, this report is once again packed with insights, analysis and tips, essential reading for any organisation sending essential email.

## A fresh perspective on reporting on insights about essential emails.

This 4th edition of the Cumulo9 Essential Email Insights Report focuses on data analysis taken from the many millions of essential business emails delivered by Cumulo9 over the period 1 January 2023 to 31 December 2023. We have looked at trends for key metrics such as open and click rates - for example, essential emails are nearly twice as likely to be opened compared with campaign emails (74% vs 44% on average) while the click to open rates are a lot closer, being 7.5% for essential email and 6.7% for campaign email. In other big news we have finally seen the trend to mobile device opening rate stall at 69%, the same as our prior report and the first time since we started tracking this that there has not been at least a 4% increase year-on-year. We also look at other significant email trends such as hyperlink clicks, service provider preferences and the positive trend of increased email security focus. While the data is primarily NZ-focused, we also take the opportunity to see how New Zealand's results compare with Australian and global results, and we look at the results by various industry sectors, including both Government and Private sector.

## About C9 Transact

C9 Transact is a leading global digital delivery solution operated by New Zealand based digital communications provider Cumulo9. With a world class audited 99.5% deliverability, C9 Transact ensures that essential emails reach their intended recipients promptly, enabling timely actions and saving money. Serving a diverse clientele across many sectors, C9 Transact facilitates the seamless delivery of essential email communications, including pay slips, remittances, notifications, invoices, and updates.

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# Inbox placement, delivery, bounce and open rates, ESPs and email authentication

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



# Just under 0.2% of all C9 Transact essential emails did not arrive in the recipient's inbox, this is far less than the industry average of 10%

Once hard bounces have been taken into account (removed from the delivery stats), we analysed the millions of emails we sent during the period and around 0.16% of these messages could not be delivered to the intended recipient – this was down from the prior year.

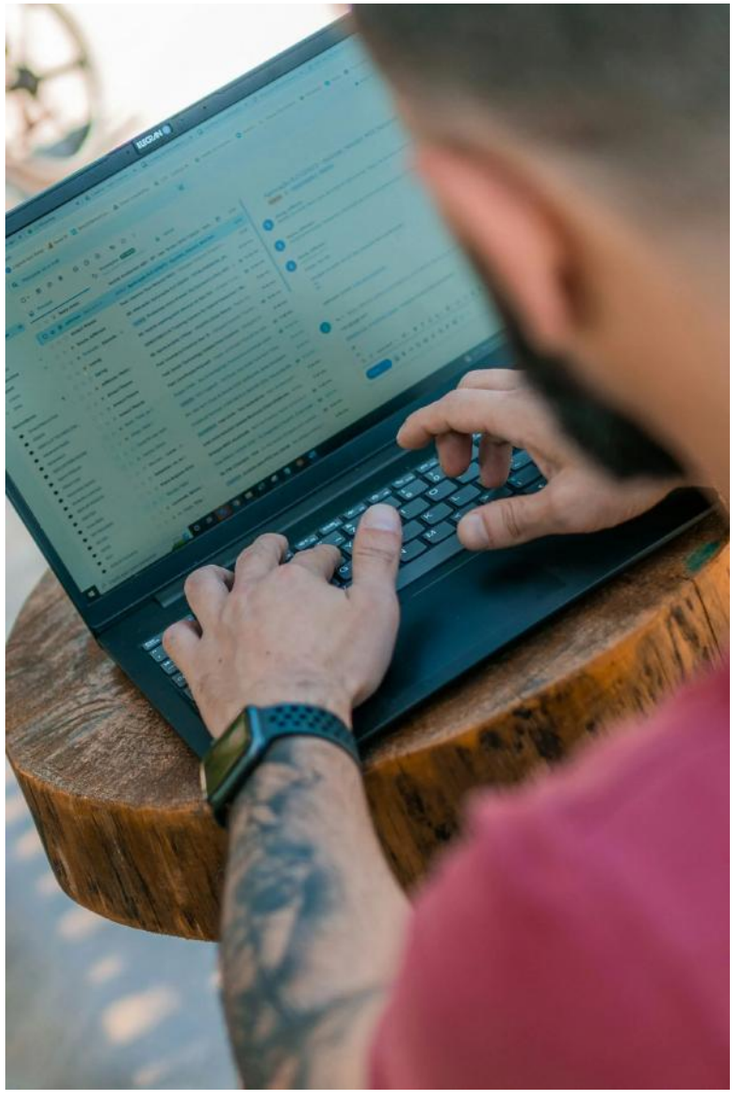
This highlights the importance of working with a strong essential email solution provider - C9 Transact users enjoying a soft-bounce rate (around 0.16%), well below the industry average of 10%.

Thanks to additional reporting functionality within C9 Transact we can now also report on mailbox full errors, which account for just two tenths of a percent (0.02%) of email delivery attempts, but still effectively represent a cost to business if the communication needs to revert to print and mail to ensure delivery.

As these messages can be identified, it is possible to provide custom messaging with the print and mail communication to ensure the recipient updates their delivery address or clears their inbox so delivery can be completed on subsequent messages.




Ensuring your database is kept ‘clean’ directly impacts your bottom line. Include a call to action with your essential email asking the recipient to update their contact details if they change mailbox host / domain – potentially with a link to a form allowing them to update their details directly within your CRM system. Getting your reputation in order will ensure deliverability, but keeping accurate details of the people you send essential email to allows you to personalise messages more effectively, thereby improving engagement, improving your inbox placement rate – the holy grail of email delivery.



# Why deliverability matters to your bottom line

When we hit send on an email, we have been conditioned to expect that it will arrive in the inbox (deliverability). However, as we know, not all emails reach the inbox. For example, earlier in the report we noted that on average just over 0.5% of all essential emails were a hard bounce – meaning that the email address was no longer valid and the email was not delivered.

## Insights

What impact does this have on your bottom line? With essential email, the option of it not being delivered is not sustainable. Therefore, organisations need to look at more traditional methods such as post to reach their customers with essential communications. Switching to traditional mail would cost about NZ$2.50* per letter. If you are sending on average 100,000 emails a month, that's 600 emails that did not get delivered and an extra NZ$1,500 spent every month, or around NZ$18,000 annually.

*estimate based on cost of materials, processing, labour and postage.

If you are not already using C9 Transact and consequently your bounce rate is closer to the industry average of 10%, those costs could reach as high as NZ$300,000 a year. That is the money you could be saving just by ensuring your emails reach their destination.

It's not all about the money right - going digital with your essential emails not only saves money but also helps the environment. Reducing your dependency on paper communication supports your company's sustainability goals and aligns with the growing consumer preference for eco-friendly practices.




Two of the key strategies to improve your deliverability rates are improving your security settings to pass spam checks and maintaining an accurate and up-to-date email database. On the previous page we discussed some of the security actions you can take. And when was the last time you asked your database to confirm/update their details with you?



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# Have we hit the high water mark for mobile viewing?

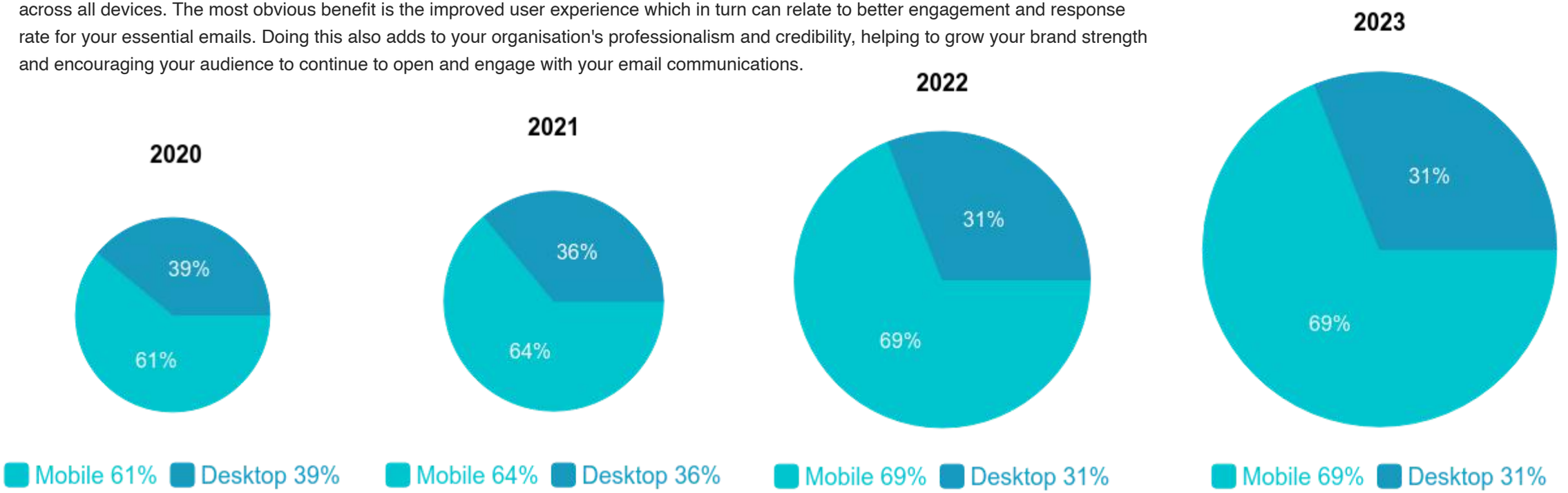
It turns out New Zealanders are reading their essential email like it's 2022 still. Yes, for the first time since we have been producing these reports we have seen a levelling off in the trend towards mobile first growth. That's not to say mobile is not the device of choice for us to read our emails on, with it still showing a healthy 69%. However for the past few years we have seen a steady increase in the percentage of people reading their essential emails on mobile devices – growing by around 4% year-on-year. In this year's report we are seeing the same split as in 2022. Does this mean we have hit the peak for mobile in terms of usage? We're not convinced and it will be interesting to see if this levelling out continues.

**MOBILE OPENS 2023**

**69%**

## Insights

In light of the levelling out in desktop views we thought it timely to remind you of the benefits of ensuring your emails are easily readable across all devices. The most obvious benefit is the improved user experience which in turn can relate to better engagement and response rate for your essential emails. Doing this also adds to your organisation's professionalism and credibility, helping to grow your brand strength and encouraging your audience to continue to open and engage with your email communications.



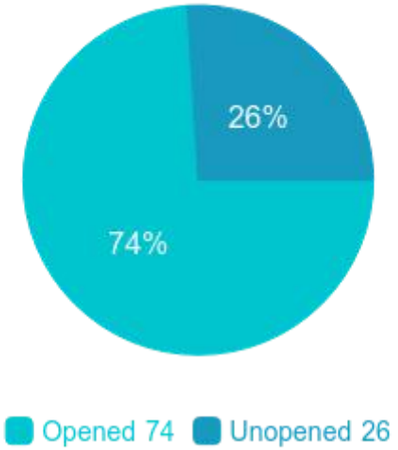

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# Just over a quarter of all emails could not be definitively confirmed as having been read

For the third year in a row we have seen a significant increase in the overall open rate. Up from 60% 2 years ago, to 66% 1 year ago and now we have seen an impressive average open rate of 74% for essential email.

This compares very favourably with campaign email which has been the case historically for essential email. However this significant increase in the open rate over the past 3 years is good news for senders of essential email. This could point to improvements in sender practices such as content enhancement or improved security practices.

**Average Open Rate to year ending 31 December 2023**

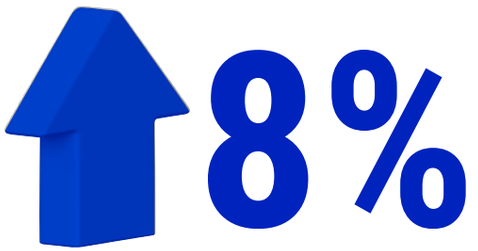



## Insights

While 74% is a good improvement in the overall open rate, it still leaves around a quarter of all essential email still going through unread. Think about your own essential email messages and the potential impact of these not being opened and consider some small steps you could make to improve this – see tips below.




For essential email it is important to do all you can to ensure your recipient notices and understands your email promptly so they will open it and action it. A couple of simple techniques include using clear and informative subject lines and pre-headers. This along with consistent formatting and branding will help recipients recognise the email at a glance and take action.

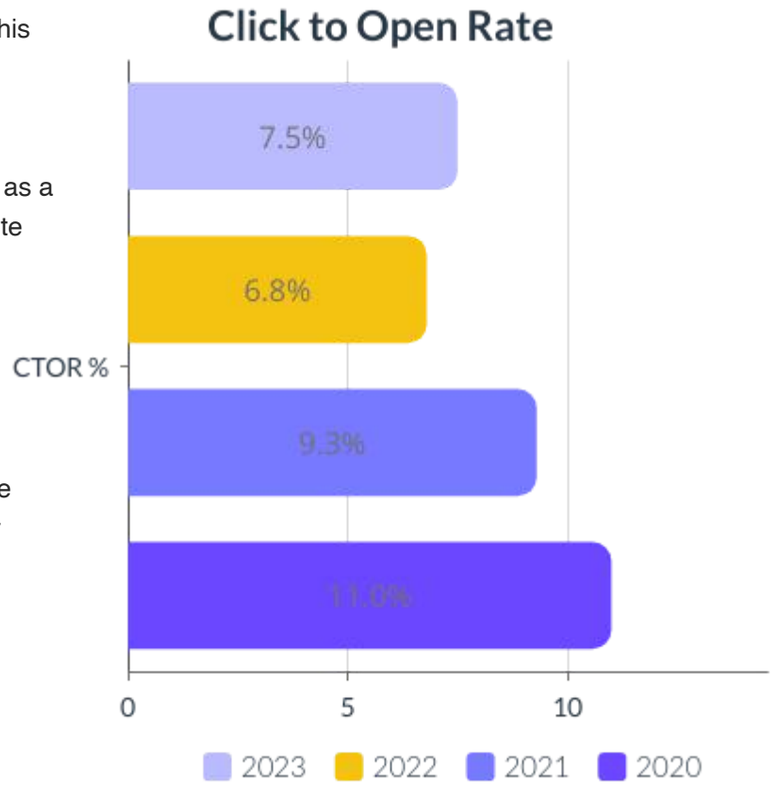



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# An average of 7.5% of the links in opened essential emails get clicked

The click-to-open rate (CTOR) measures the percentage of unique recipients who click 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 they were opened.

While the industry has shied away from CTOR as a metric over the past three years - due to most services recording inflated open rates as a result of Apple's MPP - C9 Transact's proprietary tracking technology allows us to provide an accurate view of open and click rates despite the introduction of MPP.




## Insights

Over the entire year, we tracked 7.5% of opened emails with a link that was actually clicked. This is notable as the slight upward increase has bucked the trend we saw in our previous report (3% decrease in CTOR). This is an increase of nearly 1% vs the 2022 calendar year (6.8%), down from 9.3% in 2021.




Your email design and layout is still an important consideration for essential email and can make a difference when it comes to encouraging engagement and increasing your CTOR. Make sure your email is visually appealing, easy to scan, and has a logical flow that leads the reader towards the call to action naturally.

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# Recipients go back to view essential emails more than once

**1.4** open rate

For the reported period, the average open rate was 1.4. This is nearly the same as the 2022 calendar year when the open rate stood at 1.5. We still see recipients return to check invoices, payslips and updates more than once in many cases.



## Insights

This open rate shows how valuable essential email is as a channel for vital 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.




Email continues to be a primary business communications channel. Ensure you send important messages through email and focus on your reporting while determining the most effective language and call to action methods.

# Week day evenings are again the most popular – and we're still protective of our weekends.

Week days and in particular between 8pm and midnight are once again the most popular times for sending essential emails with this time slot accounting for nearly a quarter of all essential emails sent last year. Interestingly there has been very little change in the split by time of the day this year and for all the work/life balance supporters out there you'll be pleased to see there is still very little essential email action happening over the weekend.

## Insights

This year we have seen more levelling out of the variance between the different times of the day essential emails are being sent out. If this trend continues we will see a flattening out of the variations around the time of the day.

However, with just under a quarter of all essential emails still being sent out on week day evenings we don't expect to see this change significantly any time soon.

| Days of the Week | Time of the Day | Percentage emails sent |
|---|---|---|
| Monday – Friday | 00:00 - 03:59 | 15.1% |
| | 04:00 - 07:59 | 5.9% |
| | 08:00 - 11:59 | 18.4% |
| | 12:00 - 15:59 | 16.2% |
| | 16:00 - 19:59 | 10.6% |
| | 20:00 - 23:59 | 24.8% |
| Saturday / Sunday | 00:00 - 03:59 | 4% |
| | 04:00 - 07:59 | 1.8% |
| | 08:00 - 11:59 | 1.4% |
| | 12:00 - 15:59 | 0.4% |
| | 16:00 - 19:59 | 0.1% |

# Emails sent during the weekend are less likely to be opened

On the previous page we reviewed the popular times of the day to send out essential emails. Here we look at what impact this has on important metrics including the open rate and the time taken to open.

## Insights

The big finding is that emails sent during the week are more likely to be opened by around 5%. Certainly, something to take into account when you are sending high-volume essential emails out. And the best time of the day to get a higher open rate? Based on our data the time zone with the highest open rate is the good old 8 pm – midnight time slot, no surprises that this is our most popular time to send emails as well.




And what is the best day of the week to send an email (and get it opened) - Tuesday is the clear winner with an average open rate of just under 75%. Tuesday is a couple of percentage points ahead of the next closest day (Monday) and daylight ahead of a Sunday with a paltry 64.8% open rate.



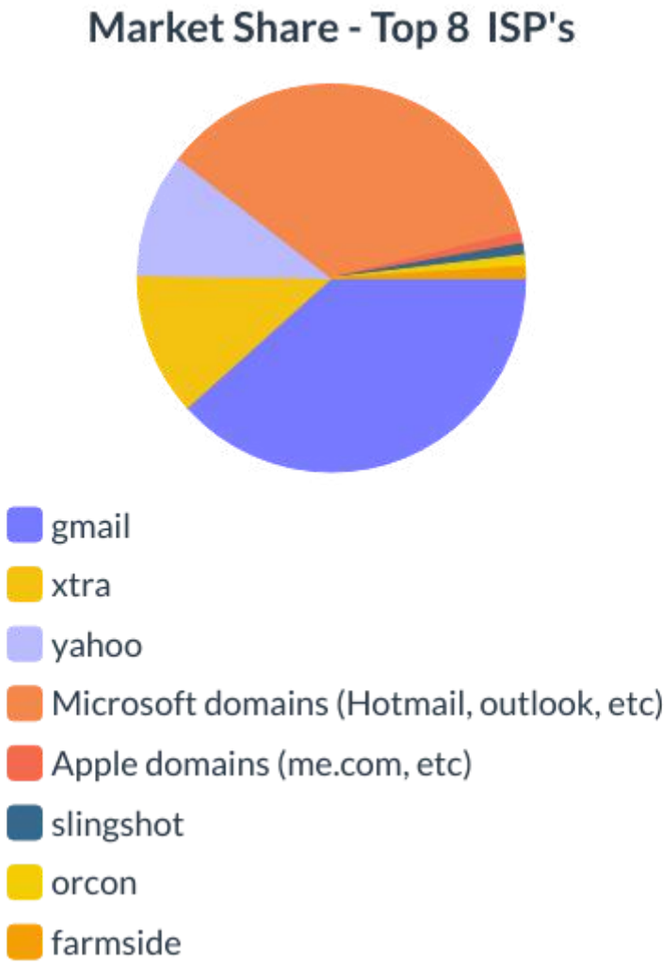

Think about when you send out your essential emails, if having them opened is important (and why else would you be sending them...) then aim for week days if you can and ideally in the evening. If you have to send emails over the weekend then aim to get these out in the morning if you can as the 8am – midday time slot is a winner in terms of weekend open rates.

And if speed of opening is important, interestingly, our data shows that weekend afternoons might be worth taking a look at, emails sent during this period have an average time to open rate of around 12.5 hours. This compares favourably with the average weekday time to open of nearly 22 hours.

# Kiwis adoption of private domains increases

We noted a clear shift in the demographics of our senders' customers over the 2023 calendar year, reflected in the makeup of the top 20 domains we deliver to. Around 41% of all essential emails were delivered to @gmail.com addresses, down from 50% in 2022.

While Google is clearly the ESP of choice for most Kiwis, Hotmail and Xtra make up 29% of the market in second and third place. This change reflects the growing percentage of 'personalised'/corporate domains we see reflected in our delivery profile – many of which are hosted on either Google Workspace or Office 365 but do not use the gmail.com or Hotmail/Outlook/MSN domain identities.




# Gmail deliverability continues to perform well

With near half of all emails being delivered to Gmail addresses, the service has maintained excellent overall deliverability – with just 0.3% of emails hard-bounced – exactly the same rate as seen in 2022.

This compares extremely favourably with private domains, which show higher rates – likely due to staff changes and those who have used their corporate addresses failing to update their details with service providers such as utilities when they move to a new employer.

Soft bounce rates perform well across most clients, with rates of 0.1%, or less, common across most domains.



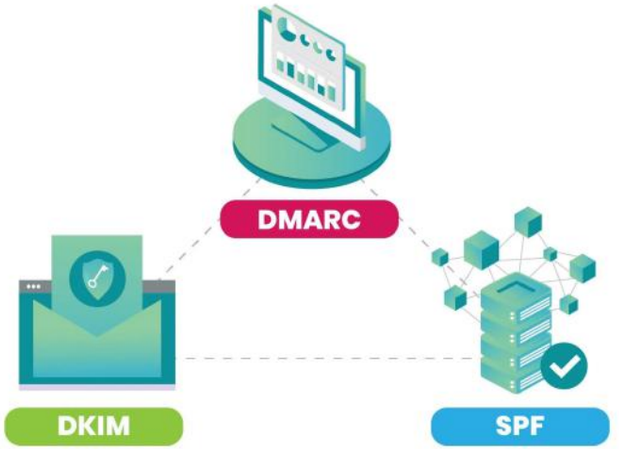

Using a reputable sender to deliver your essential emails and updating email addresses immediately when customers change ESPs ensures emails get to the inbox.

# Use of email authentication techniques such as SPF and DKIM has continued to improve dramatically.

## Insights

SPF adoption has reached more than 95% adoption across all industry sectors - only a small increase on the previous year but fast approaching 100% - we expect that with the Gmail and Yahoo changes in 2024, the numbers for 2024 will be in the high 90s and possibly 99.9% by 2025, allowing for transient DNS issues or human error when updating records. DKIM has seen a worrying decline in adoption in 2023, possibly because of errors in published records as domains scramble to make changes for DKIM and DMARC on the back of ESP warnings about enforcement coming in 2024.

The strict enforcement of SPF by ESPs has continued as expected, and there has been a notable uptick in the application of DMARC for many domains, albeit many have yet to progress from reporting to quarantine or to full enforcement..







You can do several things to ensure your emails are delivered to the inbox rather than the spam folder.

1. Authenticate your email using both SPF and DKIM, publish a DMARC record and monitor the reports you receive.
2. Use a reputable email sender who provides local support and per-mailout DNS checking to ensure you stay on top of SPF and DKIM.
3. Keep your contact/customer database clean and up-to-date.
4. Avoid using spammy words and phrases in your email content or subject lines.
5. Use a responsive email design, including data-driven content and personalisation.
6. Monitor your email sender reputation, in particular the IP addresses assigned to your domain.
7. Keep your dedicated IP addresses warm through regular use and avoid unexpected volumes if at all possible – it is better to plan large annual communications to dispatch over several days at lower volumes than to trigger ESP's blocklisting algorithms by attempting to deliver large volumes out-of-the-blue.

# Apple Mail Privacy Protection continues to inflate open rates for Apple users

Our last report explored the impact of Apple Mail Privacy Protection that was introduced in September 2021. This security feature prevents senders of emails from collecting data on when and where the email was opened, as well as hiding the IP address of the recipient. The impact of this feature on email marketing has been significant in terms of open and click rates. Most email providers noticed that their open rates are now unreliable, as email reports show a significant rise in email opens because Apple pre-loads the email content. In parallel, the CTOR rates have often decreased as a percentage of opens; therefore, this metric is also inaccurate.

## C9 Transact essential email open rates have not been artificially inflated as a result of Apple Mail Privacy Protection



While C9 Transact can no longer determine the exact Apple device or email client (e.g. iPad and AppleMail or iPhone and Outlook App for Mac), our open and click times remain accurate. MPP is not presenting us with false opens to Apple users because of pre-caching. If users click on a link, we can also determine the device and email client more accurately, allowing us to update the read record to reflect that information.




Emphasise email content: With Mail Privacy Protection, email content is more critical than ever. Ensure your emails provide value to the recipient and are relevant and engaging enough to motivate them to open and interact with. To improve the relevance of your emails and engagement rates, use list segmentation to group your subscribers based on their behaviour, interests, and preferences.

Bonus tip - if you're not using C9 Transact and enjoying the benefits of accurate data, check with your email provider to confirm whether your results have bee inflated as a result of the Apple Mail Privacy Protection.

# The impact of Gmail's authentication crackdown

In 2023, Gmail implemented new authentication requirements in an effort to enhance email security and reduce the prevalence of phishing and spam.

These new requirements included the use of DMARC (Domain-based Message Authentication, Reporting, and Conformance) and BIMI (Brand Indicators for Message Identification) to verify the authenticity of emails sent through the platform.

As a result of these new authentication requirements, email senders were required to adhere to stricter authentication protocols, such as aligning their SPF (Sender Policy Framework) and DKIM (DomainKeys Identified Mail) records. This meant that emails sent from domains without proper authentication measures in place were more likely to be flagged as suspicious or potentially harmful by Gmail's filters.



# Open rates decreased for less authenticated senders

The implementation of these new authentication requirements had a significant impact on email open rates, particularly for senders who had not yet adopted the necessary authentication protocols. Many legitimate emails were being filtered into spam or promotional folders, leading to a decrease in open rates and engagement for affected senders.




# C9 Transact not impacted by new requirements

For senders and platforms like C9 Transact who had already implemented the required authentication measures some time ago, the new requirements further reinforced email deliverability and reputation. If you're not using C9 Transact then it would pay to check whether your email service provider has the required authentication measures in place.

Overall, the implementation of new authentication requirements by Gmail in 2023 had a profound effect on the email marketing landscape. It underscored the importance of email authentication and security measures in maintaining deliverability and engagement, while also highlighting the need for senders to stay informed and proactive in adapting to evolving email standards and best practices.

Yahoo joined with Gmail in 2024 to further tighten the requirements for bulk senders from mid-year and we look forward to reporting on the impact of these changes in next year’s report.

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

With our unparalleled access to both types of email data, our goal is to highlight distinctions in key email metrics for essential email and Campaign email in New Zealand and Australia.

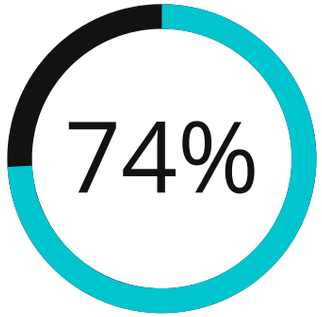


To help identify the differences between key email metrics, we have defined “essential email” and “campaign email” in the glossary of this report.

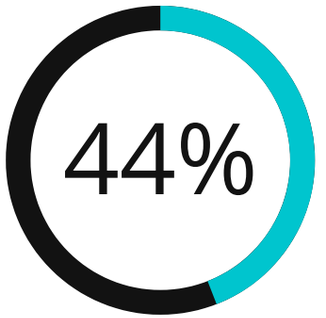
## Essential emails open rates continue to improve while campaign email open rates remain static

Over the past 3 years we have seen a steady increase in the open rates for essential email, up from 60% 2 years ago to 74% in our latest report.

For campaign email the open rate has stalled at 44% on average. While the prior year saw this average increase for campaign email, there has been no change in the average open rate this year.




Essential email open rate




Campaign email open rate

## Essential email click to open rates are now higher than campaign email click through rates.

Earlier in this report, we noted that the average CTOR for Essential emails was 7.5%, an increase on 6.8% for the prior year.

This increase has meant that in the past 12 months we have seen a flipping around of the open rates, with essential email now having a higher click to open rate (7.5%) than campaign email which is hitting an average click through rate of 6.7% this year. While the essential email CTOR has increased, campaign email CTR have decreased on average, down from 7.2% on the prior year.




This downward trend has continued for campaign email with a decrease in click through rates for the third year in a row. This could be an indication of increasing spam or communication overload with promotional emails and highlights the importance of essential email as a communications channel.

Are you including hyperlinks in your essential email? And are you using them to the full extend you can – if the trend we are seeing continues then this channel will become increasingly important to share information with your customers.

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# Essential email continues to lead the way in mobile open rates, however the gap with campaign email is closing

Once again the data for both campaign email and essential email for Australasia shows mobile is still the most common choice for email opens. [2]

## Insights

The trend of mobile first continues across both essential and campaign email. However, while essential email has flat-lined at 69% for the second year in a row, campaign email has continued the trend of increasing mobile device openings, growing from 55% in the last report to 58% this year. This is a shift from the last report when we saw essential email grow 4% on mobile opens compared to the prior year.[2]

**CAMPAIGN** **58%**

**ESSENTIAL** **69%**



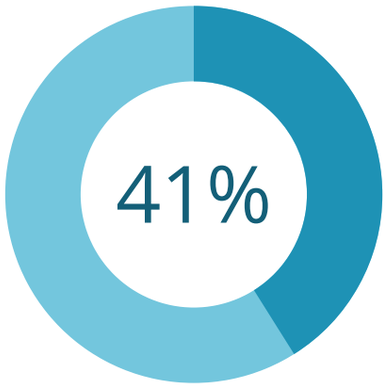

Whether you are sending essential emails or campaign emails, the majority of them are going to be opened on mobile devices. Make sure you design for a small screen and have a clear call to action, placed prominentally and making sure they are easy to interact with on a touch screen.



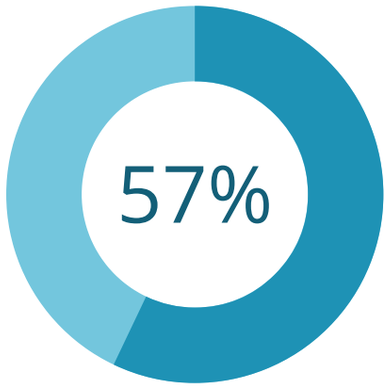
# Gmail is still the ESP of choice for both campaign email and essential email across Australasia, however, the market share is dropping

While campaign email opened via Gmail took a small hit with a drop from 58.3% down to 57.3% it is still a clear favourtie. Essential email saw a much larger drop over the past 12 months with the Gmail market share decreasing from 52% in our last report to 41% this time around.[2]




Gmail market share essential email




Gmail market share campaign email




Although changing, Gmail is still the most popular ESP across Australasia. With this in mind, it is still useful to test your email formatting to check how it appears on different devices. Sometimes emails look different on various devices and email clients.

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

We compared similarities and differences in trends for New Zealand essential email and global campaign email.



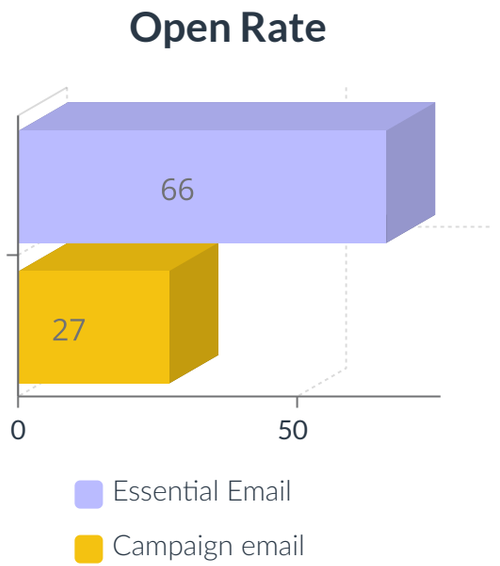
We have compared C9 Transact data with the Get Response 2023 email benchmarks data.

It's important to note that the NZ data is based on essential email communications only, while the Global data is predominantly campaign email (as noted at the start of this report - there is a distinct lack of essential email analysis worldwide) therefore we are also comparing the differences between the two types of communications. We have observed that some of the larger campaign email providers are beginning to build essential email templates and transactional engine functionality into their product offerings; however, these emails currently make up a small proportion of their traffic and are not widely reported on.

# On average essential email is nearly twice as likely to be opened than campaign email

## Insights

Throughout 2023, the average open rate for C9 Transact was 74.8% vs 40% for global campaign emails.[1] This open rate for C9 Transact increased from 66% in 2022. Interestingly, the global open rates increased from 27% the previous year. This could be attributed to an improvement in authentication protocols as a result of Gmail enforcement.







Don't forget to regularly clean your email list. Over time, your email list may accumulate inactive or disengaged subscribers, which can negatively impact your open rates. Regularly remove inactive subscribers and keep your list clean to ensure that you're reaching an engaged audience.

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# The highest open rates for both essential and campaign emails are still on Tuesdays

Throughout 2023 Tuesday was again the winner for C9 Transact, averaging a 73% open rate. Unsurprisingly, the lowest open rates for essential email were on Saturday and Sunday. Marketing emails sent globally also saw the highest open rates on Tuesdays throughout 2023, although there is little variance between weekdays.[1]




Focus on engaging and relevant content and design. While security measures have been tightened, this has resulted in greater segmentation and personalisation and improved recipient engagement in the past 12 months.



# The average click-to-open rate (CTOR) increased slightly for NZ essential email and global campaign email versus the previous year.

The average CTOR for New Zealand essential emails decreased from 9.3% in 2021 to 6.8% in 2022 however in 2023 it increased slightly to 7.5%. The global CTOR for in 2023 was 9.5%, and in 2022 was 7%, down from 10.5% in 2021.[1]

An important observation here is that our essential email communications had very few links to be clicked by nature of the type of email whereas the global marketing emails contained many click through opportunities. When examining the rise in Global open rates, it's important to acknowledge the influence of Apple's market share and the MPP feature. While the auto-opens from MPP may contribute to the higher open rates, this does not however inflate the click-through rates for emails, which have also experienced an increase for 2023. As mentioned in our previous reports, C9 Transact open and CTOR rates for essential email are unaffected by Apple MPP.

# Insights into essential emails, by verticals

Along with overall email metrics, we also analysed 12 industry verticals to provide specific insights and trends. We hand-picked the verticals that had significant volumes and interesting insights.



# Essential email messages are well received

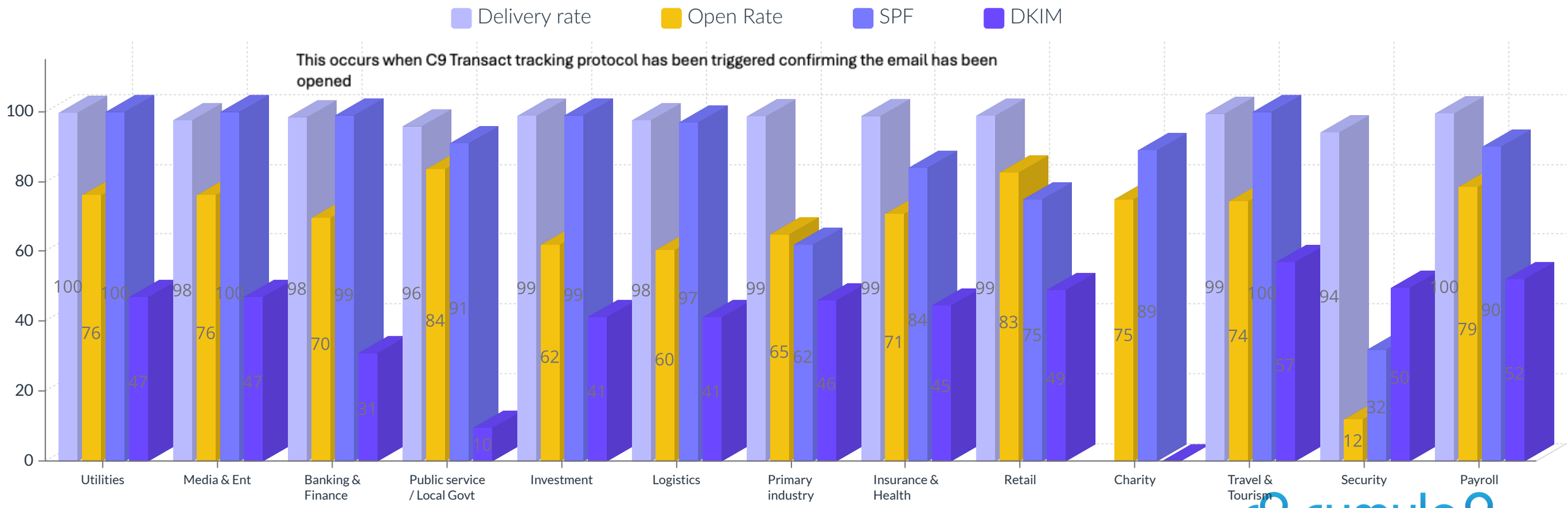
Essential emails continue to see excellent open rates across the board in B2B and B2C environments with nearly 75% of all emails delivered by C9Transact recording a confirmed read result**. The impact and importance of clearly identifying the sender, keeping databases of customer contact details up-to-date, communicating at regular intervals, as well as conforming to email security standards such as SPF, DKIM and DMARC cannot be understated.

This bar chart shows the delivery rate* and open rate by Industry, followed by SPF and DKIM implementation by Industry through C9 Transact.

* Not deliverability (this figure includes hard bounces)

**A "read result" occurs when C9 Transact tracking protocol has been triggered confirming the email has been opened

## Open Rate vs DKIM by Industry



# When senders do specific things, emails reach the inbox and customers are more engaged

## Insights

From the businesses we send email on behalf of, we know that when senders do specific things, emails reach the inbox and customers are more engaged.

- Communicate often, and on a regular basis (such as at least monthly to every customer) or whenever a purchase is completed or a payment received.
- Follow email security standards (such as SPF, DKIM and DMARC).
- Clearly identify the sender; and also the recipient.
- Keep databases of customer contact details up-to-date.
- Provide opportunities for recipients to engage through calls-to-action, be it a text URL or a button. You will see your click-through rates (CTR) improve.
- Automate responses by email – password change requests and notifications, receipts and the like should be sent as soon after the customer's action as possible – that is, at the time they are expecting it.




Email is the ideal medium for customer communications. It remains the preferred, and a cost-effective, method to ensure essential transactional information reaches your customers.

# Careful customer onboarding delivers the best ROI

Best practice in contact management is obvious in delivery results.

## Insights

Essential email deliverability is far higher than marketing newsletter deliverability, with the few failures noted generally resulting from out-of-date or poorly captured customer email address details.

This is most apparent when looking at the various processes senders use to capture customer data, with those who invest in data validation processes at the time of customer acquisition showing the best delivery and deliverability rates. Those who put in place systems to ensure out-of-date data is cleansed or rectified on the first sign of delivery failure also stand out with exceptional delivery rates.

# The largest, most regular senders also boast the highest customer engagement

The entertainment, retail, utilities, Government, banking and finance, and insurance industries boast the best read rates. These verticals all deliver to customers on a regular basis and direct recipients to company portals to access additional or private information or complete payments, which increases engagement metrics. Ensuring emails that feature graphically rich, personalised and targeted/segmented messages containing key information provides an opportunity to measure more than just opens and to garner useful data about your customers' needs and preferences.




Best practice is to remove or update addresses for failed emails as soon as possible when notified of a failed delivery.

Provide your customers with the means to update their records directly, or provide accurate contact details for customers to request the same in as straightforward a process as possible, with validation built in to ensure all captured data requires double entry for accuracy. Sending a confirmation that the customer can verify and including a means to provide feedback or correct the data in the case of an error provides a closed loop on database integrity.

# Utilities overtake the Media and Entertainment vertical in database maintenance

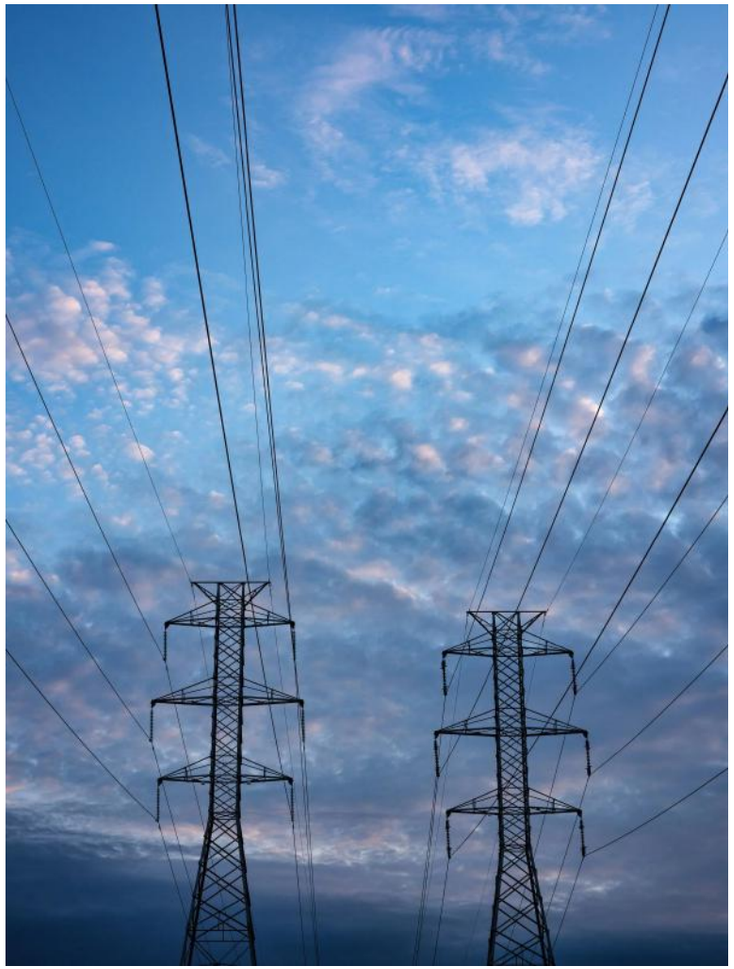
## Insights

The entertainment sector has long led the charge for email security best practice, effectively using sub-domains, SPF, DKIM and DMARC to protect their domain reputations. In 2023, however, the utilities vertical has upped their game to take a narrow lead over both Payroll and Entertainment when it comes to pure delivery rates.




Pay careful attention to failed emails and remove out-of-date addresses immediately – this will positively impact delivery to legitimate addresses.

The reason for this is that some ESPs monitor all delivery attempts from a source, and if the number of failed emails (for any reason) exceeds a threshold, they greylist or reject all connections from that source. Hence, ensuring no "known-to-be incorrect" addresses are in your database reduces the chance of this happening.



# Banking and Financial Services: Adoption of authentication measures delivers results

## Insights

Since our 2022 report, the finance industry has not only continued to keep contact records up-to-date, aiding deliverability and engagement, but has also adopted security measures such as SPF and DKIM, thereby reducing their soft-bounce rate and improving read rates by 5% on average.

The maxim that delivery frequency also impacts delivery rates, particularly on open rates still holds true with those sending monthly or more regular statements or updates having considerably higher open rates than those who send only twice a year




Here are a few things you can do to avoid soft bounces:

- Don't send too many emails at once – divide large databases into manageable segments and send over multiple days.
- Ensure you have adopted security measures such as SPF and DKIM
- Make sure your database of recipient email addresses is accurate.
- Use an email validation service to remove invalid or undeliverable addresses.
- Monitor your bounce rate and take action to improve it.
- Use a reliable email sender.
- Use consistent and recognisable sender details and dedicated IP addresses.



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# Payroll and charity: The importance of timing

## Insights

In 2022 we noted a number of charities moving from paper receipts to digital delivery for donation records at the end of the tax year. As these are expected correspondence they achieved very high open rates, at 75% on average, despite having very low levels of adoption of DKIM in 2022. Similarly payroll processing on a weekly, biweekly and monthly basis achieves an average open rate of nearly 79%, showing that delivering your message at a time your audience expects it is the best way to elicit engagement.




Understand your audience and send essential communications on days and at times they expect to receive these messages.

Use relevant subject lines to encourage your customers or donors to interact with your messages.



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# Insurance: speed of communication bolsters engagement

## Insights

The Insurance industry has stepped up its game with dramatically improved adoption of SPF and DKIM, ensuring it enjoys good open rates.

Click-throughs are consistently high as content is carefully segmentated and personalised, and CTAs are common as personal policy information needs to be accessed via a portal link in the email.






Relevance and timeliness are key factors in making personalisation work for you.

Automating the delivery of messages as soon as possible after a customer has interacted with your service, and personalising that message to reflect the customer’s interaction or market segment, is the key to high engagement with your audience

# Local Government: trusted providers achieve the highest interaction on essential communications – when they provide the means

## Insights

Open rates are high across this sector and have improved from an average of 69% in 2022 to 82.64% in 2023. Adopting CTA's across most messaging means that click-throughs have improved again on previous years.




To measure response and engagement, provide a call to action in every email. Tailor your CTAs to the recipient's preferences or past behaviour. If you have data on their interests or subscriptions, use that information to create more targeted and relevant CTAs.



# Retail: context and personalisation are key

Essential email messages, which recipients expect, enjoy far higher open rates than newsletters and unexpected marketing messages. When correctly personalised with relevant content and CTAs, they also enjoy excellent click-through rates. The average open rate for retail emails sent through C9 Transact in 2023 was nearly 83%, up from 56% in 2022




If you want to measure engagement, provide a call to action in every email and construct your email content on careful segmentation of your customers, based on their demographics, preferences and past behaviour.



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# Utilities: continuous improvement is the name of the game

The Utilities industry continues to lead the way in terms of optimising their digital messaging. Delivery rates remain high at nearly 99.8%, while open rates have risen from 71% in 2022 to nearly 80% in 2023, with excellent adoption of SPF and DKIM. Utility message templates are graphically rich, mobile responsive and feature content driven by data.

Emails include incentives to log into Utility portals for further information or to perform essential tasks, allowing the senders to track engagement in fine detail.






Create relevant and engaging mailouts by utilising customer segmentation and personalisation to drive content so you can send targeted messages to each group, to make each email feel more personal and relevant to the individual recipient.

# Cyber security in the world of digital communications

Cybersecurity measures are evolving due to increased remote work, sophisticated cyber threats, and the rise of ransomware attacks in the past year.

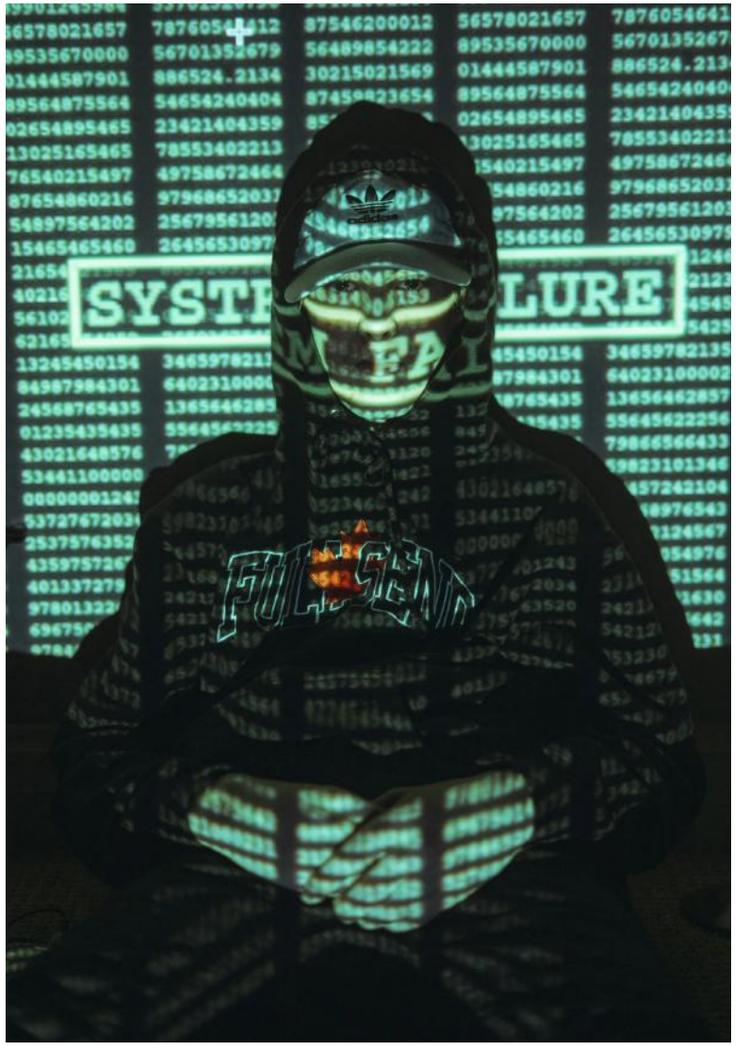


# Security and governance have become a major focus in the past year

Since early 2022 there have been a number of major international privacy breaches and infrastructure incidents. With the advent of AI in this period, most organisations and individuals have an increased awareness of cyber security amidst growing concerns about sensitive data exposure. Two or multi-factor authentication has matured to the point of being the de facto standard for most operations and the use of MFA-secured password vaults and complex password usage is now commonplace and expected. Organisations which do not employ https on their sites and MFA sign-in processes will find themselves passed over in favour of competitors who do.

Large portions of corporate budgets have been side-tracked from other projects into security and governance, which has stifled innovation in other areas. ISO27001 certification for Information Security has also become a minimum requirement for many organisations, for themselves and their suppliers.

C9 Transact provides some of the highest levels of security and audibility available anywhere in the world today. Ensuring your essential business emails are not only delivered and tracked, they also meet the ever-changing risk, security, compliance, audit, and legislative requirements.






Email authentication standards (TLS, SPF, DKIM and DMARC) may seem complicated at first, but are in fact relatively easy to implement, monitor and maintain. This should be a starting point in any technical security review of your digital message delivery platforms.

Best practice should also ensure users are forced to employ MFA and secure passwords, and that auto updates should be replaced by a centralised remote deployment programme initiated by IT infrastructure teams. This way infected or untested software is not deployed by software vendors.

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# Cumulo9 key insights and helpful tips: Final thoughts

## Key insights from the Cumulo9 team

- It is a common misconception that hitting send equals an email arriving in the inbox, however this is not always the case. On average nearly 10% of essential emails fail to reach the inbox*, which can result in considerable volume and potential cost implications. *note that with Cumulo9 C9 Transact solution this average is closer to 0.5% non-delivered.
- For the first time since these reports began, the trend towards mobile-first email reading has leveled off, with 69% of essential email opened on mobile devices. Despite a steady annual growth of 4% in mobile email reading in previous years, this year's report shows the same distribution as in 2022, raising questions about whether mobile usage has peaked.
- We have seen commercial and government sectors increasingly rely on email for essential communications, accounting for nearly 75% of the emails delivered by C9 Transact. Along with this, there was an increase in essential email deliveries by charitable organisations, including donor receipts.
- We’re getting more security conscious - SPF adoption has exceeded 95% across industries and is expected to reach nearly 100% by 2025 with upcoming Gmail and Yahoo changes. DKIM adoption declined in 2023 due to record errors amid preparations for stricter 2024 enforcement. SPF enforcement remains strict, and DMARC application is rising, though many domains are still in the reporting phase.
- Rinse and repeat – once again we see essential email open rates remaining strong when compared to campaign email. On average, they are three times more likely to get opened.

## Key helpful tips

- Not only is keeping your database updated good for your bottom line, maintaining accurate information enhances your email reputation, boosts deliverability, and allows for better personalisation, leading to improved engagement and inbox placement.
- Email remains as the best performing channel for communicating with your customers. It continues to be the preferred and economical option to guarantee that vital transactional information is delivered to your customers.
- To enhance your deliverability rates, focus on strengthening security settings to pass spam checks and keep your email database current and accurate.
- What is the best day of the week to send essential emails to your audience? Our data shows Tuesday has the best open rate; however, this could be different for you. One of the benefits of email is the ability to easily test this and find out what day is best for your customers.
- Consider using your essential emails for cross-promotion or upsell opportunities. Or try using them as a channel to share important developments and initiatives.

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# Looking ahead - future predictions in essential email trends

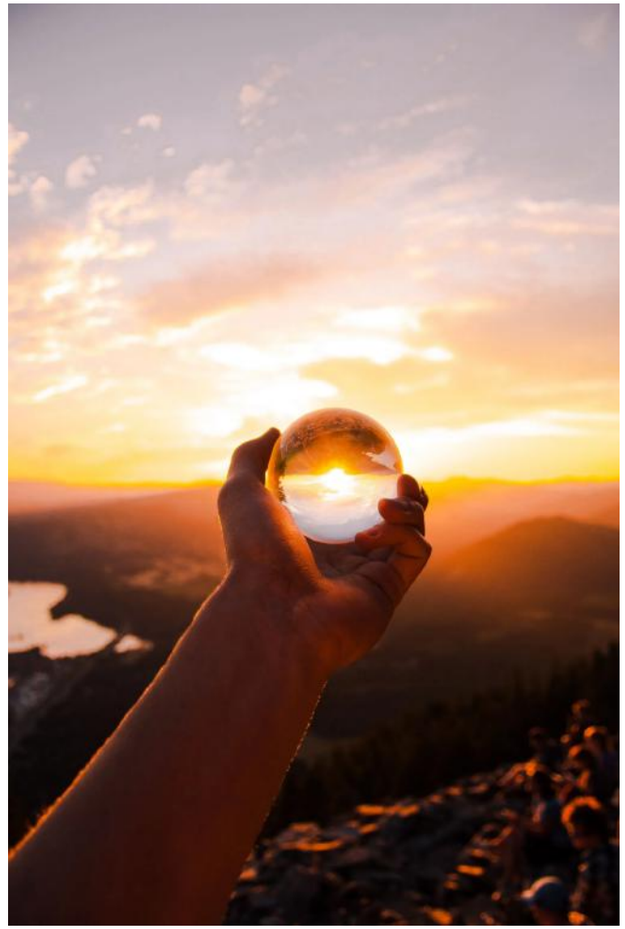
- Generative AI: Last year we reported on AI for the first time, and what a difference a year makes. What was new is now fairly mainstream and is a very fast-evolving tool. This rapid change will continue and will impact how we send and receive essential email. None more so than the ability to customise at scale, with the ability to analysis large amounts of data we should see our essential email becoming more tailored to individual preferences, needs and behaviours.

- Enhanced security measures: No surprises that we predict enhanced email security will become even more important as threats advance, with Multi-Factor Authentication (MFA) becoming even more commonplace. Zero Trust Architecture will verify email interactions, while AI and machine learning will identify threats such as phishing and malware in real-time. Meanwhile the risk and frequency of cyber attacks is likely to grow.

- Strong Governance will become essential: Effective management and security of email communications require strong governance already and this will only become more important. Comprehensive policies, regular audits, user training against threats like phishing, compliance with data privacy regulations, and a solid incident response plan will be critical business – not to mention selecting a reputable Digital Communications partner (like Cumulo9).

- Mobile First: With a growing focus on “Working from Work” we expect to see the levelling off we saw this year for the first time to continue. Last year we thought we might hit the three-quarter mark however that has not been the case. For two years in a row now the split has been 69/31 mobile v desktop - perhaps we may even see a resurgence in desktop opening?

- Increased engagement: With the increase in AI use (see first bullet point) creating highly personalised and relevant content based on recipient data we will start to see enhanced engagement through tailored messaging and real-time optimisation. We predict businesses will start to see higher open rates, click-through rates, and overall engagement, leading to stronger customer relationships and more effective communication.



Let’s see how we go with our future trend predictions this year, nothing too controversial in the above. AI is the biggest unknown at this stage and it will be interesting to watch how this evolves and how businesses leverage this tool. What we do know is that email as an important channel for transactional customer communications will be around for a while yet, infact a recent US report from Treeline revealed that email is seen as the most "trusted" channel for transactional communications.

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# Cumulo9 - continuing to grow our credentials

In big news last year Cumulo9 successfully joined the global ranks of organisations who are B Corp certified. While this was a great achievement and backed up our work the year to become ISO27001 certified, we knew we needed to continue to build our credentials to maintain our competitive advantage in a busy and continuously evolving market place.  Fast forward to 2024 and we have now been successful in being appointed as an approved supplier on the New Zealand Government Marketplace. This significant achievement was made easier for us by the Governance and Security we had already undertaken for our ISO and B Corp certifications.

Not only is this great for the Cumulo9 competitive advantage, more importantly it helps us to deliver tangible benefits to our clients – details as follows:




## DIA Marketplace - Approved Supplier

Cumulo9 is a certified provider on the DIA Marketplace, allowing us to offer our services and products directly to registered government agencies. This classification streamlines the procurement process, making it easier for Government clients to connect with Cumulo9.

## Internationally Recognised Security Standards with ISO27001

Protecting the data we process is our number one priority. Cumulo9 is certified to the recently upgraded ISO27001-2023 standard and we will be undergoing recertification to ensure we maintain best practice in data security. Needless to say, we are always advancing our systems to ensure your data remains totally secure.

## Cumulo9 – A certified B Corporation

More than just a formality, we take rightful pride in our ESG credentials and maintain certification as a certified BCorp organisation. Leveraging digital communication transformation effectively, we can also aid other organisations in meeting and conveying their ESG obligations.

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# About Cumulo9

Cumulo9 aids organisations in transforming their digital communications with specialised solutions. Our full range of products, available on-premises and in the cloud, includes C9 Transact, C9 Signature, and C9 Campaign, as well as Quadient's Inspire and Syncsort's Vault.

Cumulo9's team excels in delivering relevant, clear, and secure business communications – all with our world-class 99.5% deliverability.

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bsi ISO/IEC 27001 Information Security Management CERTIFIED

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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 should be either corrected or removed from your database automatically and immediately. Failed addresses are then excluded from all future sends. For essential email, a "hard bounce" typically means the communication must 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" usually indicates that the address is valid. However, the email was not delivered for another reason (such as the recipient server being unavailable or busy, authentication failure, spam rejection 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 less targeted than Essential Email.

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 click on a link within 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, allowing the receiver to check that an email was sent and authorised by the domain's owner and has not been altered in transit. This is done by giving the email a digital signature.

**Domain-based Message Authentication, Reporting & Conformance (DMARC):** is an email authentication protocol. It is designed to give email domain owners the ability to protect their domain from unauthorised use. A DMARC policy allows a sender's domain to indicate that their email messages are protected by SPF and/or DKIM, and tells a receiver what to do if neither of those authentication methods passes – such as to reject the message or quarantine it. The policy can also specify how an email receiver can report back to the sender's domain about messages that pass and/or fail.

**Essential email:** a business email that must be delivered (such as an invoice, a payslip, or a statement), is often sent in batches and focuses on vital information rather than marketing or sales.

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

**Email Service Provider (ESP):** In essential email circles, this is sometimes called "the recipient's mailbox host"; for email, ESP means providers like Gmail, Hotmail, Outlook and AOL.

**Mail Privacy Protection (MPP):** MPP effectively disables open rate tracking by pre-fetching (or downloading) an email and its images (including each email's tracking pixels). By doing this, MPP results in most providers marking the email as opened, artificially inflating open rates for each user who has opted into this Apple feature.

**Open rate:** the percentage of people who opened an email.

**Read result:** Unique identifiers are placed into every tracked email and when triggered these provide evidence that the email has been opened/read. It is possible to open/read an email without triggering the tracking protocol, therefore C9 Transact's read rate indicates the figure for verified opens only and is lower than the number of emails read by recipients.

**Sender Policy Framework (SPF):** is an email authentication method which ensures the sending mail server is authorised to originate mail from the email sender's domain. When correctly implemented, SPF can prevent bad actors from spoofing a domain, thereby preventing spam messages from reaching their intended recipients, effectively protecting the organisation's sender reputation.

# References

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


1. Get Response - Email Marketing Benchmarks 2023
2. C9 Transact reporting interface (all essential email data is derived from here).
3. Vision6 - Email Marketing Metrics for 2023.
4. Treeline Business & Customer Survey Results - Transactional Customer Communications: Banking, Insurance, Finanacial Services - July 2024


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