



# New Zealand Essential Email Insights Report 2023

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# Executive Summary

Email insights reports are nothing new; companies have been diligently downloading data for many years, analysing and producing reports. The Cumulo9 email insight report differs from the rest because it only focuses on "Essential Email" data and analysis. Through our ongoing digital communications management for many of New Zealand's largest companies, we (Cumulo9) are uniquely positioned to have unrivalled access to essential email data. This report is in its third year now, it is also rare in that it focuses only on New Zealand data analysis.

## A unique approach to delivering insights about essential emails

The following report focuses on data analysis taken from the many millions of essential business emails delivered by Cumulo9 over the period 1 January 2022 to 31 December 2022. We have looked at trends for key metrics such as open and click rates - for example, essential emails are more than twice as likely to be opened compared with campaign emails (66% vs 27% on average). The best time of the day and week to send your essential emails for a high open rate is still weekday evenings; however, we have seen this level out compared to prior years. 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. Finally, we discuss the potential impact [Apple's Mail Privacy Protection](#) has had on email metrics, along with a look at the possible implications Chat GPT may have on essential email.

## About C9 Transact

[C9 Transact](#) is a leading digital delivery solution in New Zealand. Our world-class audited 99.5% deliverability ensures essential emails reach their intended recipients so they can take action promptly. C9 Transact customers span a wide range of sectors, and these essential email communications include payslips, remittances, rates notifications, invoices, statements and updates. This report focuses on these essential emails and the insights gleaned into opens, clicks, delivery, response, security and recommendations for businesses moving forward.



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

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

## Nearly 1% of essential emails did not arrive to the recipient's inbox, this is far less than the industry average of 6%

From the millions of emails we sent during the period we analysed, around 0.8% of these messages could not be delivered and failed as hard bounces – mainly due to invalid address data and up from just under half a percent the prior year.

This reverses the trend we reported in the previous report, which showed a downward trend in hard bounces; however, it remains well below the industry average of 6%. This can represent a significant cost to a business; for example, for every 1 million emails sent by organisation's, on average around 8,000 are not getting delivered.

The cost to a business to process, print, envelope and deliver these messages by traditional mail channels represents nearly NZ\$14,000 per month (based on a conservative estimated cost of \$1.70 per letter). If, like many organisations, you send monthly essential emails this soon adds up and could be costing businesses more than \$160,000 per year (or a staggering \$1.2M pa if your results are closer to the industry average).



Ensuring your database is kept up-to-date and accurate directly impacts your bottom line. A simple tip to help keep your database up-to-date is to include a call to action with your essential email asking the recipient to update their contact details – something like: "Help us keep our records up to date! Click here to update your contact information".

How much is the non-delivery rate costing your business?



# The trend towards mobile continues to grow year on year

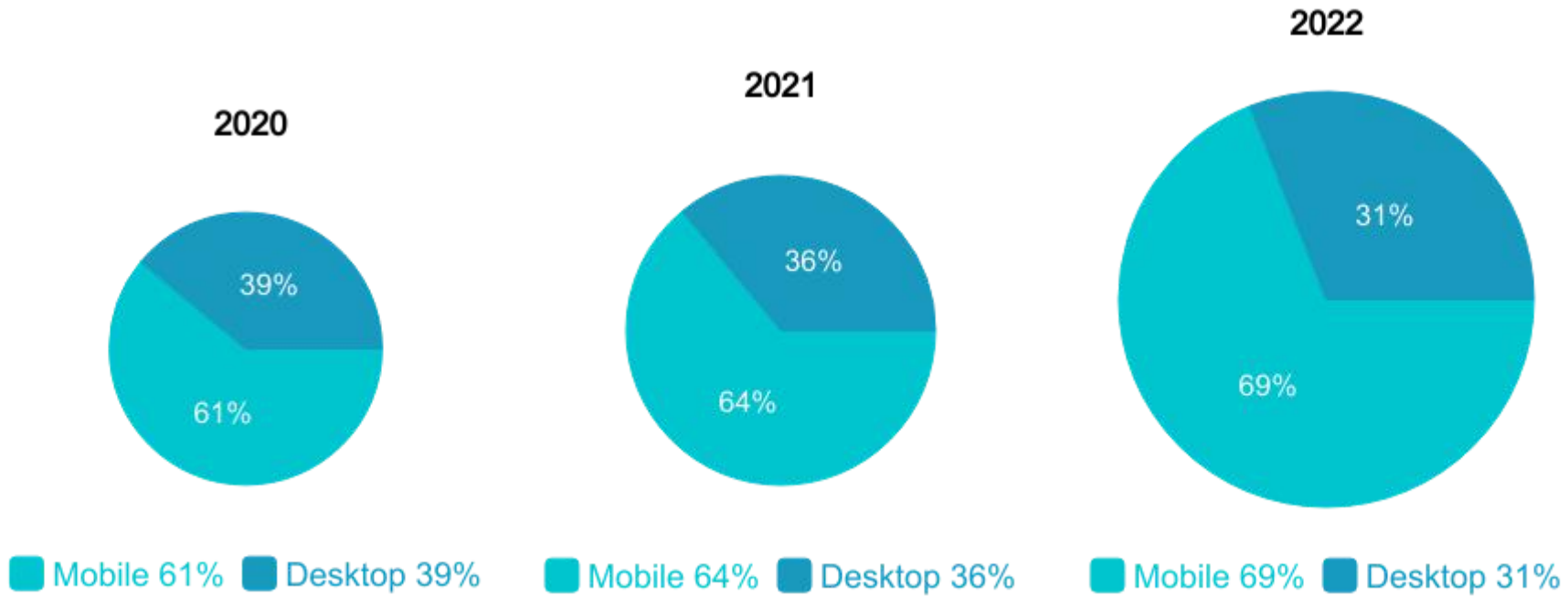
Not that we want to say, "We told you so," but we did predict last year that 2023 would see over two-thirds of all email being opened via mobile devices. And what do you know, the trend over the past few years has continued with yet another increase in the gap between mobile vs desktop for essential email open rates. We are now tracking 69% of all essential emails being opened on mobile devices, compared to just 31% on desktops.

## Insights

Designing for "mobile first" is a given, but what about any actions you may want your reader to take? With limited screen space on mobile devices, it's important to make your call-to-action buttons prominent and easy to tap. Use clear and concise language, and ensure that they are well-positioned within the email.

## MOBILE OPENS 2022

# 69%



Period	Mobile	Desktop
2022	69%	31%
2021	64%	36%
2020	61%	39%
2019	57%	43%
2018	53%	47%

# Nearly a third of all emails could not conclusively be determined as having been read

Over the year, our overall open rate was 66%, a significant increase from the prior year's rate of 60%.

However, it is important to note that while this percentage has increased and reversed the dropping trend we have seen over the past couple of years, many emails are still going unopened and unread by the intended recipients.

To improve engagement and data capture, we recommend enhancing the content of emails and directing recipients to access their accounts through a portal.

## Insights

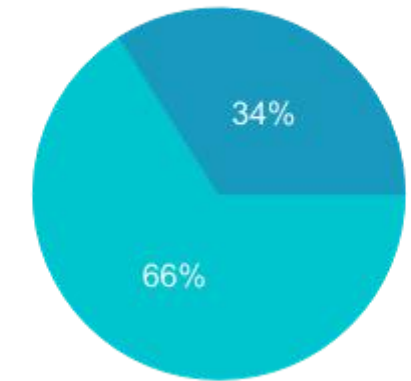
A focus on increasing your open rates can have the most significant impact on your customer communications. There are many tactics you can consider to improve your email open rates. Ensuring you comply with email security best practice to establish a reputation as a trusted sender would be a great place to start.

Accurate and up-to-date SPF and DKIM records have been shown to improve not only delivery but also inbox placement and, therefore, read rates. Another old but still straightforward and effective way to increase your open rates is through crafting compelling subject lines.

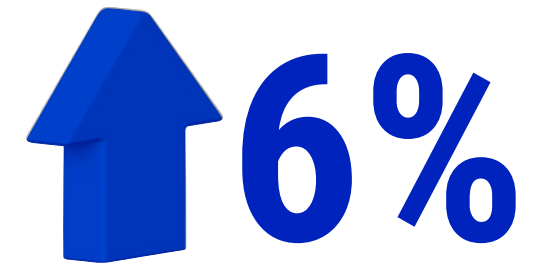


A subject line that is concise and personalised can encourage recipients to open the email and take action. Incorporating action verbs, numbers can also make subject lines stand out in a crowded inbox.

Average Open Rate to year ending 31 December 2022



■ Opened 66 ■ Unopened 34



# Just under 7% of links in 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.

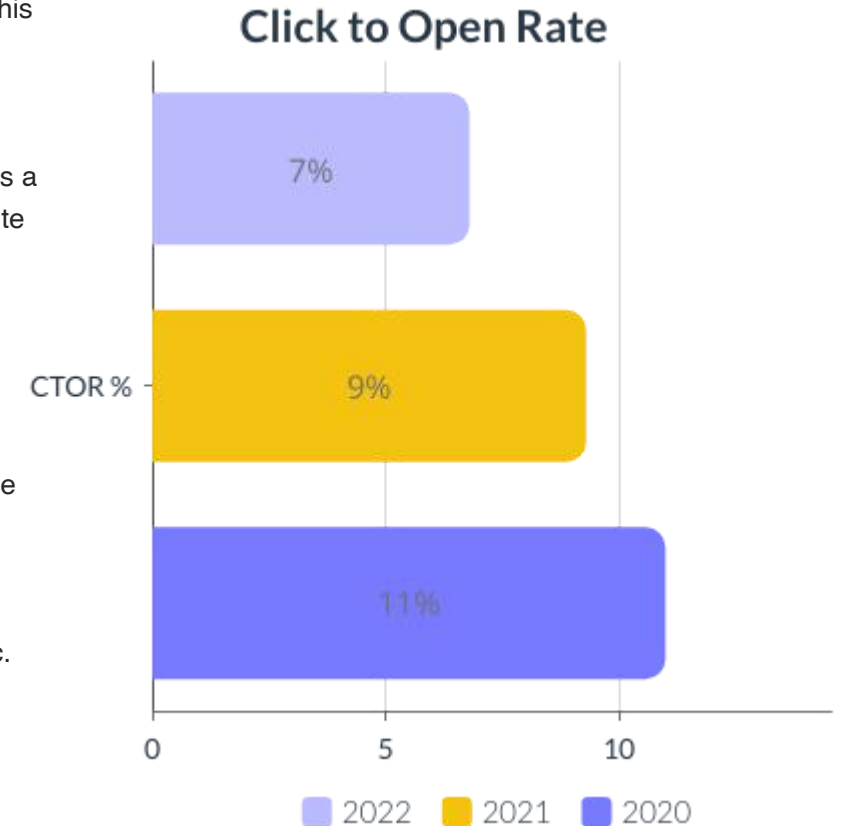
While the industry has shied away from CTOR as a metric over the past two years - due to most services recording inflated open rates as a result of Apple's MPP - C9 Transact's proprietary tracking technology allows us to provide an accurate view of open and click rates despite the introduction of MPP.

## Insights

Over the entire year, we tracked just 6.8% of opened emails with a link that was actually clicked. This is a decrease of just over 3% vs the 2021 calendar year (9.3%), down from 11% in 2020.

The context to this decrease is noteworthy as the past year has seen increased awareness of phishing using links. Only the links within the email are tracked, and C9 Transact sends important client information as secure attachments that are not tracked through this metric.

Our clients are beginning to favour the use of attachments and a single link sending recipients to a secure website login because of perceived security threats over clicking links.



Ensure you include all your critical information in the body of the email and anything sensitive as a personalised attachment or requiring a secure login. Don't rely on your recipient clicking on your links. Ensure that crucial direct response mechanisms are effective, well displayed and well placed.

Keep your email templates and content simple: Avoid using complex HTML or scripting in your email templates, as this can increase the risk of vulnerabilities that hackers can exploit.



## Recipients go back to view essential emails more than once

For the reported period, the average open rate was 1.5. This decreased from the 2021 calendar year when the open rate stood at 2. It is still encouraging that email continues to be the most valuable channel for essential communications, with recipients returning to check invoices, payslips and updates multiple times.

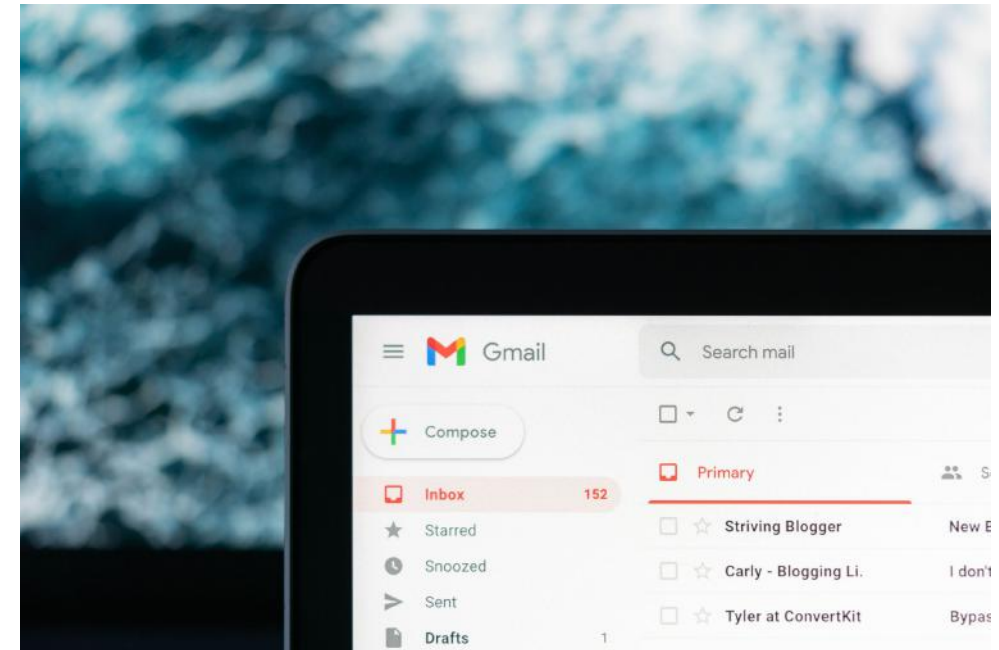
# 1.5 open rate

### 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.



Send your essential communications via email. Pay particular attention to your reporting and identify which language and call to action methods are most effective.



# Most essential emails are sent in the evening and overnight

Over 90% of essential emails are being sent during the week and over a quarter of these are sent out between 8pm and midnight. For the second year in a row Saturday afternoon is by far the least popular time to send out essential emails.

## Insights

While a significant percentage of essential emails are being sent out in the evening, last year, we saw a trend towards a levelling out of the times emails are sent – particularly during weekdays.

This could be due to the increased blurring of home/ work with working from home and improved technology contributing to an "always on" approach. However, over a quarter of all emails get sent out in the evening, indicating this is still a popular time to send essential emails.

When we look at the most popular opening period on the next page of this report, it is no surprise that the most popular opening times are weekday evenings.

Organisations' get that this is a good time to get their customer's attention and encourage a quick open-rate response.

Days of the Week	Time of the Day	Percentage emails sent
Monday – Friday	00:00 - 03:59	15.2%
	04:00 - 07:59	8.7%
	08:00 - 11:59	15.4%
	12:00 - 15:59	15.5%
	16:00 - 19:59	10.6%
	20:00 - 23:59	26.1%
Saturday / Sunday	00:00 - 03:59	4.1%
	04:00 - 07:59	2.3%
	08:00 - 11:59	1.4%
	12:00 - 15:59	<1%
	16:00 - 19:59	<1%

# Tuesday evenings had the best open rates

## Insights

As we know, not all emails get opened, and one of the variables you can test is the time of day and the day of the week you send your essential emails. We looked at the emails sent throughout 2022 to determine the best day of the week and time of the day for open rates.

The clear winner is Tuesdays between 5 – 7 pm. With this period averaging an open rate of just under 74% - a full eight percentage points above the average. And the worst time? Saturday night – between 10 pm and midnight (no surprises there).



If your essential emails need to be opened quickly or you want to hit your database when they are most likely to take action, selecting a popular opening time to send your emails may help.

The average time to open an email is more than five hours from when it was sent. Using peak times can help reduce this. What is best for your audience may be different, though, and it is important to test different opening times to see what works best for your own customer email communications.



# Kiwis use a range of email providers, however Gmail is the favourite

More than 50% of all essential emails were delivered to @gmail.com addresses, up from 47% in 2021.

Google is clearly the ESP of choice for most Kiwis. Hotmail and Xtra make up 38% of the market in second and third place. Gmail gained around 3% market share in 2022, with Apple domains also showing some growth, albeit far smaller.

## Gmail deliverability continues to perform well

With around half of all emails being delivered to Gmail addresses, the service has maintained excellent overall deliverability – with just 0.3% of emails hard-bounced, indicating a very low churn rate of addresses.

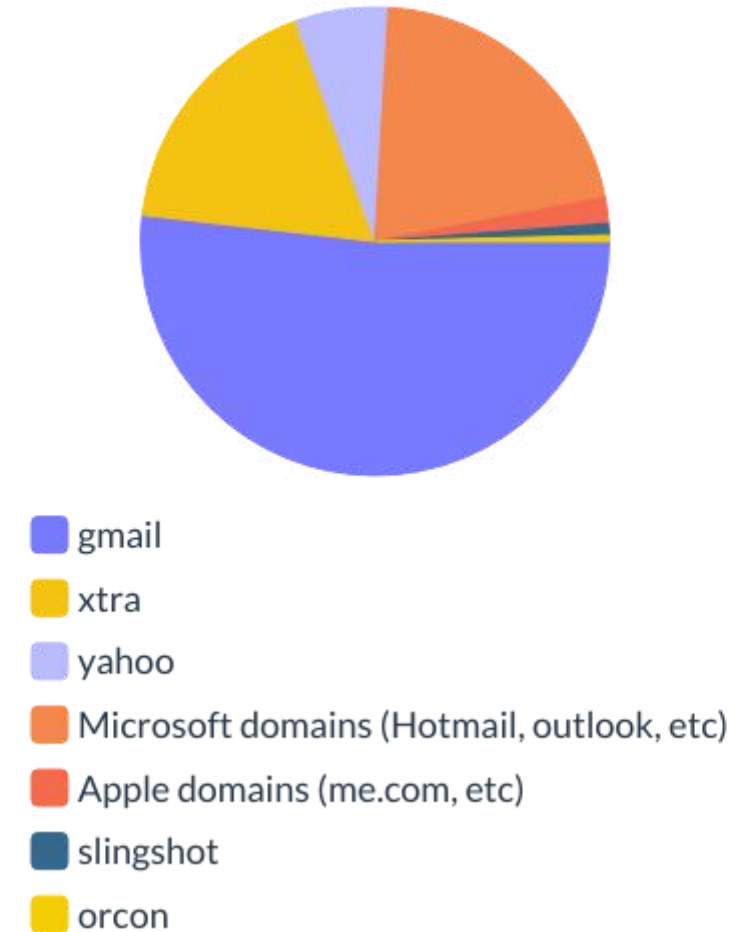
This compares extremely favourably with private domains, which show higher rates – likely due to staff changes and those who have used their corporate addresses failing to update their details with service providers such as utilities. This also points to improved housekeeping and contact database management by mail senders.

Soft bounce rates perform well across most clients, with rates of less than 0.15% 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.

Market Share - Top 8 ISP's



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

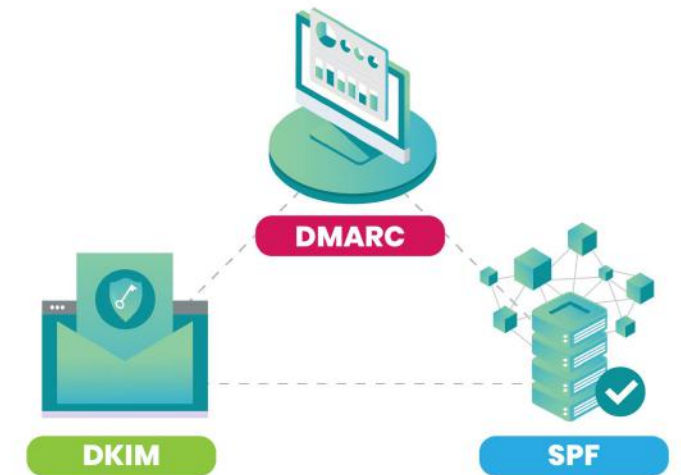
## Insights

SPF is nearing 95% adoption across all industry sectors – 15% up on last year. Thanks partly to strict enforcement of security protocols by ESPs – particularly Gmail - DKIM has seen good growth in 2022, climbing from 60% to 77.9% adoption across all senders.

The strict enforcement of SPF by ESPs has continued as expected, and there has been a notable uptick in the application of DMARC enforcement for domains with published records.

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

1. Use a reputable email sender.
2. Authenticate your email using SPF and DKIM.
3. Keep your email lists clean and up-to-date.
4. Avoid using spammy words and phrases in your email content.
5. Use a responsive email design.
6. Monitor your email sender reputation.



# The impact of Apple Mail Privacy Protection

In June 2021, Apple launched the beta of their new Mail Privacy Protection (MPP), and in September 2021, it was available publicly.

MPP is an opt-in feature for iOS, iPadOS, and macOS. Once users opt into this MPP function, they allow Apple to pre-fetch emails and email images to their devices.

This happens even if the user doesn't open and read the email message, inflating the open rates for most email providers.

2022 was the first full year of MPP being in place, significantly impacting email insights measurements globally.

# Apple Mail Privacy Protection has led to inflated and inaccurate open rates for emails sent to Apple Mail users

The Apple Mail Privacy Protection 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 have 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 decreased markedly 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.

Global campaign email saw a consistent 3.5% open rate increase immediately after the introduction of MPP and a click-to-open rate decrease of the same percentage, making both of these measures less accurate<sup>1</sup>. This increased even further through the 2022 calendar year, and the inflated open rate increase is averaging 7%. While Click to Open rates are no longer a global industry standard, as various providers have inconsistent results in terms of accuracy, these are still meaningful metrics for users of C9 Transact.

As of August 2022, MPP had reached 90% adoption.



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.



# CHAT-GPT and the potential impact on essential email

Chatbot GPT (Generative Pre-trained Transformer) is an AI-powered conversational agent developed by OpenAI. It is based on the GPT-3.5 architecture, a highly advanced language model trained on massive text data.

Unless you have been living under a rock for the past few months, you cannot have failed to notice all the noise about ChatGPT and Open AI. We have too and have done some research into the potential impact this could have on business email.



# ChatGPT and the potential impact on essential email

## Insights

ChatGPT, as a conversational AI model, is primarily designed for generating text-based responses in a conversational context. Its main application is providing information, answering questions, and engaging in interactive dialogue.

Essential emails, on the other hand, typically involve automated, system-generated messages related to specific transactions, account updates, confirmations, notifications, and similar functions. These emails are usually concise, structured, and focused on delivering specific information efficiently.

While ChatGPT may not directly impact the content or delivery of essential emails, it can potentially enhance the user experience by providing intelligent and context-aware responses to inquiries or support requests related to these emails. For example, suppose a user has a question about a particular transaction or needs clarification on an account update. In that case, ChatGPT can assist in providing relevant information or guiding the user through the process.

Additionally, organisations can leverage AI models like ChatGPT to automate certain aspects of customer support for essential emails. By integrating the model into their support systems, businesses can use it to handle common inquiries, provide self-service options, and improve response times.

However, it's important to note that the critical nature of essential emails often requires a high degree of accuracy, security, and reliability. Organisations must ensure that any implementation of AI models, including ChatGPT, complies with legal, privacy, and security requirements to maintain the trust and integrity of these essential email communications.

In summary, while ChatGPT may not directly impact the core function or delivery of essential emails, it can contribute to the overall customer experience by providing intelligent assistance and support for related inquiries and interactions.





## New Zealand and Australia - Trends in Essential email and Campaign email

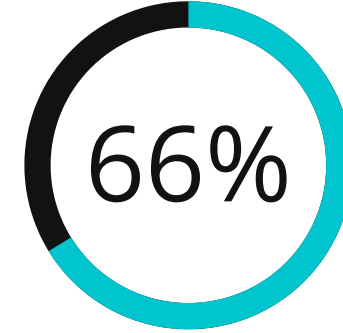
Using our unique access to both types of email data, we wanted to identify differences between key email metrics for Essential email and for Campaign email in New Zealand and Australia.

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

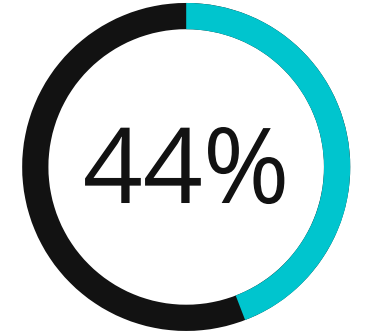
## Essential emails have consistently higher open rates than Campaign emails

The average open rate for Essential email in 2022 was 66%. This is an increase of 6% from the previous year.

We expected to see an increase in the open rate figure for Campaign email as a result of Apple MPP inflating this measure and this was confirmed with an average open rate of 44%, up from 38% the previous calendar year recorded for Campaign email.<sup>2</sup>



Essential email  
open rate



Campaign email  
open rate

## Australasian Campaign email Click through rates are similar to the previous year, while Essential email Click to Open rates have decreased

Earlier in this report, we noted that the average CTOR for Essential emails was 6.8%, a decrease of 3% vs 2021.

The Australasian campaign email provider we have used as a benchmark has shifted from using CTOR (click-to-open rate) to CTR (click-through data) as a result of Apple MPP reporting false opens, and this rate was 7.2% for 2022 (C9 Transact does not inflate open rates and continues to use the CTOR rate). This is in contrast to the 7.4% click-to-open rate for Australasian Campaign email the previous year.<sup>2</sup>



Personalised and segmented emails tend to be more appealing and relevant to recipients, which can lead to higher click-through rates. By sending targeted emails, you also reduce the risk of being marked as spam, improving your sender reputation. Remember, effective CTAs should align with the content and purpose of your email, delivering a clear value proposition that entices recipients to click.

## In Australasia, both Essential email and Campaign email have higher mobile open rates than desktop

The data for both the Australasian Campaign email and Essential email shows higher mobile than desktop open rates.

### Insights

NZ Essential email mobile opens for the period were markedly higher; however, at an average of 69% vs 55% for Campaign email opens. Interestingly while the Essential email mobile rates continued upward, the Australasian Campaign email opens were only 1% higher than the previous year.<sup>2</sup>

CAMPAIGN	ESSENTIAL
55%	69%

## Gmail is the favourite email provider in both countries

Again, Gmail is the most used email provider for opening Essential email (52%) and Campaign email (58%).<sup>2</sup>



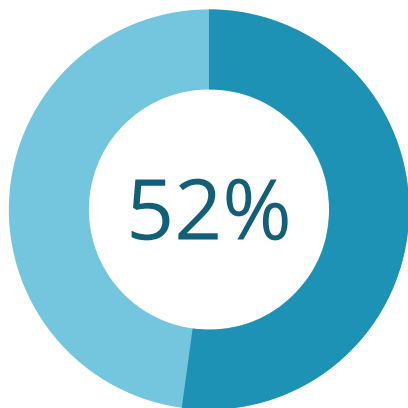
Use a mobile-first approach: With the majority of email opens happening on mobile devices, it's important to prioritise the mobile experience when designing responsive emails.



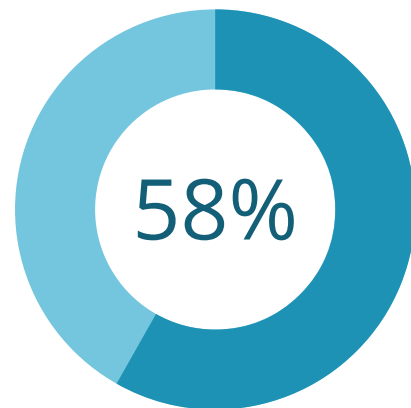
# Gmail market share has increased markedly for both Essential email and Campaign email in New Zealand and Australia

Gmail now boasts 52% of opens for Essential emails and 58.3% for the Australasian Campaign email.<sup>2</sup>

This is a notable increase from 2021, where Gmail's market share accounted for 49% of essential emails and 44.5% of campaign emails.<sup>2</sup> This 14% increase in Campaign email in Australasia is the largest since the inception of this report.



Gmail market share  
Essential email



Gmail market share  
Campaign email



Make sure that when you are testing your emails, the Gmail tests render well on both desktop and mobile. All email providers render emails slightly differently and it is important to prioritise the formatting of your emails accordingly.



## 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 2022 email benchmarks data. We thought looking for similarities and differences in trends for New Zealand vs Globally would be interesting.

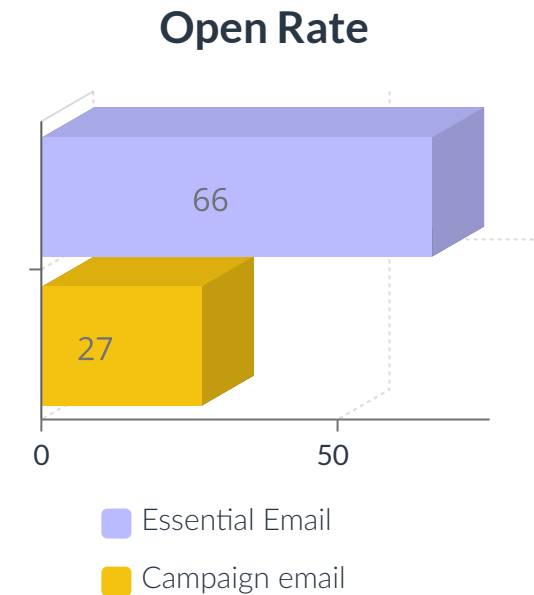
It's also important to note that the NZ data is based on Essential email communications only, while the Global data is predominantly Campaign email (as noted at the start of this report - there is a distinct lack of Essential email analysis worldwide) therefore we are also comparing the differences between the two types of communications. We have observed that some of the larger Campaign email providers are beginning to build Essential email templates and functionality into their product offerings in the past year; however, these emails currently make up a small proportion of their traffic.

## On average Essential email is 3 times more likely to get opened than Campaign email

### Insights

Throughout 2022, the average open rate for C9 Transact was 66% vs 27% for global Campaign emails (MPP affected).<sup>1</sup> This open rate for C9 Transact increased from 60% in 2021.

It's important to note that the global open rate for Campaign email is likely to have been artificially inflated by Apple MPP, as mentioned in the previous section of this report.



The high open rates for Essential email provide marketing opportunities. Take advantage of this by using a portion of your email to cross-promote or introduce new and relevant initiatives.

## The highest open rates for both Essential and Campaign emails are now on Tuesdays

Throughout 2022 Tuesday was again the clear 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 2022, although there is little variance between weekdays (1%).<sup>1</sup>



Recipients are settling back into pre-covid opening behaviours. If you want your essential emails to get read, Tuesday is a good day to send. A reminder though, it is best practice to test as this may not always be the case for your audience.



## The average click-to-open rate (CTOR) decreased for both 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. The global CTOR for 2022 was 7%, down from 10.5% the previous year.<sup>1</sup> Analysis shows that Essential emails have significantly fewer click opportunities than Campaign emails; however, the CTOR is now nearly identical, with both decreasing by around 3%.

As mentioned previously, both decreases can be partly attributed to recipients being increasingly cautious due to phishing emails utilising links.





## Insights into Essential emails, by verticals

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

# Utilities, Government, Finance, Investment and Entertainment industries rely on email to deliver essential communications

## Insights

The finance and investment sectors have joined government, entertainment and utilities in their reliance on email to deliver essential communications – between them they make up more than 85% of the emails delivered by C9 Transact between January and December 2022. Utilities, finance and entertainment alone account for nearly 70% of the emails processed in 2022.

Of the top five sectors in send volumes, the finance sector has yet to adopt DKIM and/or DMARC meaningfully. In contrast, the investment sector has excellent adoption of industry best practice, only just beaten by government and entertainment.

As in previous reports, it still holds true that, when looking beyond simple volumes of email, the highest click-through rates occur where there are incentives to interact with the message. Industries such as finance, investment and insurance, who rely on portals to access archived documents to protect their customers' information, have the highest engagement rates. We also see good engagement rates for those who provide key information in the email or as an attachment when providing a link or button for users to access their account login from within the message.



Email is a mature medium that continues to grow. It is a cost-effective and measurable method to ensure essential transactional information reaches your customers. Despite concerns about bad actors, thanks to the efforts of ESPs to reduce spam and phishing, it remains the preferred medium for most customers, providing them with easy access to their information on any device at any time or place which suits them.

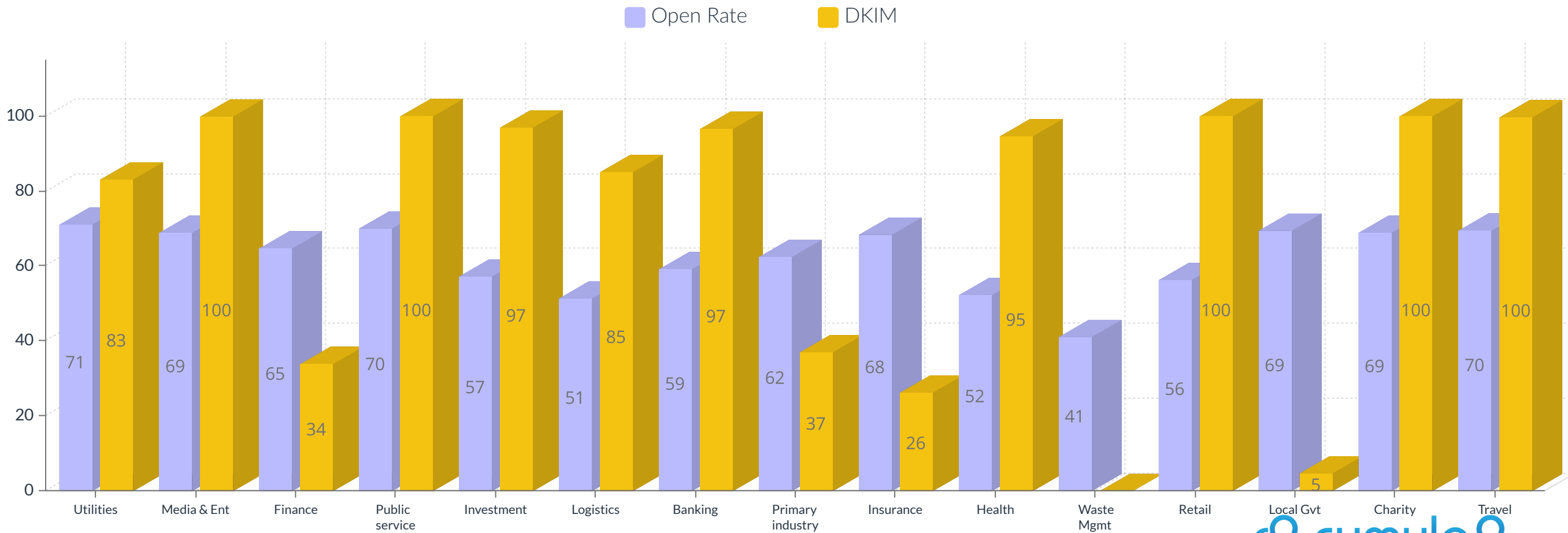
For measurability, including a CTA in every email, something as simple as a link to your website for more information – along with the key details of transactions or account balances is essential.

Using tools to automate your essential email communications will help improve your business efficiency while increasing your engagement metrics.

# Essential messages cut through clutter

Essential emails see excellent open rates across the board in B2B and B2C environments. 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. It is evident across the range of emails we deliver that their deliverability and open rates improve for each of these aspects that a sender attends to. Where there are opportunities for recipients to engage through links, click-through rates improve too. This bar chart shows the open rate by Industry, followed by DKIM implementation by Industry through C9 Transact.

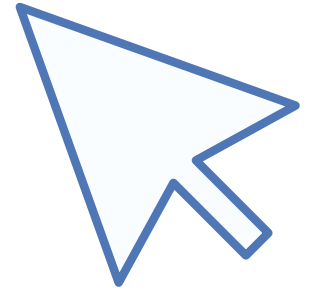
### Open Rate vs DKIM by Industry



## Insights

From the businesses we send email for, 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.



## Utilities, Government and Insurance industries boast the highest customer engagement

We see the highest click-throughs on emails that feature graphically rich, personalised and targeted/segmented messages containing key information. When these are delivered to customers on a regular basis and direct recipients to company portals to access additional or private information all engagement metrics increase.



Email is the preferred medium for essential communications for many consumers. It is a cost-effective method to ensure essential transactional information reaches your customers.



# Contact management best practice is vital to ensuring high deliverability

Best practice in contact management is clear in delivery results.

## Insights

Essential email deliverability is far higher than regular 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 comparing bounce rates by industry with an understanding of the data integrity processes put in place (or lacking) among the key players in each sector.

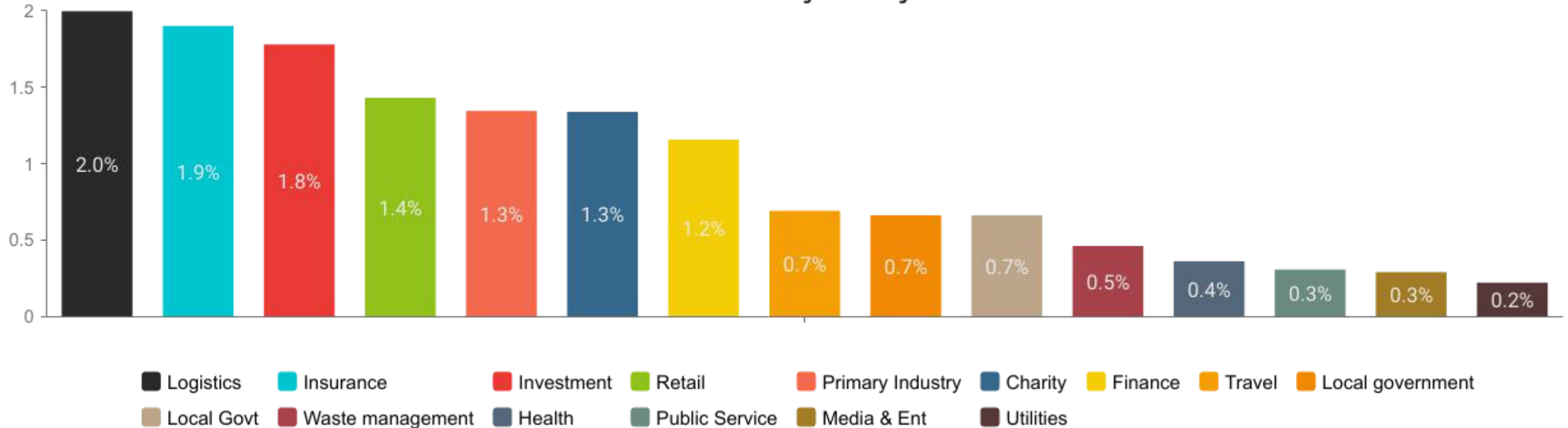


Best practice is to remove or update addresses for failed emails as soon as possible when notified of a failed delivery.

Providing customers with the means to update their records directly ensures email address details are up-to-date.

Having data validation processes in place to ensure all captured data requires double entry and is verified upon saving ensures contact data is relevant and accurate.

**Bounce Rate by Industry**



# The Media and Entertainment vertical leads the way in database maintenance

## Insights

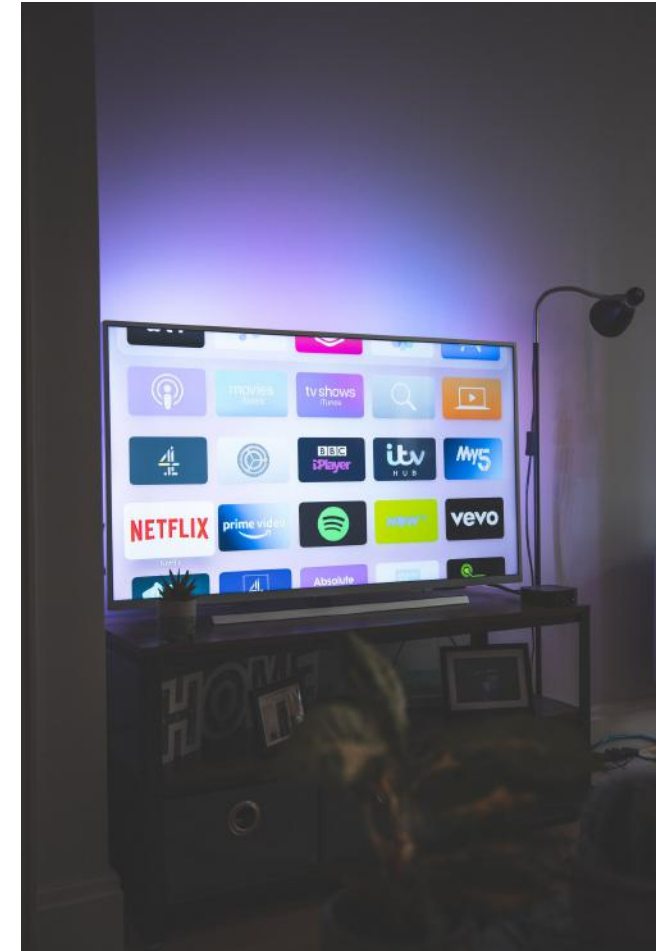
The entertainment sector has long led the charge for email security best practice, effectively using sub-domains, SPF, DKIM and DMARC to protect their domain reputations. Clients in this sector have invested in API-linked systems to monitor failed emails and remedy incorrect addresses in their database, and this has provided significant ROI in terms of deliverability, with the second lowest failure rate of all industries, after utilities.

**0.3%**  
Bounce Rate



Careful attention to failed emails and removing out-of-date addresses can positively impact delivery to legitimate addresses.

Some ESPs monitor all delivery attempts from a source, and if more than a small number of emails fail for any reason, they then greylist all other emails or reject them outright. Hence, ensuring no known to be incorrect addresses are in your database limits the likelihood of this happening.



# Financial Services: Careful contact management delivers results despite poor uptake of security best practice

## Insights

The finance industry is generally good at keeping contact records up-to-date, aiding deliverability and engagement with high read rates. The industry, however, has been slow to adopt security measures such as SPF and DKIM and suffers from a far higher soft-bounce rate than other sectors.

Delivery frequency also impacts delivery rates, particularly on open rates – those sending monthly accounts have considerably higher open rates than those who send only twice a year.



There are a few things you can do to avoid soft bounces for email:

1. Make sure your email addresses are valid and up-to-date.
2. Use an email validation service to clean your list of invalid or undeliverable addresses.
3. Don't send too many emails at once.
4. Monitor your bounce rate and take action to improve it.
5. Use a reliable email sender.
6. Ensure you have adopted security measures such as SPF and DKIM.



# Insurance: relevance and speed of communication bolster customer experience

## Insights

The Insurance industry followed a similar course in 2022 to the previous two years, with slow adoption of SPF and DKIM by some major players. Despite this, the industry still enjoys good open rates, particularly on pure essential emails such as policy confirmations.

Click-throughs are consistently higher when content is personalised, and information needs to be accessed via a portal link in the email.



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

Delivering 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 secret to a meaningful customer experience.

Quick turn-around of personalised ad-hoc communications such as policy documents is essential for engagement.



# Local Government: customers will interact with essential communications from trusted providers – if you provide the means

## Insights

Open rates are generally high across this sector at an average of 69% for 2022. Adopting CTA's across most messaging means that click-throughs have improved 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: content and context are key

Essential email messages, which recipients expect, enjoy far higher open rates. 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 was 56% which is still much higher than the national average.



If you want to measure response and engagement, provide a call to action in every email.



## Utilities: allowing data to drive design delivers powerful segmentation

The Utilities industry continues to lead the way in using email to deliver key messages. Delivery and open rates are high at 99.8% and 71%, respectively, as is the adoption of SPF and DKIM. Email templates are graphically impactful in nature, mobile responsive, and feature innovative approaches such as animated gifs to deliver on design requirements and allow the content to be driven by data.

Content is highly segmented and personalised, with unique combinations of content blocks assembled on-the-fly based on customer data. Emails also include incentives to log into Utility portals for further information or to perform essential tasks, allowing the senders to track engagement in fine detail.



Together, customer segmentation and personalisation can be used to create email campaigns that are more relevant and engaging for recipients. By segmenting customers into groups, businesses can send more targeted content to each group, and by personalising content, businesses can make each email feel more personal and relevant to the individual recipient.



# Key insights and helpful tips: Final thoughts

## Key insights

- Hitting send does not equal delivery; nearly one percent of all essential emails do not reach the inbox. Given essential emails are typically delivered in large volumes, this can be quite a significant volume (and potential cost impact).
- Reaching the inbox is crucial, and essential email open rates are far superior to marketing emails. Thought should be given to how emails are perceived by recipients and adjustments made to sender addresses, subject lines and content if needed.
- Traditional call to action buttons and links are not as trusted as they used to be. You should analyse and adjust the way you detail and present your hyperlinks as email remains the most measurable and cost-effective method to deliver essential communications.
- Already on the rise in our last report, our latest research has shown that email authentication techniques are still growing, with SPF nearing 95% adoption across the board. This is helping ensure more emails are delivered to the inbox rather than the spam folder.
- We have had a full year of Apple Mail Privacy Protection, leading to significant data integrity issues, including open and click rates.
- Essential email open rates remain strong when compared to Campaign email. On average, they are three times more likely to get opened.

## Key helpful tips

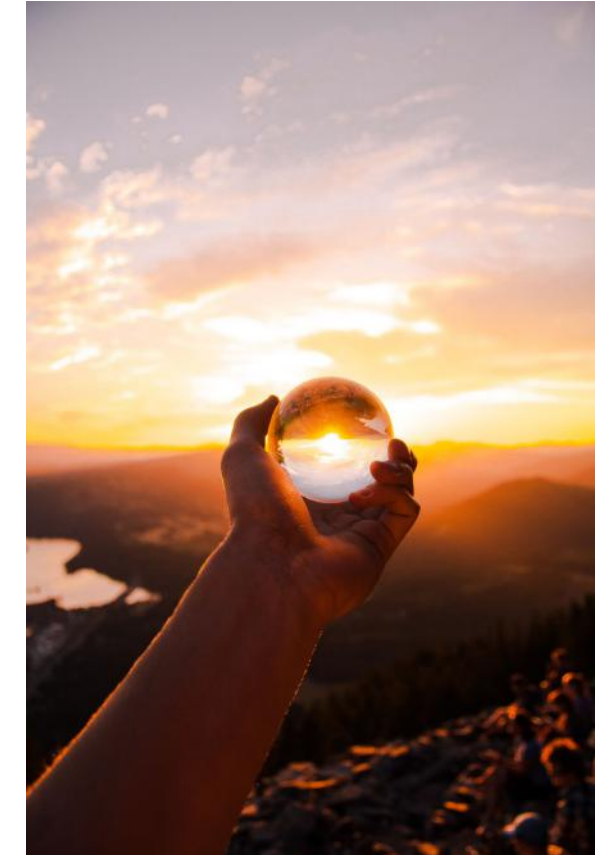
- An up-to-date and accurate database can directly impact your bottom line. Consider how much non-delivered email may cost your business and prioritise a database clean-up if needed.
- You still can't beat a good engaging subject line to help get your emails opened. Consider [A/B testing](#) to help determine what are the most effective subject lines for your audience.
- Don't rely on recipients clicking a link, send important information in the body of the email or as an attachment or advise recipients how to access a secure login portal.
- Check and confirm the integrity of your email metrics data, with over 90% adoption of Apple Mail Privacy Protection various providers are reporting inconsistent results.
- Consider using your Essential emails for cross-promotion or upsell opportunities. Or try using them as a channel to share important developments and initiatives.

# Looking ahead - future predictions in Essential email trends

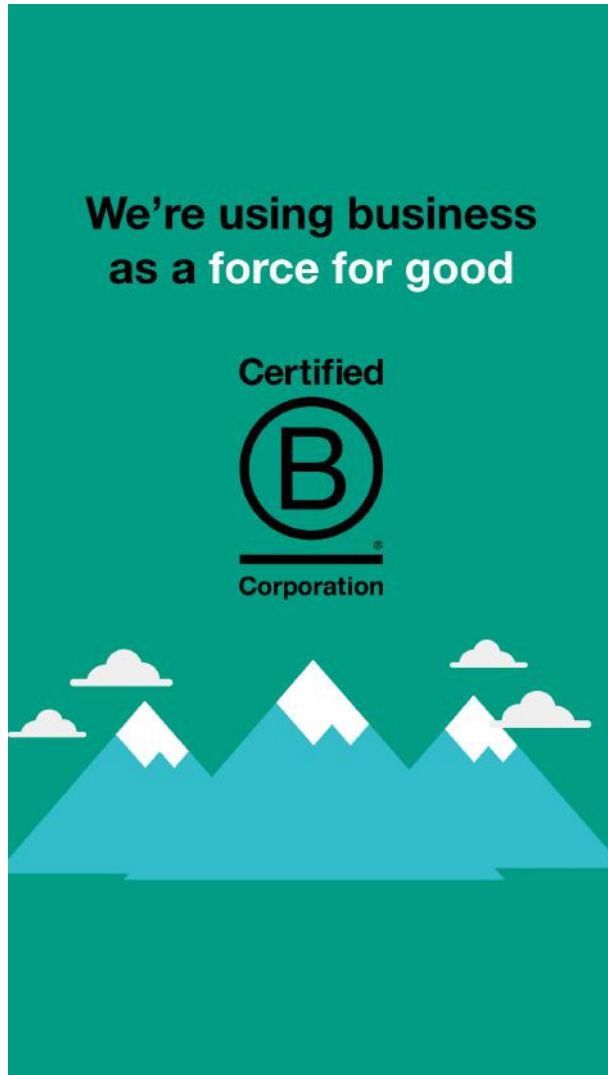
Here are our predictions on future Essential email trends in the next 12 months and beyond.

- **Interactive Emails:** Interactive elements in emails, such as accordions, carousels, quizzes, and surveys, have gained popularity in recent years. These features, while exciting, are not universally supported and should be used with due care as direct response phishing techniques increase in frequency.
- **Privacy and Data Protection:** As privacy concerns continue growing, email marketers must adapt to stricter data protection regulations. Striking a balance between personalised targeting and respecting user privacy will be crucial. Implementing robust data protection measures will be essential to maintain trust and comply with evolving privacy laws.
- **Mobile First:** Probably one of the easier ones to predict, we see the average 4% increase year on year of mobile over desktop viewing of emails to continue. We predicted in our last report that more than two-thirds of all emails would be opened on a mobile device, which was accurate for 2022. We expect to see this near the three-quarter mark through 2023.
- **Click To Open Rates decrease:** We have seen this happen in the past 12 months, and we think this will continue, particularly as mobile first increases and Apple MPP distorts open and click rates.
- **Personalisation and Segmentation:** Email personalisation will continue and become even more sophisticated. Marketers will increasingly leverage user data to deliver highly tailored and relevant email content. Segmentation based on demographics, preferences, behaviours, and purchase history will be crucial to target specific audiences effectively.

We'll watch with interest over the coming months and will report back on just how accurate our predictions were in our next report.



# Cumulo9 is now B Corp certified.



## Business as a force for good

It is well known that email communication offers significant environmental benefits by reducing paper consumption and its associated impact on the environment. With this in mind, we thought we'd take the opportunity to promote B Corp.

Certified B Corporations, or B Corps, envision a better economic system where businesses can benefit people, communities, and the planet. They choose long-term investments over quick wins and measure their success based on the positive impact they create.

As a movement, B Corp has more than 6,000 Certified B Corporations spanning more than 150 industries, employing almost 400,000 people worldwide. More than 500 B Corps are based in Australia and New Zealand. B Corps come in all shapes and sizes, proving there's always an opportunity to use business as a force for good.

We are delighted to advise that the team here at Cumulo9 have recently achieved our B Corp certification. We are proud to be part of this global community of businesses that meet high environmental, governance and relevant social impact standards.

Cumulo9 will continue to look at meaningful certifications that will allow us to move forward with our business philosophy, which is quite simple: to continue to produce innovative digital solutions that help our customers and provide a meaningful return to our shareholders while at the same time managing our footprint on this earth along with helping people and the local community.

For more information on BCorp certification, visit the [website](#).

# About Cumulo9

Cumulo9 helps businesses transform their digital communications with focused solutions. Our on-premises and cloud offerings comprise a full range of products, including our own C9 Transact, C9 Signature and C9 Campaign, and 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 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, 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.

**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
2. C9 Transact reporting interface (all essential email data is derived from here).
3. Vision6 - Email Marketing Metrics for 2022.



The logo for Cumulo 9 features a stylized blue icon on the left, composed of three interlocking loops with a lightning bolt shape at the bottom. To the right of the icon, the word "cumulo 9" is written in a lowercase, rounded, sans-serif font. The background of the slide is a dimly lit office scene with a person working on a laptop, a vase of flowers, and a small potted plant.

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