



Digital Communications Transformed

New Zealand Essential Email Insights 2022

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Executive Summary

Welcome to the second annual Cumulo9 insights report about essential emails. An essential email is a business email that must be delivered (such as an invoice, a payslip, or a statement), is typically high volume, and focuses less on marketing. A campaign email is a marketing-specific email (such as a newsletter or a promotion). The purpose of this insights report is to give you access to unique insights into essential email performance that are relevant to New Zealand, insights you can use to improve the effective ongoing management of your digital communications. To view the previous 2021 Essential Email Insights report, [click here](#).

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

This report is a unique approach as it focuses on four key points of difference:

- Our report focuses on “essential email” (not campaign email).
- Our report focuses on New Zealand data and the impact of ongoing Covid lockdown periods throughout 2021.
- Our report compares trends in essential vs campaign email, and New Zealand vs global data.
- Our report considers the newly introduced Apple Mail Privacy Protection and its impact on Open Rates and Click to Open rates.

We are able to deliver this fresh approach due to our unrivalled access to essential email data via our management of the digital communications for many of New Zealand’s largest companies.

We conducted a detailed analysis and all insights are supported by data

This report focuses on data analysis of the millions of essential business emails that Cumulo9 delivered from 01 January – 31 December 2021. We analysed key metrics, the impact of Covid, different types of email, industry benchmarks, key verticals and more. We have used the CTOR (click to open) measure rather than click-through rate (CTR) as theCTOR provides a more accurate measure of the effectiveness of the email content. By contrast, CTR measures clicks as a percentage of the overall delivered emails regardless of whether or not they were opened.

Executive Summary

Here are a few insights from our analysis.

- We estimate that NZ businesses have saved around 25% of their send costs simply by reducing hard bounce rates.
- For the second year of our report New Zealanders favourite email provider is Gmail.
- Recipients are viewing their emails multiple times. The read rate has gone up from 1.6 in the last report to 2.

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

- The average open rate for New Zealand essential emails was nearly 3 times higher (60%) than for global email campaigns (21.5%).
- New Zealanders are happy to engage with essential email over the weekend with Saturday/Sunday being the highest CTOR compared to Tuesday for global campaign emails.
- The average CTOR in Australasia is higher for essential email than for campaign email at 9.1% for essential email compared with 7.4% for campaign email.

We explored the impact of COVID-19 and Apple's new Mail Privacy Protection (MPP) policy on email in detail.

- Companies throughout the world continue rely on email to deliver their messages, however when restrictions due to COVID-19 came into force the total NZ traffic was down compared to 2020.
- While the introduction of MPP has affected open rates for some email providers, C9 Transact's essential email open rates have not been artificially inflated.
- Lockdown and the COVID-19 pandemic did not stop the growing shift to using mobile devices to open emails with the mobile first trend continuing to increase.

Purpose of this insights report

The purpose of this insights report is to give readers access to unique insights from a level of data that they would not normally ever have access to. We compiled this report due to the lack of quality/accurate essential email data available to businesses. We are publishing this report now because we have had the opportunity to analyse our essential email insights data over the full 2021 calendar period that included the impact on essential email communications by the extended lockdown period. We hope this report will help you improve the effective ongoing management of your digital communications as New Zealand essential email trends are very different from what we have seen in global campaign email reporting.

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

Scope of this insights report

We analysed send data from tens of millions of essential emails sent by New Zealand businesses from 1 January 2021 to 31 December 2021. This one-year timeframe was unique because it included our longest ever period of NZ COVID-19 lockdown.

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

About C9 Transact

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

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

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



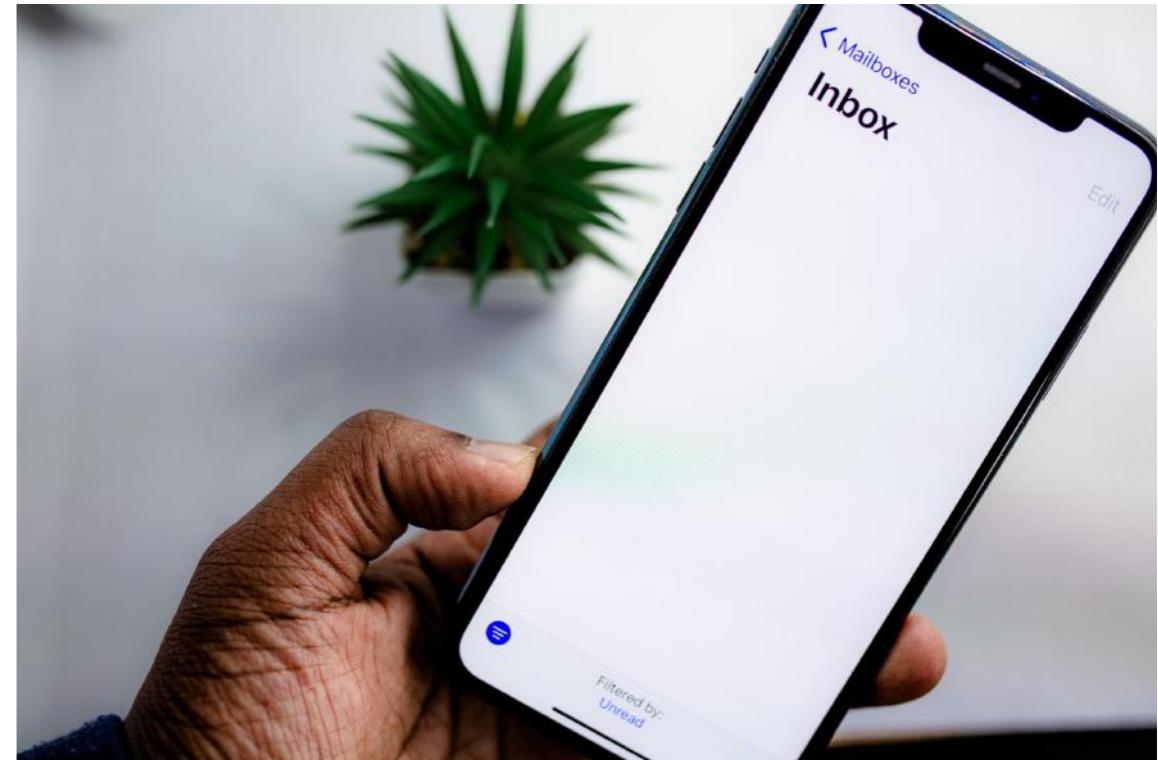
Out-of-date and invalid email addresses remain the primary cause of delivery failure

From the emails analysed between 01 January and 31 December 2021 just under half a percent were not delivered due to hard bounces (0.49% to be precise). While it is encouraging to see this number drop from our last report (at 0.7% in our last report, this represents around a 30% savings for businesses over the past 12 months simply due to a decrease in hard bounce rates), however, this still represents more than 121,000 essential emails that did not make it to the intended recipient.

In contrast, global statistics from 2021 show that only 1 in 6 marketing emails reach the inbox.⁵

Insights

Invalid address data remains one of the main reasons for non-delivery which unfortunately can have a significant financial impact. Having to process, print, envelope and deliver each email that has been hard bounced costs businesses around \$1.50 each (and rising). This can quickly add up with large essential email deliveries and is a cost that can be easily reduced with good data management.



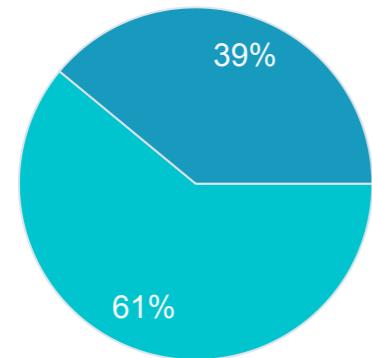
The trend towards mobile continues to grow

In last year's report we speculated just how long it might be until we see two-thirds of all email being opened on a mobile device. Well, this year the trend has continued with yet another increase in mobile vs desktop – up from 61% to 64% this year. Our prediction is that in 2023 we will see over two-thirds of all essential emails being opened on mobile devices.

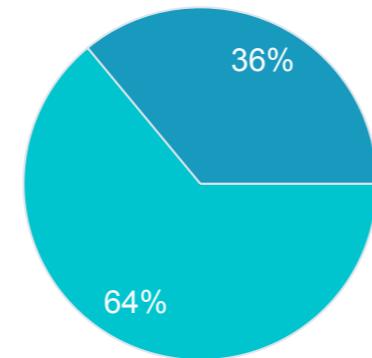
Insights

If you're not yet thinking "Mobile First" for your email design and delivery then there is a very good chance nearly two thirds of your audience are having a less than optimal reading experience with a negative impact on things like engagement, open and click through rates as a result.

2020



2021



Design your emails for mobile. If you don't do this, almost two-thirds of your customers are going to have a less than ideal experience with your brand.

■ Mobile 61% ■ Desktop 39%

■ Mobile 64% ■ Desktop 36%

The number of people opening emails has decreased

At just over 60% open rate we have seen another decline in open rates of around 8%. Down from 65% in our last report (which was down from 70% the prior year). It's important to note that this consistent decrease in open rate has also been impacted by the steady increase in the use of mobile devices and webmail whereby not all opens are registered in the same way.

Insights

While still well above open rates for campaign emails, it is important to keep an eye on your essential email open rates. If you are seeing a decline in open rates then consider mixing up the design and structure of your email, updating sender information, SPF and DKIM or even just updating your subject line to increase your open rates. While not a new tactic, it is worth considering A/B testing of several variables if you are experiencing declining open rates.



Ask yourself what value your email is providing and consider highlighting this in the subject line to encourage your customers to open and read your essential email.

Focus on increasing your open rates, consider testing different subject lines with some A/B testing, taking note of the content that results in the best open rates. Taking time to do this can have a significant impact on your customer communications.

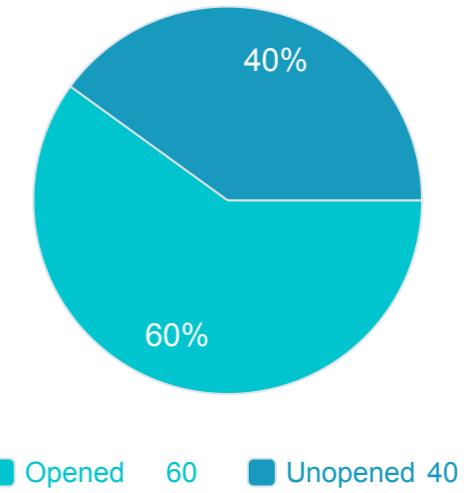
You could use strategies such as A/B testing (a user experience research methodology) to ensure you meet best practice for email security so that you establish your reputation as a trusted sender.

You could also focus on:

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

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

Average Open Rate to year ending
31 December 2021



Essential Email click through rates drop to single digit figures

9.3% of links in essential emails get clicked, down from 11% from the prior year. The click-to-open rate (CTOR) measures the percentage of unique recipients who clicked on a link after opening an email. We have used this measure rather than click-through rate (CTR) as CTOR provides a more accurate measure of the effectiveness of the email content. By contrast, CTR measures clicks as a percentage of the overall delivered emails regardless of whether or not they were opened.

Insights

Over the year we tracked essential emails, people only clicked on links in 9.3% of opened emails. Even allowing for some monthly variation and email client variation, the overall percentages are fairly consistent throughout the year. For example, of the main email client providers tracked, the highest CTR achieved was 18.51% (slingshot.co.nz) and the lowest was 5.65% (gmail.com).

This trend is not limited to essential email. The global CTOR for 2021 was 10.5%, down from 14% the previous year.¹ Research shows that as opens have been increasing on mobile, there has been a correlating decrease in click to open rates. Recipients click far less on mobile devices than on PC's or tablets.³ Reasons for this reduction could be due to an increase in security concerns regarding link clicks or that improvements in the information being provided in the email copy reduce the need for recipients to click through to a site to see their data.



Make sure you include all your critical client information in the body of the email. Do not rely on your recipient clicking on your links, especially if your reports show high mobile opens.

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

Many people open an essential email multiple times

Emails that are essential and transactional often get viewed multiple times and this is trending upwards. For the period we tracked, the open rate was just over 2.0, meaning on average people are opening their essential emails a couple of times before actioning/filing/deleting - this is an increase from 1.6 in 2020.

2.0 open rate

Insights

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



Use email to send your essential communications.

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

Most essential emails are sent in the evening and overnight

A large percentage of essential emails are sent outside typical working hours. Nearly a third of weekday emails are sent between 8pm and midnight. However, over the weekend more than 60% of essentials emails are sent between midnight and 8am. One result we have seen this year is a significant reduction in average time to open, dropping from 17 hours down to 8 hours. This could indicate a larger number of people checking essential emails in the evening as traditional working day hours shift with a move to more flexible working arrangements.

Days of the Week	Time of the Day	Percentage emails sent
Monday – Friday	00:00 - 03:59	15%
	04:00 - 07:59	10%
	08:00 - 11:59	10%
	12:00 - 15:59	19%
	16:00 - 19:59	11%
	20:00 - 23:59	26%
Saturday / Sunday	00:00 - 03:59	3%
	04:00 - 07:59	2%
	08:00 - 11:59	2%
	12:00 - 15:59	<1%
	16:00 - 19:59	<1%



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

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

Insights

These times signal an important difference we noted between essential and campaign email. The time to open an essential email is less important than for a campaign email where the marketing objective may require a quick open time. Campaign emails are typically sent during times of the day when the intended audience is most likely to open them quickly. Unlike essential emails where often the send time is outside normal office hours when traffic is lower and provides the opportunity to flatten out web traffic and customer enquiries.

Emails sent Monday - Thursday evenings have a higher average open rate

People are fine with opening their essential email outside of traditional work hours with emails sent most week nights and midday Sunday recording some of the highest open rates.

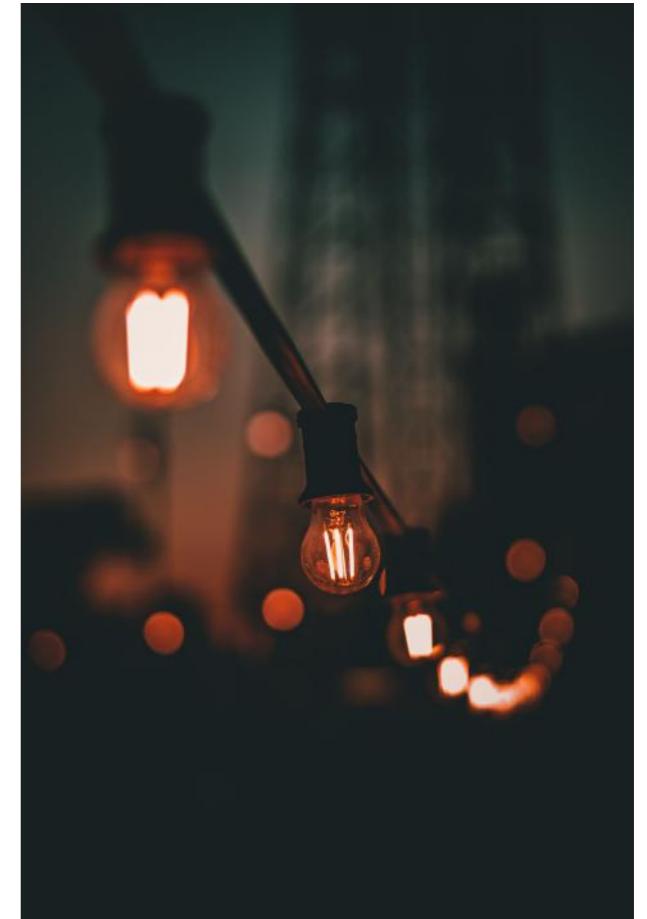
Insights

For emails sent between 8 - 9 pm, Monday to Thursday, the average open rate for essential emails is 65.4%. This rate compares favorably with an average open rate of 60.4% for all emails we measured. The other popular send time is midday Sundays, with emails sent around this time getting an average open rate of just under 66%. Indicating that people are very comfortable reading essential email communications outside of traditional work hours.



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

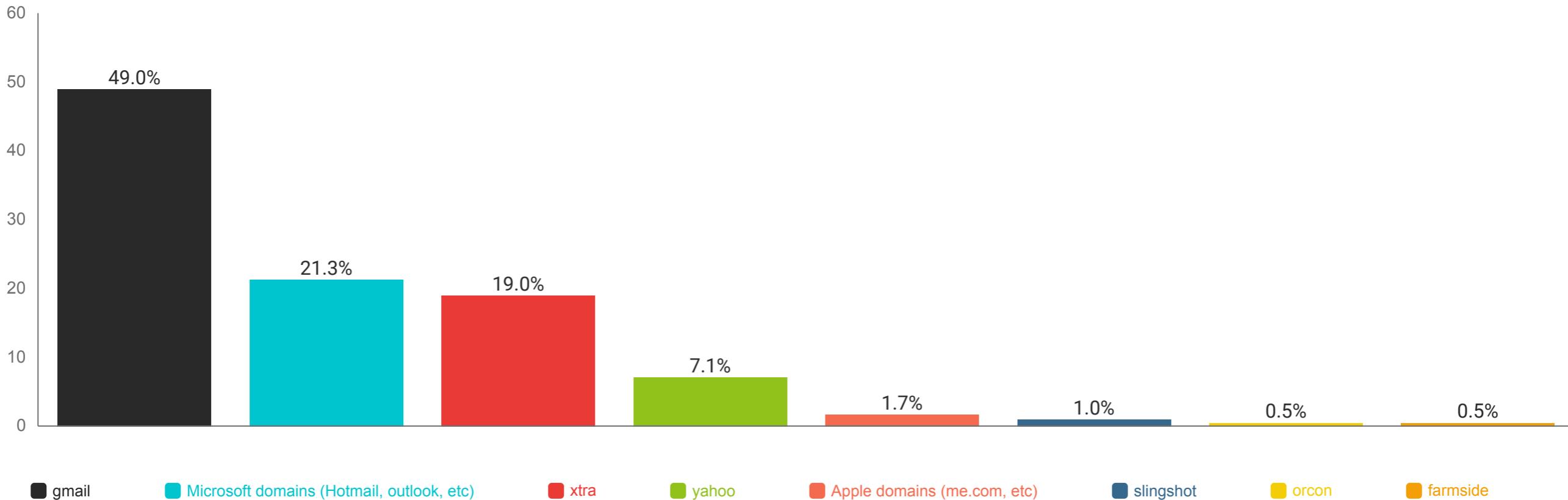
If you are likely to get increased enquiries from your email send then plan for a send time when you call centre is well staffed for example.



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

Most New Zealanders prefer Google as their Internet Service Provider (ISP), with nearly half of all essential emails delivered to the top 8 ISP hosted mailboxes sent to @gmail.com addresses. Hotmail is second and Xtra is third; these two make up 40% marketshare of the top eight ISPs represented in NZ. Over the past year we have noted an increase in the volume of private domains (many hosted on Office 365 and Google Workspaces) receiving essential emails. As a consequence of this we have seen around 300 other domains being used which account for under 0.1% of total emails sent combined!

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



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

With the largest volume of emails received Gmail presented a low hard bounce rate at only 0.24%. Hotmail improved dramatically from 1% last year to 0.25% this year. Xtra, likewise returned a hard bounce rate of 0.47% - an improvement of 22% on last year's figure. Overall hard bounce rates are declining on the back of database maintenance and cleaning by senders.

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

SPF is nearing 80% adoption across all industry verticals after nearly two decades, while Domain Keys Identified Mail (DKIM) has surged this past year — with adoption increasing from under 20% in 2020 to nearly 60% of senders in 2021. We have also seen a notable uptick in implementation of DMARC (Domain-based Message Authentication Reporting and Conformance) and growing interest in BIMI (Brand Indicators for Message Identification).

Insights

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

ISPs continue to improve their filtering and antispam processes.

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

Major email providers are now starting to enforce DKIM and DMARC. As a result, SPF alignment and DKIM implementation are increasingly determining inbox placement.



Keep your IP reputation clean, and track your bounce rates. Both help genuine emails reach their intended recipients.

Make sure you use SPF, DKIM and DMARC. If your ISP doesn't already require you to use these, it might do so in the future.

The impact of Apple Mail Privacy Protection

In June of 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 that gives users more control over their data when it comes to their inbox. Once a user opts in to this MPP function, they're allowing Apple to pre-fetch (or download), emails and email images to their device. This happens even if the user doesn't open and read the email message therefore inflating the open rates for most email providers.

The team here analysed the impact through C9 Transact and found some key differences.



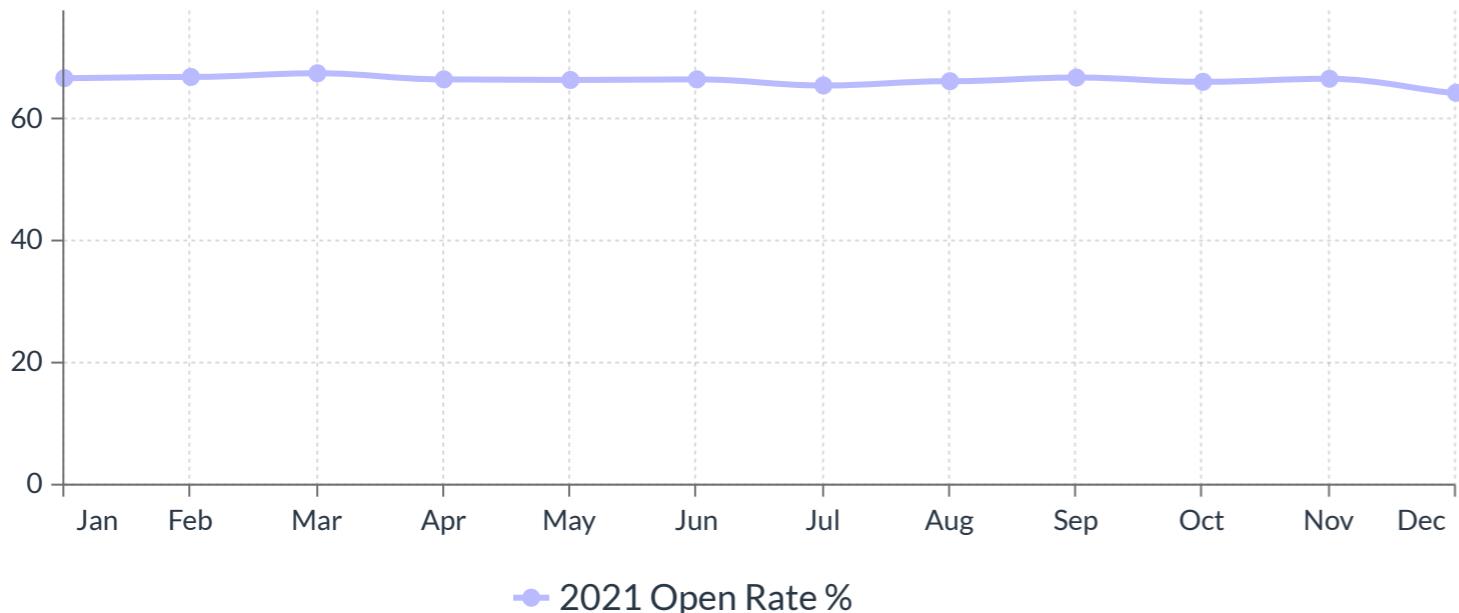
C9 Transact essential email open rates have not been artificially inflated as a result of Apple Mail Privacy Protection

The introduction of MPP has affected open rates for some providers, resulting in messages being marked as open even if the user has not opened or read them - because the pixels that indicate opens are pre-fetched. Global campaign email saw a consistent 3.5% open rate increase year over year after the introduction of MPP, and a click to open rate decrease of the same percentage; making both of these measures less accurate.¹

C9 Transact has not been affected in this way and read rates have remained consistent despite the release of MPP. However, because the message is routed through a proxy, C9 Transact will obtain the proxy IP address for recipients who have MPP in place and - along with other providers - can no longer consistently identify the specific device being used as an Apple device (iPhone, iPad, Mac). The team here have been analysing the impact of MPP since the beta version was first introduced. The open rates by month are shown on the graph below.

Insights

C9 Transact Essential Email Open Rate % by month



While Open rate and Click to Open rates are no longer an industry standard as various providers have inconsistent results in terms of accuracy around both rates, these are still useful metrics for users of C9 Transact.



If your open rates have increased and click to open rates have decreased as a result of MPP, you should replace the CTOR metric with Click rate to get a more accurate measure of engagement moving forward. Use thoughtfully placed response mechanisms in your emails to measure engagement.

Covid-19's impact on essential emails sent and opened during lockdown in 2021

Our last report identified trends over the first COVID-19 lockdown in 2020 while this report focuses on last year's extended lockdown and its impact on sender and recipient behaviour.

We analysed the data for the level 2, 3 and 4 lockdown period of August 17 2021 to the end of the 'Alert Level System' on the 3rd of December 2021. We also analysed the full calendar year and compared to the previous year.



Fewer essential emails were sent in the 2021 lockdowns

On 17 August 2021, after a report of a new community case presumed to be infected with the Delta variant of the virus earlier that day, New Zealand moved to alert level 4, entering a nationwide lockdown. The country remained at various alert levels through to December 3rd 2021 when the country moved to the traffic light system. Aucklanders remained largely at home at alert levels 3 and 4 for almost 4 months (107 days).

As we have seen earlier in the report, from January 1st to December 31st 2021 there was an increase of more than 5% in the number of essential emails sent than the previous year overall.

The 2020 lockdown saw the number of emails sent increase versus the year before. In 2021 the number of emails sent over the longer lockdown period actually decreased by just over 2% versus the same period in the previous year.



More people opened essential emails during the 2021 lockdown

The open rate for successful deliveries during this alert level/ lockdown period was 2% higher than the same period in 2020. 60.8% in 2021 compared with 58% in 2020. New Zealand businesses rationalized their communications to only the most necessary to avoid recipient fatigue and continued to see increases in opens.

Insights

Essential email is the most valuable channel for communications, especially in periods of restriction.

Declining click through rates were experienced during the 2021 lockdown

We have seen the CTOR for successful deliveries during the 2021 lockdown period was 2% lower than for the same period in 2020: 8.8% in 2021 compared with 10.6% in 2020. This is in contrast to our last report where the CTOR increased by 2% during the shorter lockdown period.

Insights

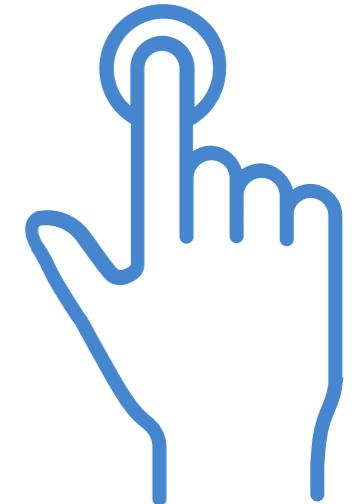
The lockdown in 2021 was four times longer than in 2020. While the open rate increased, recipients were less engaged with the emails they received in this time. This decrease in the CTOR for this period has played a major part in the decrease overall for 2021. Needless to say this will negatively impact any client actions required from your essential emails. It's important to note that recipients click less when they open an email on mobile and the increase in mobile opens year on year has directly impacted click engagement.



An increase in open rate does not mean an increase in the CTOR. Be clear on whether your goals are informative/ to generate opens, or engagement/ to generate click throughs and schedule your emails accordingly.

**↓
CTOR
2%**

**↓
SENT
2%**



The longer lockdown did not stop the growing shift to using mobile devices to open emails

The longer Lockdown did not stop the growing shift to using mobile devices to open essential emails. During the 12 months from 1 January 2021, more recipients opened emails using a mobile than a desktop. A 3% shift to using mobiles instead of a desktop resulted in 64% of essential emails being opened on mobile devices.

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

**MOBILE OPENS
64%**

Period	Mobile	Desktop
year ending Dec 31 2021	64%	36%
2020	61%	39%
2019	57%	43%
2018	53%	47%



Stay “Mobile”.

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

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

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



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

Essential emails have consistently higher open rates than campaign emails

As noted earlier, the average open rate for essential email through 2021 was 60%. For campaign email, the average open rate was just under 38%.⁴ This is the same average open rate as the year before (2020) for campaign email in Australasia.

More people click on a link after opening an essential email

The average CTOR in Australasia is higher for essential email than for campaign email.⁴ The average CTOR for essential email was just under 9.1%, while it was 7.4% for campaign email.⁴

Insights

While open rates for essential email are almost double that of campaign email, click to open rates are similar. Our analysis has showed that this is because essential emails have very few CTA mechanisms, while campaign emails have several.

We see value in businesses sending essential emails including more direct response mechanisms so they can analyse recipient behaviour and engage with them further.



Include direct payment or link to portal buttons in essential emails such as invoices to get paid more quickly.

Essential email mobile opens are experiencing higher growth

In Australasia, recipients are more likely to open both essential email and campaign email on a mobile than on a desktop.⁴

Throughout 2021, the percentage of New Zealand essential emails opened on a mobile was markedly higher: on average, 64% compared with 54% for campaign email opens.⁴ While NZ essential email mobile opens continued their growth trend year on year, the campaign email percentage remained the same as the previous year.

CAMPAIGN
54%

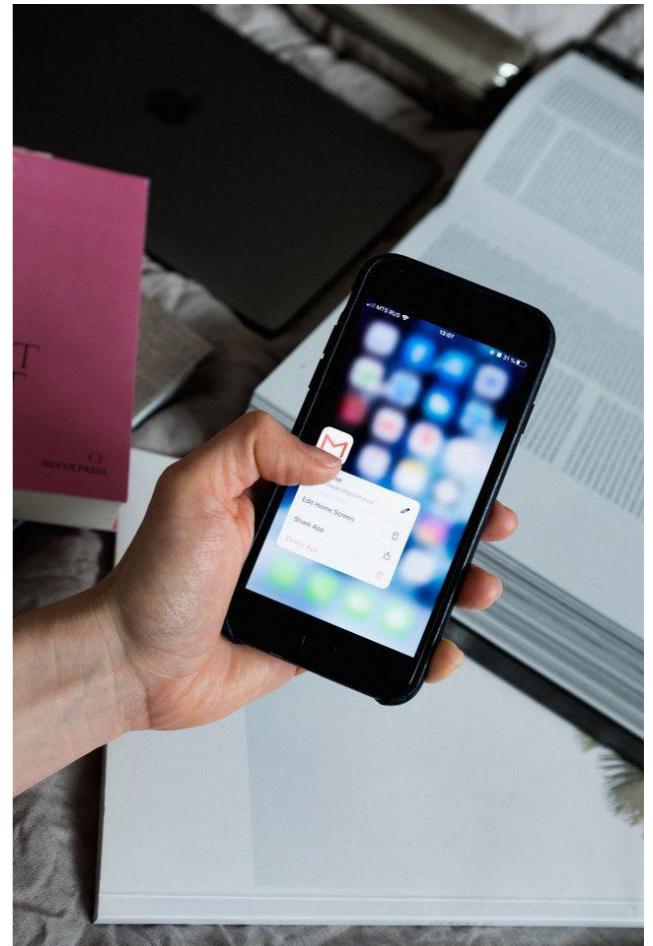
ESSENTIAL
64%

Gmail is the favourite email provider in both countries

Again, Gmail is the most used email provider for opening essential email (49%) and campaign email (44.5%).⁴



Always preview your emails in both mobile and desktop view and test the presentation of your emails according to the providers that most of your recipients use.



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 compared C9 Transact data with data from a 2022 global email report. (The references section in this report has a full list of information sources). It is worth noting that the New Zealand data is based on essential email communications while the global data is largely campaign email. In part, this is due to a distinct lack of essential/ transactional email analysis worldwide. As a result, we also compared the differences between the two types of communications.

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

The average open rate for the period for New Zealand essential emails through C9 Transact was 60%. This percentage is nearly three times higher than the average 21.5% for global marketing emails.¹ This gap has closed slightly since our last 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.



Highest open rates for essential emails are on Tuesdays and Wednesdays

Essential email opens are highest on Tuesdays (63%) and Wednesdays (61%). This is a slight change from the past few years where they have been highest on Tuesdays and Thursdays. The lowest open rates for essential email were on Saturday and Sunday.

In comparison marketing emails sent globally have seen the highest open rates on a Monday through 2021, although there is little variance between weekdays. The global email benchmark open rates range between 20.3% and 22% each day.¹

Click to open rates for essential emails are highest on weekends, while marketing emails showed little variance by day.

The CTOR comparison was highest for global campaign emails on a Tuesday, while for essential emails it was highest on Saturday and Sunday.¹

The CTOR for global marketing emails was within 1% no matter the day, while for essential emails the CTOR on weekends was much higher than during the week. The Sunday CTOR of 19.6% for essential emails was double that of any other day.

Insights

From this result, we draw two important insights about trends, especially during the pandemic. First, essential and transactional emails are still best sent during the week. Secondly, the highest CTOR is not on days that experience the highest open rates for either essential or marketing emails highlighting the difference between opens and engagement.

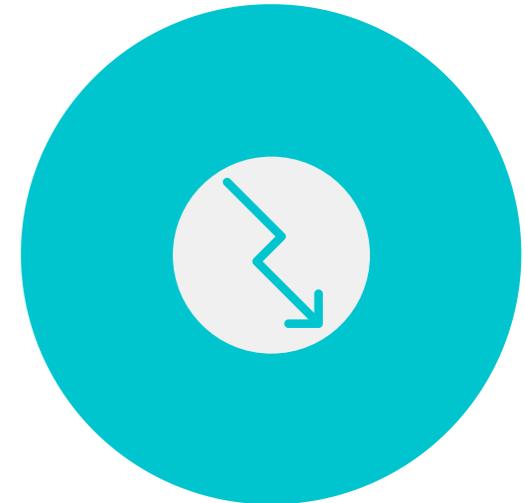


If your goal is to have your essential emails read, send them during the week. If the purpose is engagement, do not rule out weekends.

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

The average click to open rate for New Zealand essential emails decreased from 11% to 9.3%. The global CTOR for 2021 was 10.5%, down from 14% the previous year.¹

Analysis shows that essential emails have significantly less click opportunities than campaign emails however the CTOR difference between the two has decreased markedly. The essential email CTOR was 3% lower in our last report, and is now just over 1% lower than global campaign emails for the 2021 calendar year.



Insights

As mentioned earlier in this report, both in New Zealand and global click rates have decreased in line with the increase in mobile opens. Recipients click less on mobile devices. Traditionally campaign emails have had higher CTOR than essential emails however this gap is closing.



Ensure your direct response mechanisms are relevant and your emails are easy to read and engage with. If your click to open rates are decreasing, take the time to analyse your click reports and ensure important click opportunities are near the beginning of your campaigns. The further down the email, the lower the click to open rate.

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.



Government, financial services, entertainment and utility industries increase delivery of essential communications by email

Government, financial services, entertainment and utilities industries have embraced email to deliver essential communications. Essential email communications sent for the Government, financial services, entertainment and utilities sectors represent more than 70% of the emails that C9 Transact delivered between January 2021 and December 2021. Our insights on this remain much the same as they were last year.

Overall insights about essential communications by email

- Looking beyond simple volumes of email, one insight is that the highest click-to-open rates (CTOR) occur where incentives are part of the message. Recipients engage with these emails more.
- Verticals such as Finance and Insurance, which rely on document archives (with username and password-secured access portals) to protect their customers' information, have the highest engagement rates.
- We also see good engagement rates for senders who provide key information in the email or as an attachment. In these emails, senders provide a link or button for customers to access their account login from inside the message.
- Delivering messages to a schedule also helps drive results in engagement. We note across all sectors: the more regular the contact between senders and their contacts, the higher the engagement.
- Frequency also helps to improve engagement, but senders need to strike a balance between not sending often enough and sending too often. This balance also depends on the type of communication, the industry, and recipients' expectations.
-



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

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

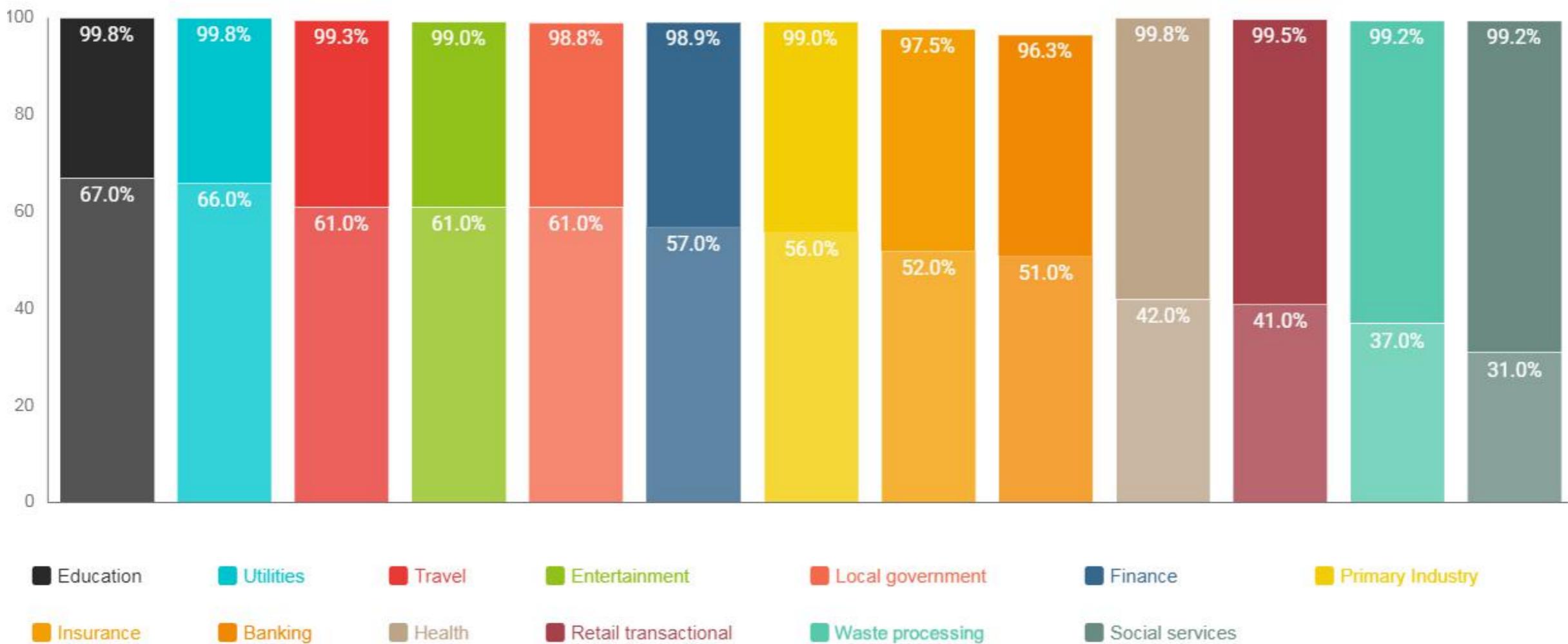
Follow best practice by providing key details in the email so that customers have a positive experience.

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

Government and industries show high delivery rates for key communications

Careful implementation and maintenance of SPF, DKIM and DMARC records for sender domains, personalised subject lines and content - making each email a singular, unique correspondence - all help ensure great delivery rates for essential emails. The same principles also result in improvements in inbox placement, which ensures optimal read rates.

This bar chart shows delivery rate by industry, overlaid with the read / open rate for that vertical, ordered by open rate.



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.

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

Across nearly all sectors, we have seen a lift in deliverability and in read rates over the past year. These improvements come on the back of clients improving their SPF, DKIM compliance, email design and subject line personalisation. The finance, travel, utility and insurance industries continue to lead the way in engagement – converting those views to clicks.

Insights

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

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



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

Best practice in contact management is clear in delivery results.

Insights

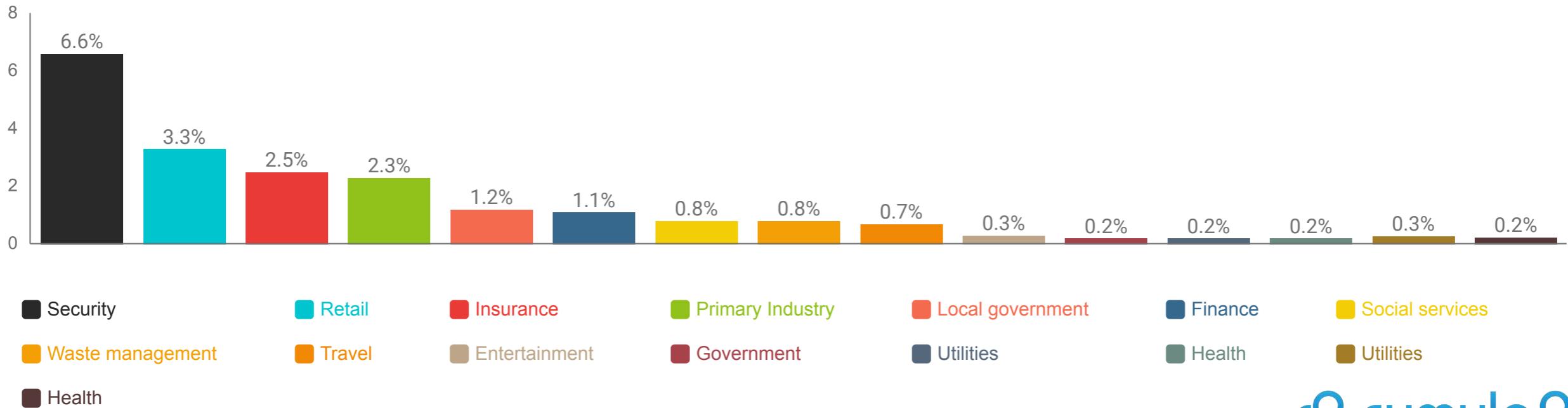
- The deliverability of C9 Transact essential email is far higher than the deliverability for regular marketing newsletters.
- The vast majority of non-delivered emails are the result of Hard Bounces that are caused by out-of-date or poorly captured customer email address details.
- This bar chart shows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



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

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

Bounce Rate by Industry



Financial Services: People will go online to check balances and transactions

Recipients of essential communications from the financial sector will interact with their provider if the communications contain links for them to securely check documents in the provider's portal.

While email users are becoming wary of links in emails due to the increase in scams and phishing attempts being perpetrated via the medium, through the efforts of genuine senders, recipients are being more sophisticated in their ability to identify genuine emails and safe links from fraudulent imposters.

Other than applying the industry standard authentication methods (SPF, DKIM and DMARC), many providers also include bespoke identifiers in their emails to prove authenticity and information to help educate their customers.

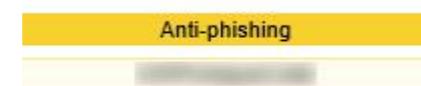
Several financial institutions include instructions on the information customers should never provide to any party, even those claiming to be from the provider, as well as the information a legitimate bank employee will never ask for - any request for such information indicates potential fraudulent intent. By pointing out the red flags customers should look for, these providers protect their customers and also increase trust in their own emails.

Another method to protect customers is to have customers create a safety (anti-phishing) word or phrase on establishment of their account and for that text to be included in emails to indicate that the email has been sent by their provider and not an imposter.

Insights

While CTOR are generally high across this vertical, click-throughs are mostly noted on those emails that feature an option to connect directly to interactive portals — to check balances or download tax documents.

Provide a call to action in every email if you want to measure response and engagement. Use smart security measures such as personalised safety words or phrases to identify legitimate correspondence. Educate your customers on the red flags they should look for to protect themselves against fraudulent emails.



Primary Industries: Building trust takes time and consistency

Insights

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



Are you still treating email as a new technology? Two actions increase uptake of email over time.

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



Security: Simplistic approach leads to fewer opens and click throughs

The security industry has low open rates and the lowest deliverability as a result of being slow to adopt email security best practices.

Insights

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

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



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



Key insights and helpful tips: Final thoughts

Key insights

- While Apple MPP hides device and email client information and impacts read rates for many ESPs, read rates remain accurate in C9 Transact. When recipients are incentivised to click, C9 Transact is better able to determine details about the device or email client.
- SPF and DKIM improve outcomes and there has been excellent uptake on DKIM over the past year.
- Premium delivery is worth the investment. Each non-delivered email costs around \$1.50 (excluding time resources) to process and deliver by mail (in a fully automated environment). If that cost is apportioned to each successfully delivered email, the price to send increases dramatically.
- A customer centric approach to transactions are key to driving engagement - provide customers with the information they require in the format they prefer. Deliver emails in a responsive format and use multichannel messaging to ensure engagement e.g. SMS notifications to alert customers to the delivery of essential emails are particularly effective.
- Essential communication volumes are growing year on year in both B2C and B2B. Email and SMS volumes have increased and eInvoicing (PEPPOL) uptake is growing.
- Recipients view essential emails multiple times and are up to 3 times more likely to open an essential email. Email is a valuable channel for cross-promotion (trans-promotional).

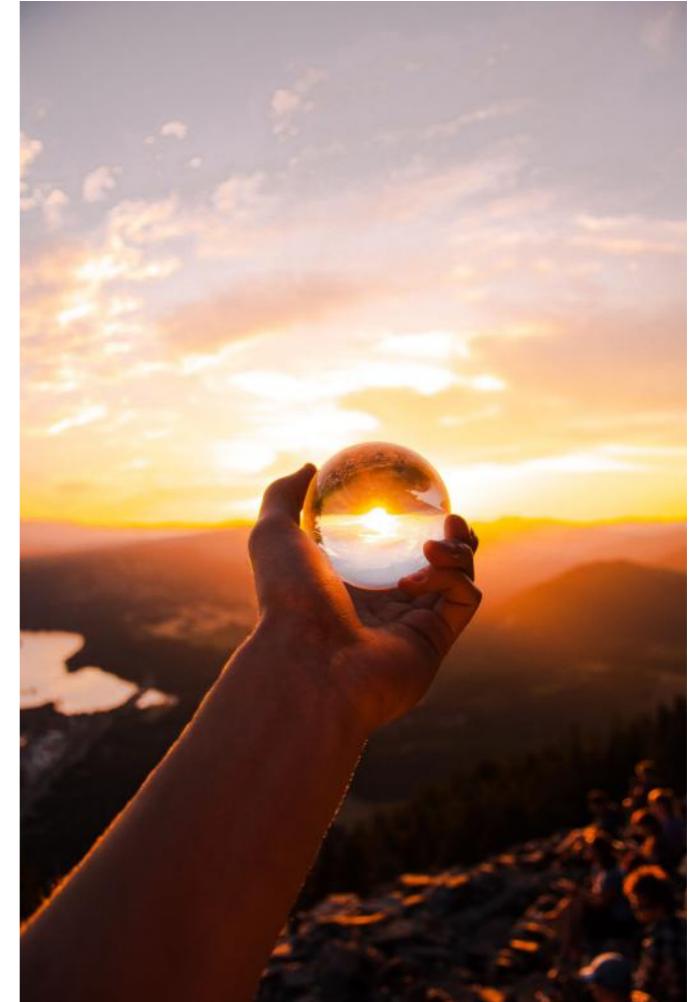
Key helpful tips

- Design for “mobile-first”. Mobile device open rates for email continue to grow. Effective design and composition of your emails are pivotal to making sure people open and read your emails.
- Ensure you have the best email security in place. Email service providers are becoming stricter with security, particularly around SPF, DKIM and DMARC.
- Include all your critical client information in the body of an email: do not rely on your recipient clicking links in the email; but do provide an opportunity for them to do so.
- Think about how your customers will perceive your message, particularly in view of hesitancy around phishing. If possible, personalise an email’s subject line and content, include a client-generated security phrase to prove authenticity. Use each email as an opportunity to provide education on email security and assurance of the authenticity of your messages.
- Measure the trends of open and click engagement for your audience. Customise the content and send times of your emails based on this data and your objectives.
- It takes time and dedication to get essential emails right, but the results can be measured and tracked, and the ROI justifies the effort.

Looking ahead - future predictions in essential email trends

New to this years report – we have a go at some predictions on what future essential email trends might look like in the next 12 months and beyond.

1. Less Paper / More Email: As our population ages and more “digital natives” enter and move up the work force, the volume of paper will continue to reduce and email volume will continue to increase.
2. Businesses move to eInvoicing: eInvoicing will become common place across B2B transactions. The question will be how quickly will it be adopted – we predict Kiwi’s will embrace the improved efficiency and the uptake will be rapid. [Click here](#) for more information on eInvoicing for your business.
3. Mobile First: Probably one of the easier ones to predict, we see the average 4% point increase year on year of mobile over desk top viewing of emails to continue. Next year more than two thirds of all emails will be opened on a mobile device. The next question will be when we see the ratio hit the three quarter mark?
4. 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. People will be clicking less in emails as confidence grows in the email body content and the ability to view and receive the information needed without the need to click on links.
5. Engagement outside work hours will grow: As more people settle into flexible working arrangements the traditional email open and click times will become more blurred with an increase in weekend and evening email activity likely to continue.



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

About Cumulo9

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

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



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Glossary

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

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

Campaign Email: An email that:

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

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

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

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

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

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

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

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

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

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

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 is marking an email as opened, artificially inflating open rates for each user that has opted into the apple feature.

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

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

References

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

1. Campaign Monitor - Ultimate Email Marketing Benchmarks for 2022.
2. C9 Transact reporting interface (all essential email data is derived from here).
3. Campaign monitor email trends report - mobile vs desktop
4. Vision6 - Email Marketing Metrics for 2021.
5. Validity - Fundamentals of Email Marketing



Digital Communications Transformed