



RESEARCH REPORT

Special report: Email in an evolving economy

Exploring sender sentiments in uncertain times



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INTRODUCTION

Digital communication and the economy

As the world turns round and round, you've got to expect the global economy to go up and down as well. And it looks like this roller coaster could be heading downhill soon. While it may not be a certainty just yet, **many economists believe we are in for a global recession in 2023.**

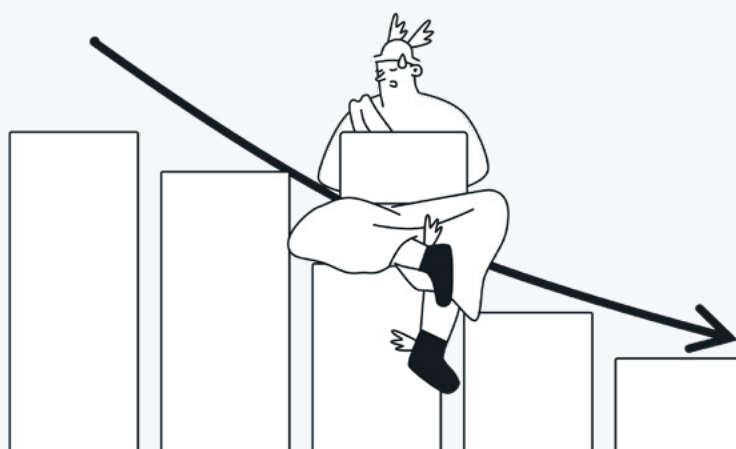
That's pretty hard to hear, especially because it feels like we just pulled ourselves out of the mess that the COVID-19 pandemic caused. However, a sputtering global economy is the situation we find ourselves in, and now the question is, "Where do we go from here?"

In this special report from Mailjet by Sinch, we'll explore the expectations and strategies of email senders like you. During August and September of 2022, we surveyed both Mailjet and Mailgun by Sinch customers from across the globe to find out about their concerns for the future and how they plan to get through a potential economic downturn.

The results of this survey offer insights into how economic changes and challenges impact marketing and digital communication efforts.

More than 1,300 marketers, IT professionals, app developers, support specialists, and many other people involved in sending email completed our survey. It includes the concerns and plans of small businesses as well as multinational enterprises.

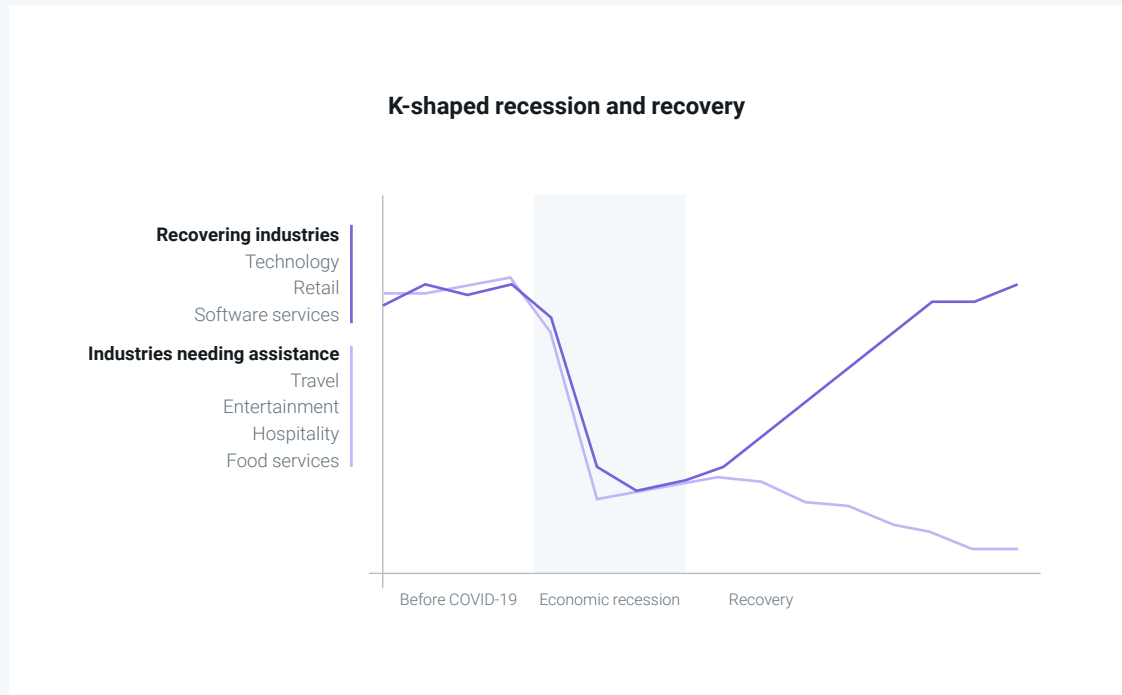
Before we dive into the results of the survey, let's look at the big picture. What are economists predicting will happen in 2023?



K-shapes and pasta bowls

Recessions can take on a variety of shapes and forms. For example, experts called the economic slump that accompanied the COVID-19 pandemic a “K-shaped” recession and recovery. That’s because the pandemic caused a dramatic dip in the economy followed by a sudden recovery, but only for certain industries.

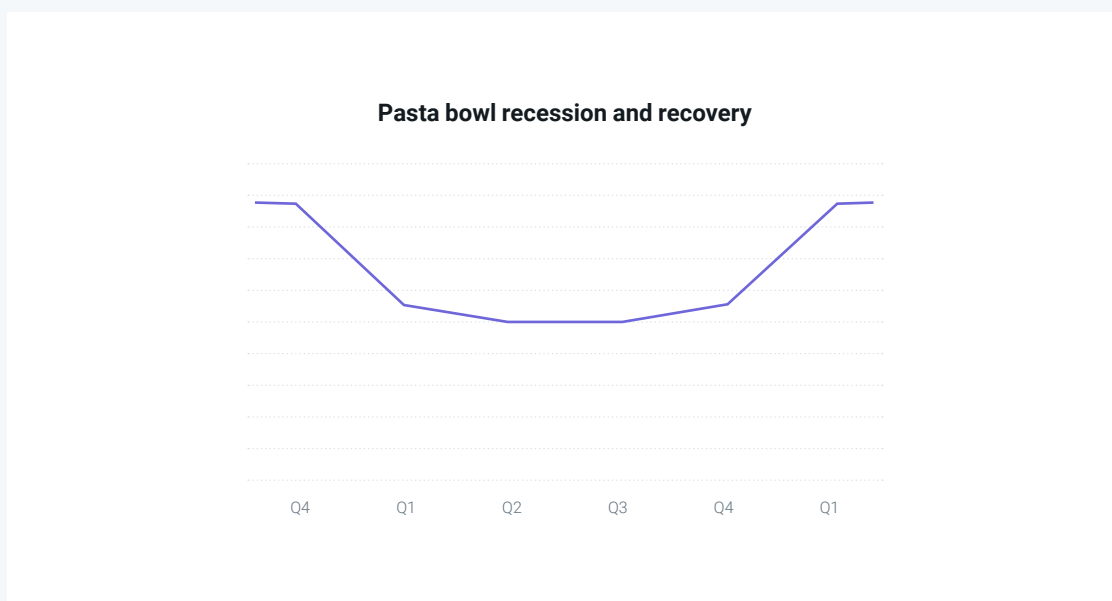
For obvious reasons, technology and retail bounced back from the 2020 recession much faster than travel, entertainment, and hospitality, the latter of which kept tanking as uncertainty, lockdowns, and restrictions continued.



There are also recessions that take on V-shapes, U-shapes, and W-shapes. But as we inch closer toward 2023, **some are suggesting the world may face what’s being called a “pasta bowl” recession.** The economist, Dr. Sean Snaithe, is credited with coining that term.

What defines this type of downturn is a relatively shallow dip in the economy, but it affects nearly every industry and continues for a much longer period compared to the sharp ups and downs of some other recessions. The result is a chart with data that looks like a bowl for your economic noodles.





Predictions suggest a recession that lasts four quarters followed by a slow and steady recovery. Of course, when and if an official global recession actually starts is still up in the air. At this point, economists simply expect a recession sometime in 2023.

So, why is this happening? Economists say we can expect to see a cooling down of the booming post-COVID economy, which included pent-up demand for many consumer purchases and a job market with more open positions than capable candidates to fill them.

The hope is that this cooldown will gradually release the economic heat without causing a recession. Federal Reserve Chairman Jay Powell and others have described it as a “soft landing.” But experts are split on how likely that sort of result is at this point. In fact, Nouriel Roubini, the economist who correctly predicted the 2008 financial crisis calls avoiding a hard landing “mission impossible.”

If we do face a global recession in 2023, there are those who say it will be self-inflicted, as the U.S. Federal Reserve Board, the European Central Bank (ECB), and other central banks have been raising interest rates in an attempt to target rising inflation.

Will history repeat itself?

Almost exactly 100 years ago, the world went through another major economic downturn that sounds eerily familiar to what we’re facing now.

If you’re thinking of the Great Depression following the U.S. stock market crash in 1929, you’re right about it affecting nations worldwide. However, you have to go back another decade to find this global recession.



We're talking about the lesser-known **Depression of 1920-1921**. A [2022 research paper](#) from the U.S. Federal Reserve Board, Washington, D.C. cites these reasons for a sharp, global economic contraction in 1920:



Inflation following the end of World War I.



The 1918 influenza pandemic, which reduced the workforce.



Sharp increases in interest rates with the purpose of curbing inflation.

Those three points certainly seem to reflect our current situation. We're emerging from a pandemic, the recovery caused inflation and so is the ongoing war in Ukraine. Now interest rates are rising in response to that high inflation. Plus, there's a global labor shortage. In 1920, those combined factors ended up contributing to extreme deflation, high unemployment, and a dramatic increase in business failures. That's why the authors of the Fed paper note that those in charge of making monetary policy decisions should be careful about over-correcting the economy.

*"Our findings have policy implications for today. Policymakers are concerned about inflation, which has risen to the highest level in the past 40 years in the United States, amid the recovery from the COVID-19 pandemic. In response, the Federal Reserve has begun raising interest rates to curb inflation and has started to scale back on quantitative easing. Strong (tight) labor markets can become weak (slack) faster than policymakers may anticipate. Indeed, our results demonstrate that labor demand reacted sharply and quickly to the tightening of monetary policy, at a speed which can outpace policymakers' abilities to track current economic conditions."**

In other words, while there are still plenty of so-called positive economic signals out there (unemployment is relatively low in most places, and consumer spending is up), if history does repeat itself, things could change in a hurry.

So, what are the biggest concerns? **How could the global economy impact digital communication efforts?** Let's dig into our survey to get some answers.

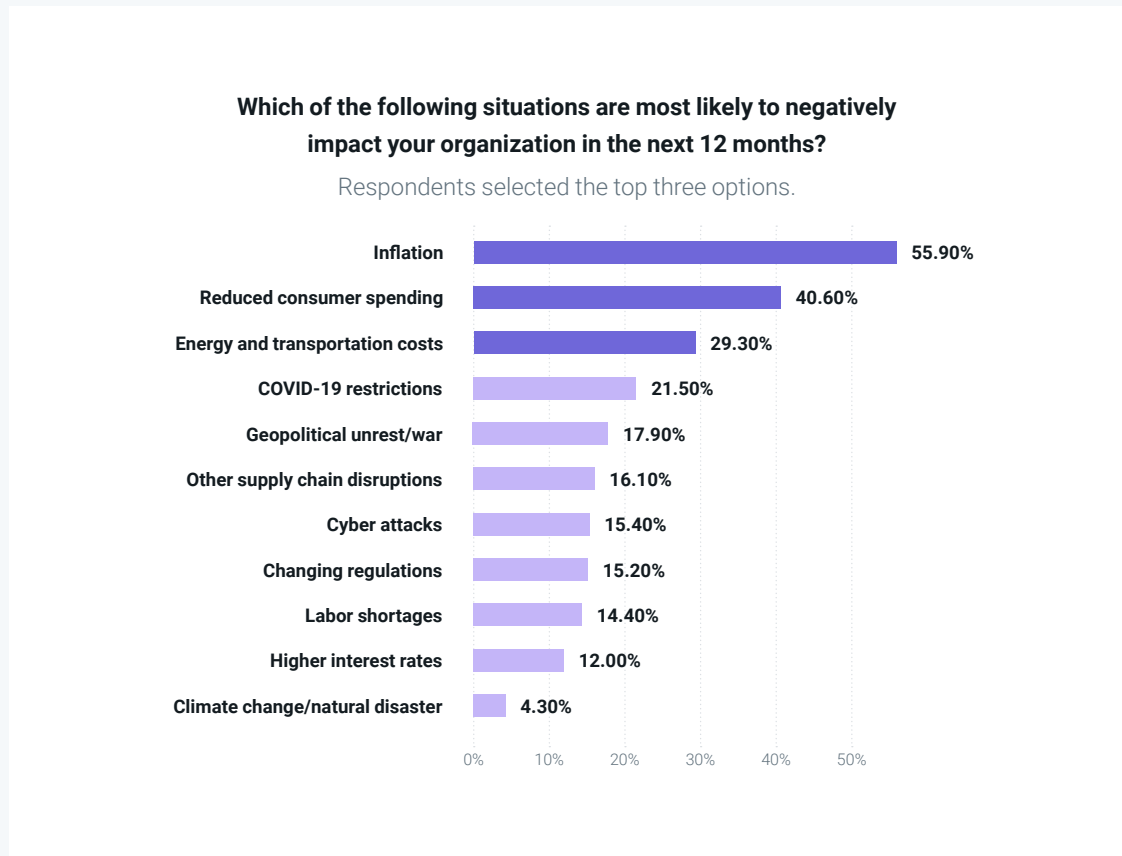


PART 1

Global economics: Why worry?

What disrupts the economy can disrupt your organization. And what messes with your company could mean you have to adjust your digital communication strategy. The first question in our survey of email senders involved macroeconomic factors.

We asked respondents to pick the three factors they believe are most likely to negatively affect their organizations in the year to come.



Inflation (56%) was the most-cited economic concern among all respondents. This result reflects the fact that inflation rates in the U.S. and European Union (EU) have reached record levels. In both regions, the data shows consumer prices have been rising between 8% and 9% over the previous year. In the United Kingdom (UK), the inflation rate has been closer to 10% or higher.



Higher priced goods and services can put a strain on both the wallets of consumers as well as the budgets of businesses big and small. However, it's worth noting that many of the factors listed in our survey are related and directly impact each other. Let's take a closer look at the results around economic conditions.

At 56%, Inflation was the most cited economic concern for the coming year. It was followed by Reduced consumers spending and Energy/transportation costs.

Breaking down the economic concerns

While more than half of respondents selected **Inflation** as something that could hurt their business in 2023, the other two factors, **Reduced consumer spending (40.5%)** as well as **Energy and transportation costs (29%)**, have a direct connection to inflation.

Energy prices are a major contributor to inflation, and with news of OPEC production cuts, price increases remain likely. The [World Bank's energy price index](#) increased 26.3% between January and April of 2022. Analysts at the World Bank suggest high energy prices will contribute to negative growth in the global economy for years to come.

Reduced consumer spending is typically a direct result of inflation. As prices climb, consumers start to save and spend less money. However, that hasn't been the case for many consumers... At least not yet. While consumer spending has decreased in the UK (where inflation is somewhat higher), it has continued growing in the EU and U.S. despite higher prices on nearly everything.

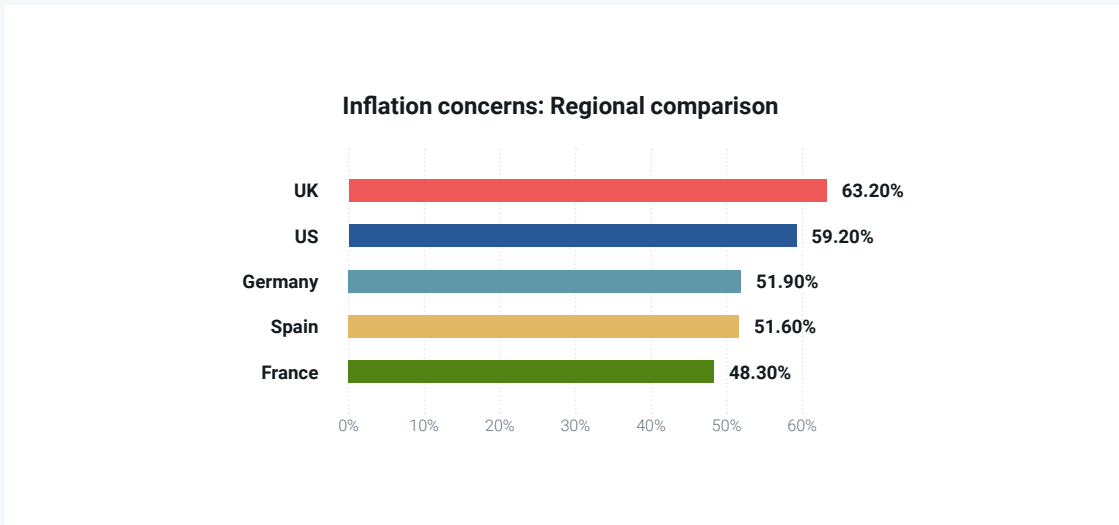
Because consumer spending is a *leading* economic indicator, a decrease in this area could be a sign that we're heading for a downturn. Inflation is considered a *lagging* economic indicator. That's because factors such as interest rates as well as supply and demand tend to influence inflation first.

Finally, **COVID-19 restrictions (21.5%)** are still on the minds of many survey respondents. Even though the virus seems to be less of a concern, there's always the possibility of a new variant, a resurgence of infections, and a return of the lockdowns that caused so much upheaval during the pandemic. That's of growing concern as we head into the winter season.

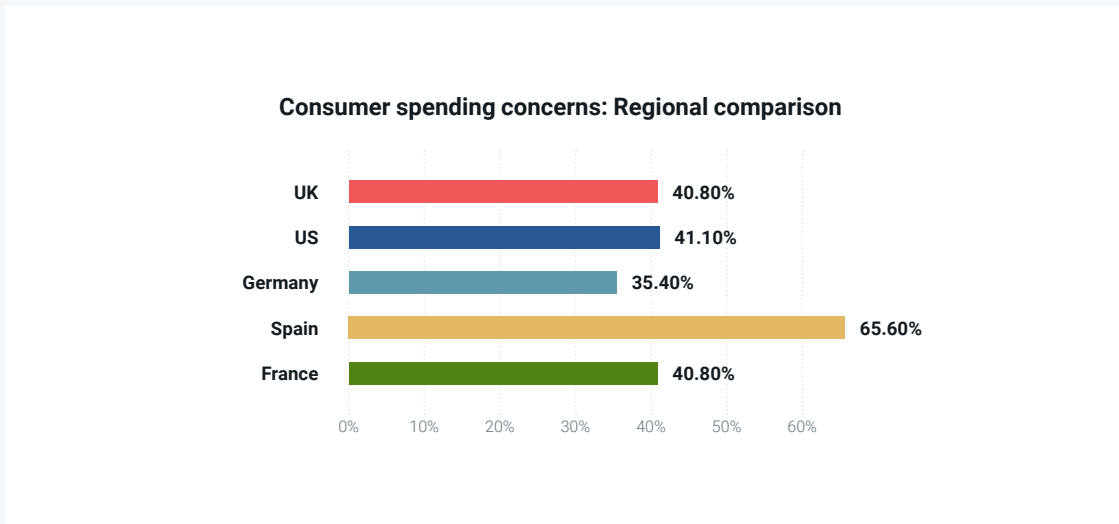
Regional insights

Although we live in a global economy, these economic factors can certainly have an outsized impact on different regions. For example, while all the nations we single out in this report (France, Germany, Spain, UK, and the U.S.) selected **Inflation** as a top concern, it's a somewhat bigger deal in the UK. We found **63% of UK respondents are worried about inflation** compared to around 50% for the EU countries.





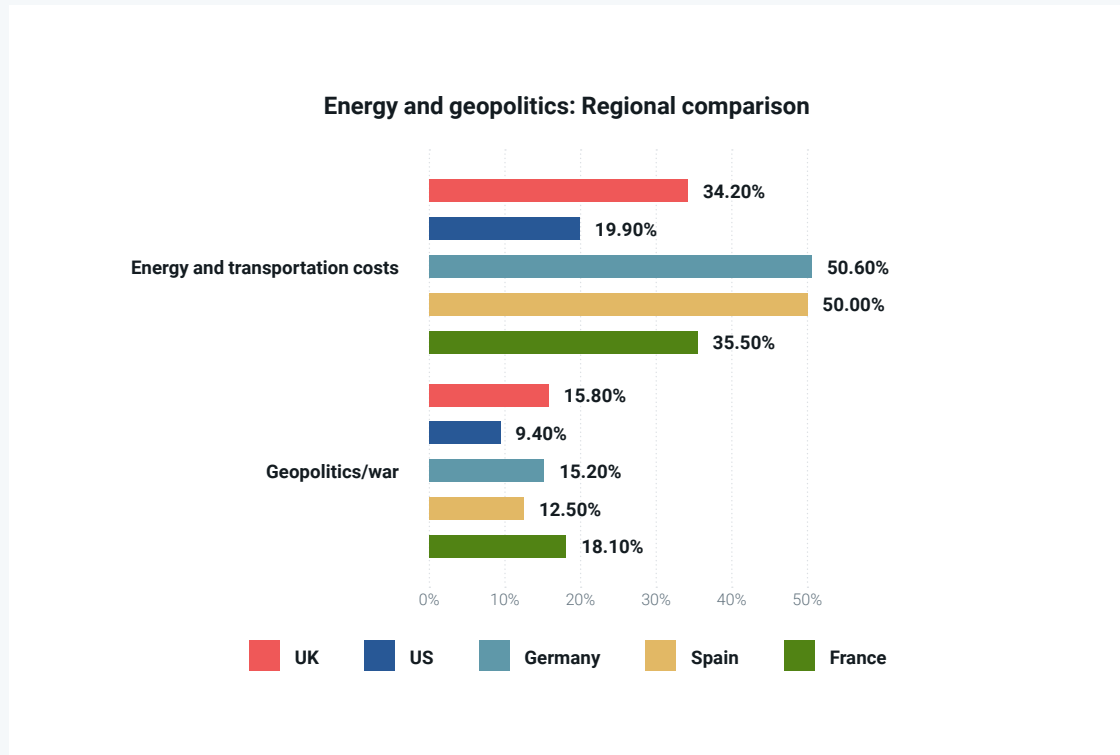
The only country that did not have **inflation** as its top concern was Spain. Two-thirds of respondents from that area selected **Reduced consumer spending (66%)** despite consumer spending among Spanish citizens actually being high in 2022. However, a [separate study from McKinsey & Co.](#) suggests economic optimism among consumers in Spain is dwindling. McKinsey found 82% of Spanish consumers call rising prices a top three concern and 83% say the same about unemployment, which has been greater than 12% but is also at its lowest point since 2008.



Energy prices are an area where you can see a sharp difference between the UK and EU nations in comparison to the U.S. The biggest reason for that is the ongoing war in Ukraine, which is affecting global fuel and food prices. Europe has historically relied more on Russian oil than the United States, which means those nations are feeling the pain of Russian sanctions.



As the next chart reveals, survey participants in the U.S. were less likely to choose [Energy and transportation costs](#) or [Geopolitical unrest/war](#) than their European counterparts. Still, because we do live, work, and trade in a global economy, trouble in one part of the world can easily influence another.



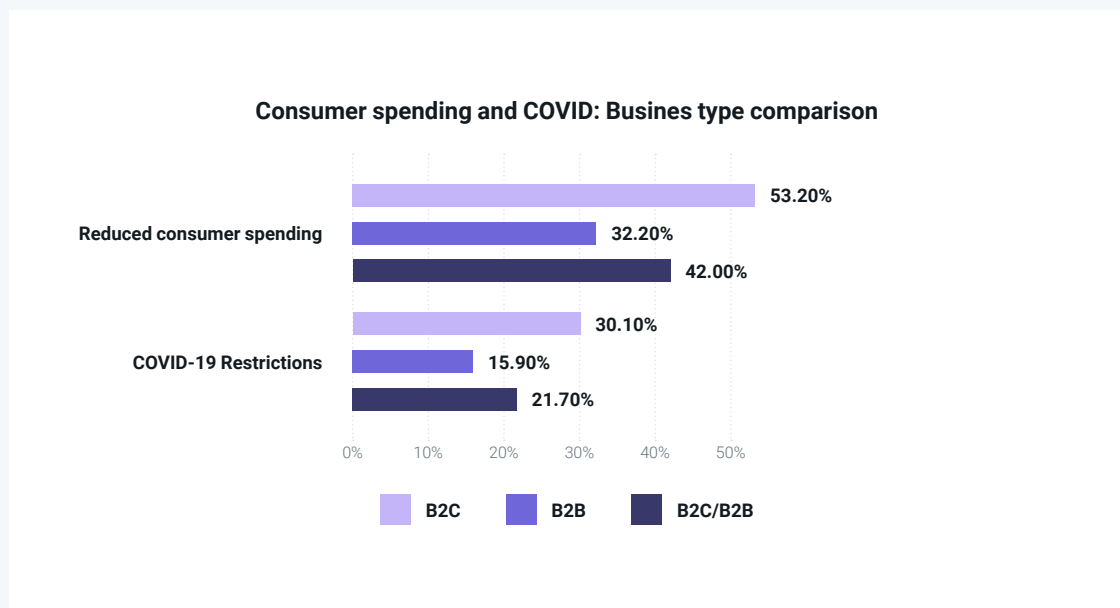
While consumers as well shippers and carriers in many regions are upset about energy prices, Germany relies even more on Russian oil than other EU nations. In Spain, electricity prices have hit record highs and the country introduced a price cap on gas to curb the rising costs of fuel. That could explain why 50% of respondents from these two regions cited energy cost concerns.

Organizational insights

Here's a shocker...people from B2C companies in our survey were much more likely to select [Reduced consumer spending](#) as a concern than B2B companies. But what's interesting is that **even B2B respondents worry that consumer spending could impact their organizations in the coming year.**

While 53% of B2C companies selected [Reduced consumer spending](#) as a top concern, so did 42% of companies that sell to both business and consumers. And nearly a third (32%) of B2B companies have the same concern. This is easy to forget, but there are plenty of B2B companies selling materials and services to companies that serve consumers. **It's completely reasonable to expect a dip in consumer spending to eventually hurt certain B2B companies too.**

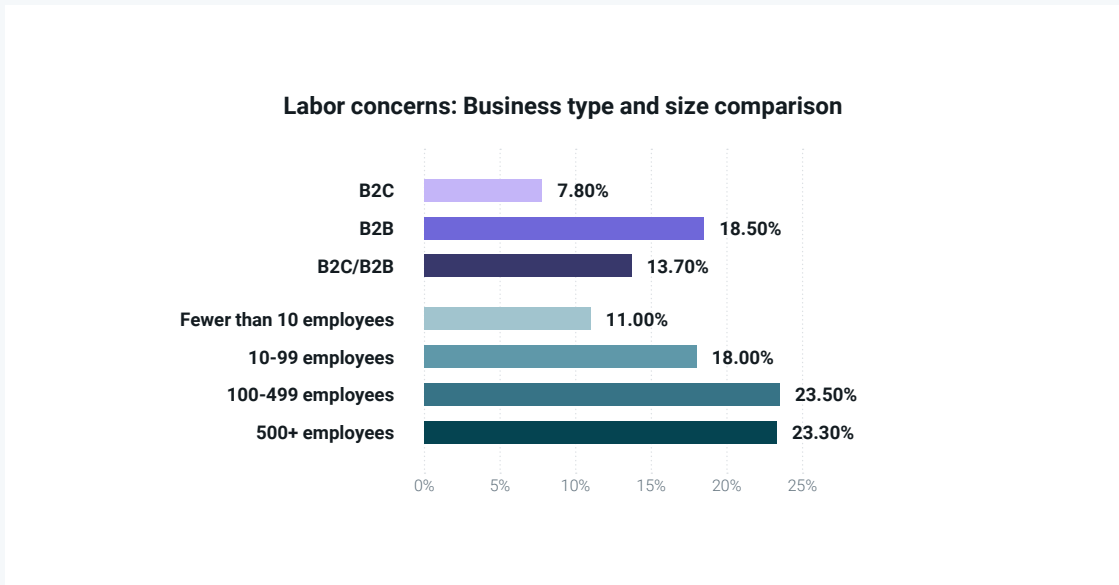




Somewhat related to the consumer spending results are the respondents who cited **COVID-19 restrictions** as an area of concern. Obviously, lockdowns and possible layoffs mean consumers are likely to spend less. B2C respondents (30%) were more likely than B2B (16%) or B2C/B2B (22%) to see the pandemic as a significant problem in the near future.

B2B responses stood out in two areas. While **Inflation** topped the list for all three business types, B2B respondents (59.5%) were somewhat more likely to identify it as a top concern. The results also suggest that **B2B companies are more concerned about hiring, citing Labor shortages more often than B2C respondents**. That could be in part because some B2B job roles require higher levels of skill and education, which can make qualified applicants harder to find. It could also reflect labor shortages in manufacturing and supply chain/transportation jobs, which certainly impacts businesses serving other businesses. The recent [Great Resignation](#) came about with a shift to more remote work, which has meant people continue to switch jobs, fueling ongoing high turnover.





Larger organizations were also more likely to cite [Labor shortages](#) as a potential problem in the next 12 months. That doesn't necessarily suggest small businesses have an easier time with hiring. Rather, enterprise organizations have greater hiring needs with more roles to fill.

Finally, certain macroeconomic factors will also have a bigger impact on different industries. Here are six quick stats from our survey that represent outliers in the results.

Economic issues by industry

Real estate

54%

Higher interest rates

Hospitality

65%

Reduced consumer spending

Wholesale

71%

Energy and transportation costs

Education

43.5%

COVID-19 restrictions

Manufacturing

60%

Energy and transportation costs

Retail

61%

Reduced consumer spending



In addition to energy prices, Wholesale, Manufacturing, and Retail were the most likely to cite [Other supply chain disruptions](#) as a situation that could cause issues in the next 12 months. That likely includes challenges such as tight shipping capacity due to a lack of truck drivers, which is a significant issue in terms of the labor shortage.



Key takeaway: It's all connected

The global economy is an interconnected system. What happens in one part of the world can easily influence economic conditions on the opposite side of the globe. What hurts one industry may eventually cause other industries to struggle. Every macroeconomic factor we included in our survey is connected to other facets of the economy.

In other words, it's unlikely that there is one particular problem that will disrupt your organization or affect your marketing and communication efforts. It's a little of everything. And it's unlikely that any business can completely escape a global economic slowdown. The best you can do is be prepared.

We can look at this in different ways. We could throw our hands in the air and give up because we're all doomed. Or we could remember that no matter who you are, where you live, or where you work, we're all in this together.

You need the right marketing and communication strategy to help your company survive a recession. And that's where our survey results take us next.

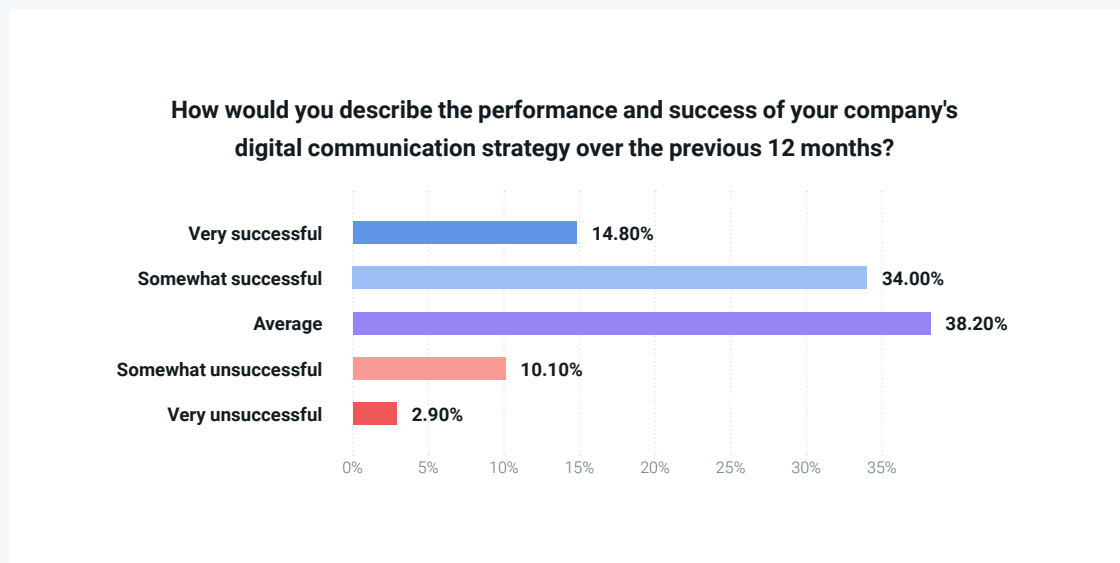


PART 2

Strategic success and planning

Mailjet and Mailgun customers include email senders from dozens of industries all over the world and represent Fortune 500 companies as well as small local businesses. Of course, their marketing and communication efforts include much more than email.

To help understand what works and who it's working for, we asked our survey participants about their past success and what they believe will support their efforts in the year to come. The overall results show that many feel the performance and success of their digital communications strategy has been **Average** (38%). But who really wants to be average?



Nearly half reported that their digital communication strategy was at least somewhat successful. The survey found that 15% of all respondents called their strategies **Very successful** while 34% said it was **Somewhat successful**. Another 10% felt digital communication was Somewhat unsuccessful, while 3% called their strategy **Very unsuccessful**.

49% of senders surveyed say their digital communication strategy is at least somewhat successful.

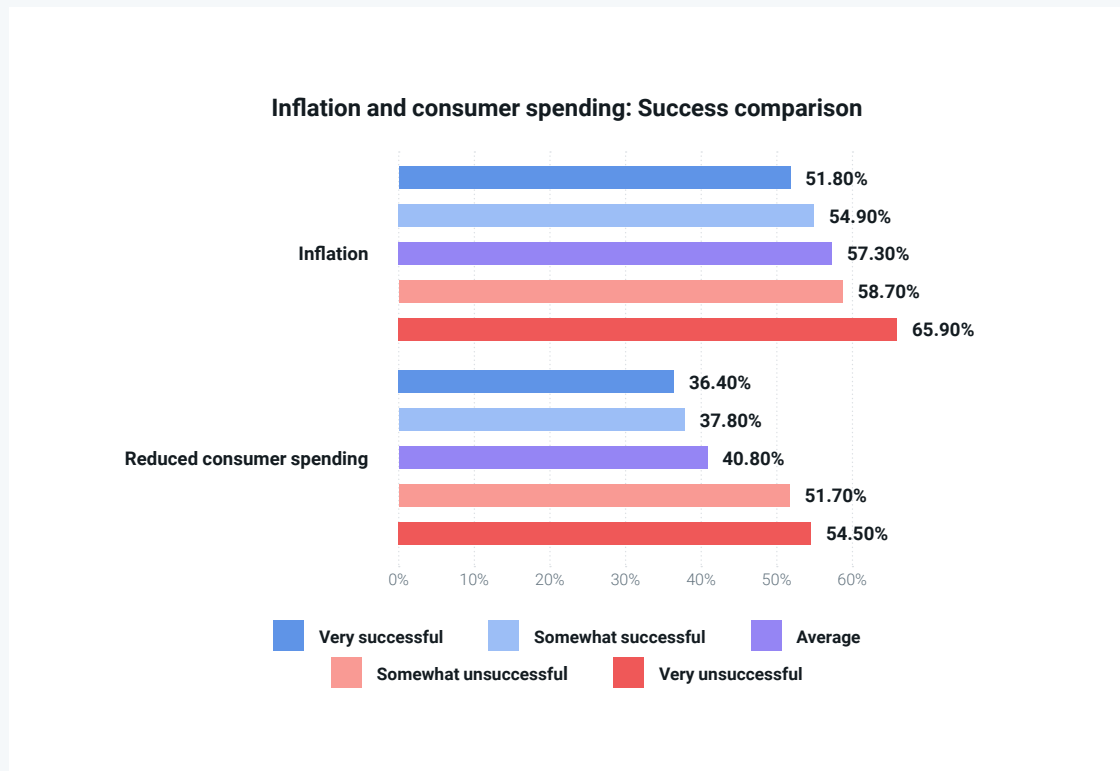


At certain points in this report, we'll look at how these different success segments of digital communicators responded. While every company, strategy, and audience is unique, this may give you a better idea of which factors lead to success.

Success and economic concerns

Does the level of success connected to digital communication affect what companies are concerned about as the predictions of a global recession continue to mount? Our survey found some differences between what the most and least successful digital communicators are worried about heading into 2023.

In particular, companies that have recently struggled with digital communications are even more likely to be concerned with ongoing inflation and consumer spending in the next 12 months. Among those who described their strategy as **Very unsuccessful**, 66% selected **Inflation** and 54.5% put **Reduced consumer spending** in the top three situations that could have a negative impact in 2023.



While these were the top issues no matter the level of success, the chart illustrates how the less successful a respondent's digital marketing has been, the more likely they are to have concerns about inflation and consumer spending.

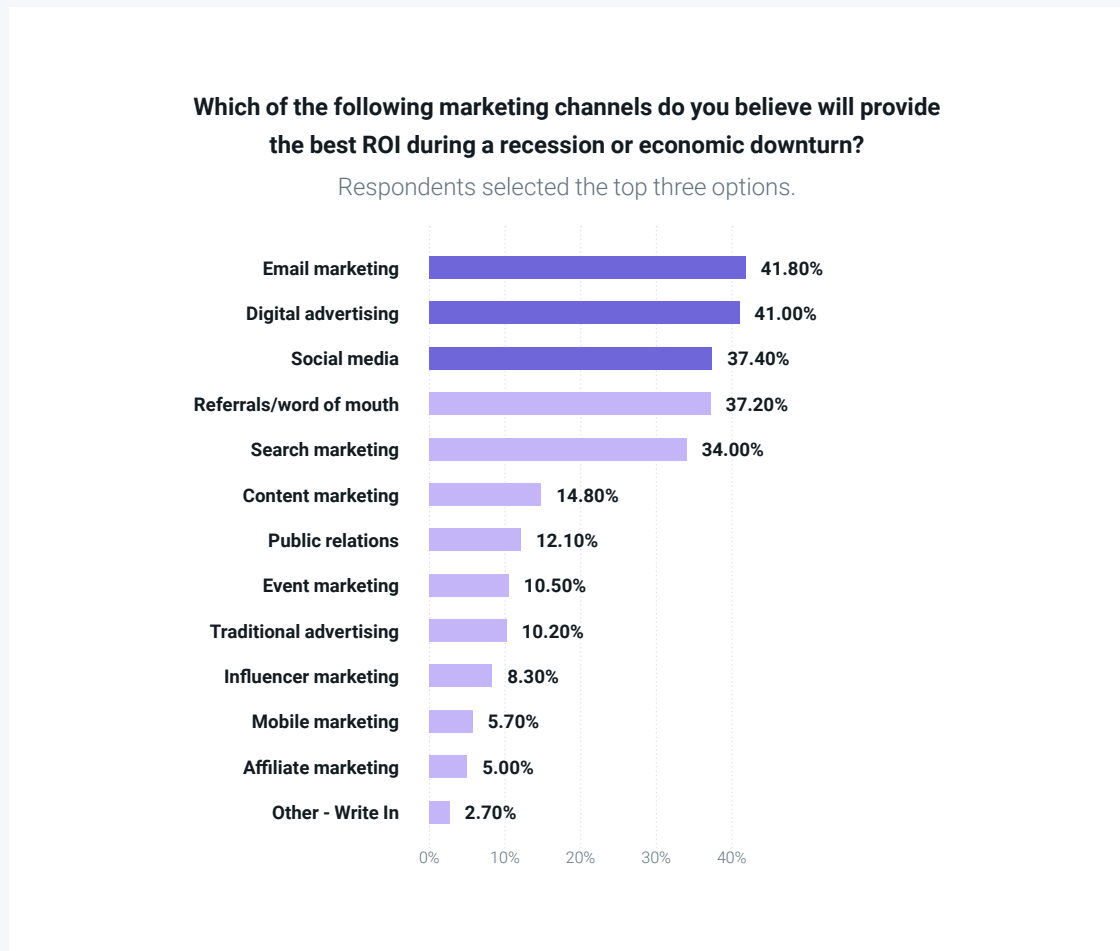


This supports the idea that **effective marketing and communication helps offset the negative impact of rising prices and consumers who are reluctant to open their wallets**. But what's the best way to communicate with customers and prospects when the economy is struggling?

Strong marketing and communication can counteract the negative impact of higher prices and consumers who are hesitant to buy.

Choosing channels for tough times

When we asked participants to pick the three marketing channels that they felt would provide the best return on investment (ROI) during tough economic times, **Email marketing** (42%) rose to the top of the list followed closely by **Digital advertising** (41%).



Rounding out the top five were: [Social media marketing](#) (37%), [Referrals and word of mouth](#) (37%), and [Search marketing](#) (34%), the latter of which includes paid and organic search. [Digital advertising](#) includes paid social campaigns, display advertising, and online sponsorships.

As you can see, there's a sharp decline after the top five marketing channels. However, it's important to remember that **in an integrated, multichannel approach to marketing and communication, everything is connected**. A channel failing to be chosen as one of the top three here is not an indication that it doesn't matter in the overall strategy.

For example, email marketing and social media provide a channel for distributing content. Yet, without content marketing efforts, email and social teams would have a lot less material to share and send. Content is also a key component of search engine optimization (SEO) and can be used in digital ad campaigns.

Likewise, influencer marketing, industry events, and PR will encourage word of mouth marketing and help to fuel a social media strategy, both of which placed in the top five of our survey results. [Affiliate marketing](#) is closely related to customer referrals. [Mobile marketing](#) was cited by just 8% of respondents. However, it could be an underused form of digital communication. Sinch found that [89% of consumers prefer to text with a business rather than call](#).

The ability to target your audience is a key benefit for four of the five most-chosen marketing channels.

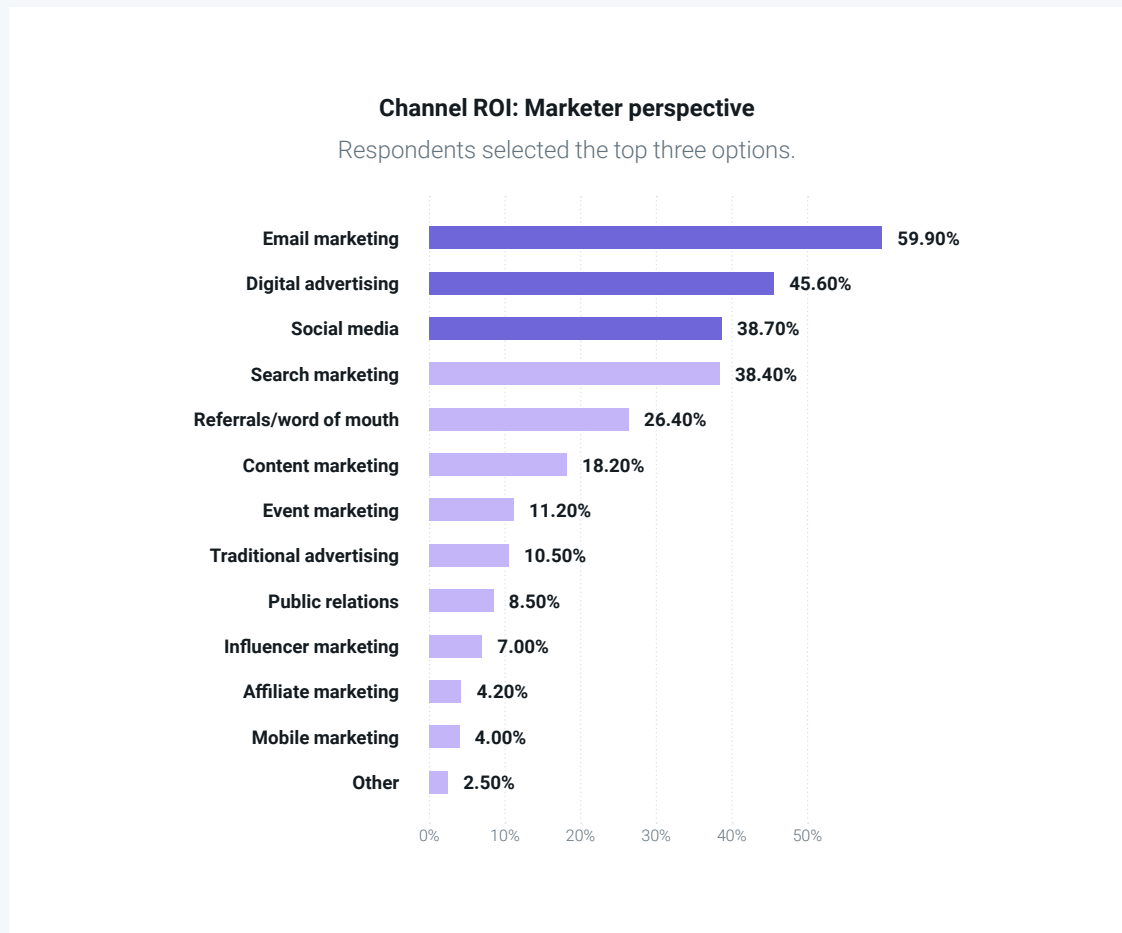
Email, digital ads, social media, and search marketing all provide brands with ways to reach specific groups of people with relevant messages.

What do marketers think?

Participants in our survey hold a variety of roles in their organizations. That includes IT, Operations, Support, and Product Development. But how do marketers feel about the channels that are most likely to have high ROI as we face an economic slump?

People with marketing roles made up more than a quarter of survey respondents, and they reveal an important perspective on the effectiveness of different channels. According to our survey, marketers are even more likely to identify [Email marketing](#) as a channel that will provide a strong ROI in 2023.

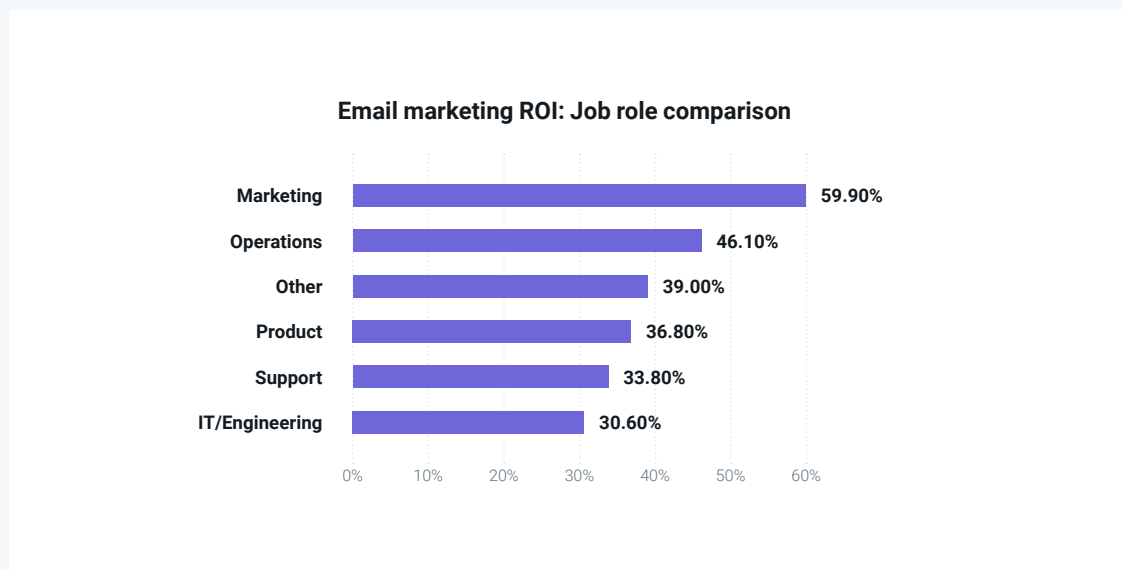




Out of 12 possible channels, **60% of marketers chose Email marketing as one of the top three channels for ROI in an economic downturn.** Marketers were also a little more likely to select **Digital advertising** (45%) and **Content marketing** (18%) than the overall pool of participants.

When looking at other job roles, those working in Operations (45.5%) were the next most likely to choose **Email marketing** as a top channel for ROI during a recession. The rest of the job role categories chose **Email marketing** between 30% and 40% of the time, with IT/Engineering (30.5%) being the least likely to see email as providing high ROI in the next year.





So, what do marketers like so much about using email during uncertain economic times? The answer may be found inside that question...

When times are uncertain, you can rely on email to deliver reliable business and marketing results.

Whenever you send an email, you're delivering a message to your existing customers and subscribers. These are people who know you and have given you permission to communicate with them in their inboxes. Since you have a history with these people, you can be more certain about the kinds of results you'll get from email marketing.

Most marketers know that it's much easier to convert the people who are already on your list than it is to try and find new customers. To put it another way, **marketers understand that customer retention is just as important as customer acquisition**. And that may be even more true during an economic crisis.



Stats on retention vs acquisition

- It costs 5x less to retain a customer than to acquire a new one ([Source](#)).
- Increasing customer retention by just 5% increases profits by at least 25% ([Source](#)).
- There's a 60-70% success rate when selling to current customers compared to a 5-20% success rate with non-customers ([Source](#)).

It's easy to see how focusing on customer retention and loyalty could be key to surviving a recession. Email marketing provides brands with a direct and personal line to nearly every customer. In fact, a [study from Econsultancy and Oracle Marketing Cloud](#) found that **only mobile messaging (SMS/MMS) is used for customer retention more often than email**.

We'll take an even closer look at what makes email marketing a valuable channel when we break things down in Part 4.

Marketers are more likely than other job roles to identify email marketing as a channel that will provide a strong ROI in 2023.



Key takeaway: Connection, targeting, and retention

Our analysis of results in this section suggests there are three important areas that will support your marketing and communication success – no matter the state of the global economy:

- 1. Integrate your marketing:** Just as economic factors are connected, so are different marketing channels. Take a holistic approach to your strategy, and don't neglect channels that may seem less important, because they're still part of the bigger picture.
- 2. Target your audience:** Many of the channels with the highest ROI give brands the ability to target the right customers and prospects with relevant messages. That includes tactics like email segmentation and personalization as well as targeted audiences for digital ads and social media.
- 3. Focus on retention:** Keeping customers around and keeping them happy is crucial to every organization. Don't forget to use marketing and communication to build loyalty, create upsell opportunities, and delight the people who keep you in business.

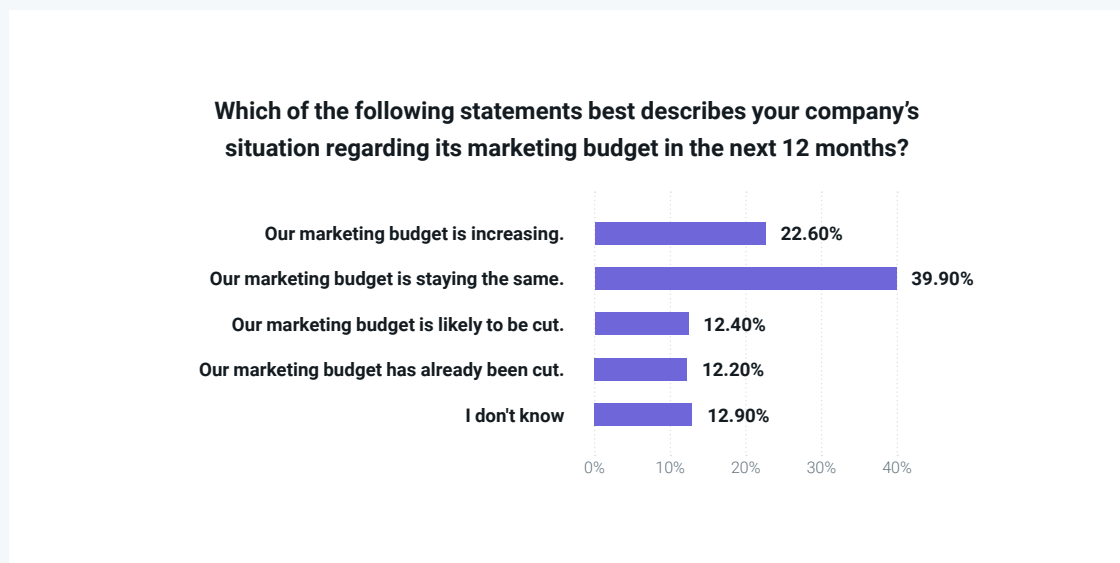
You can expect that most organizations will continue investing in the marketing and communication channels that provide them with the strongest return. However, what brands choose not to invest in, or even to cut, is also very telling. That's what we'll investigate next.

PART 3

Are cuts coming in 2023?

When a business falls on tough times due to a sluggish economy, budgets are very likely to tighten up. That could start with a hiring freeze and requests to curb non-essential expenses such as travel. Most companies want to steer clear of layoffs if possible. To avoid that step, they'll reduce budgets for various departments before eliminating jobs.

So, what are the expectations for marketing budgets in 2023? We asked survey participants about the likelihood of cuts in the next 12 months and found that there is some optimism around marketing budgets, despite the gloomy economic forecast.

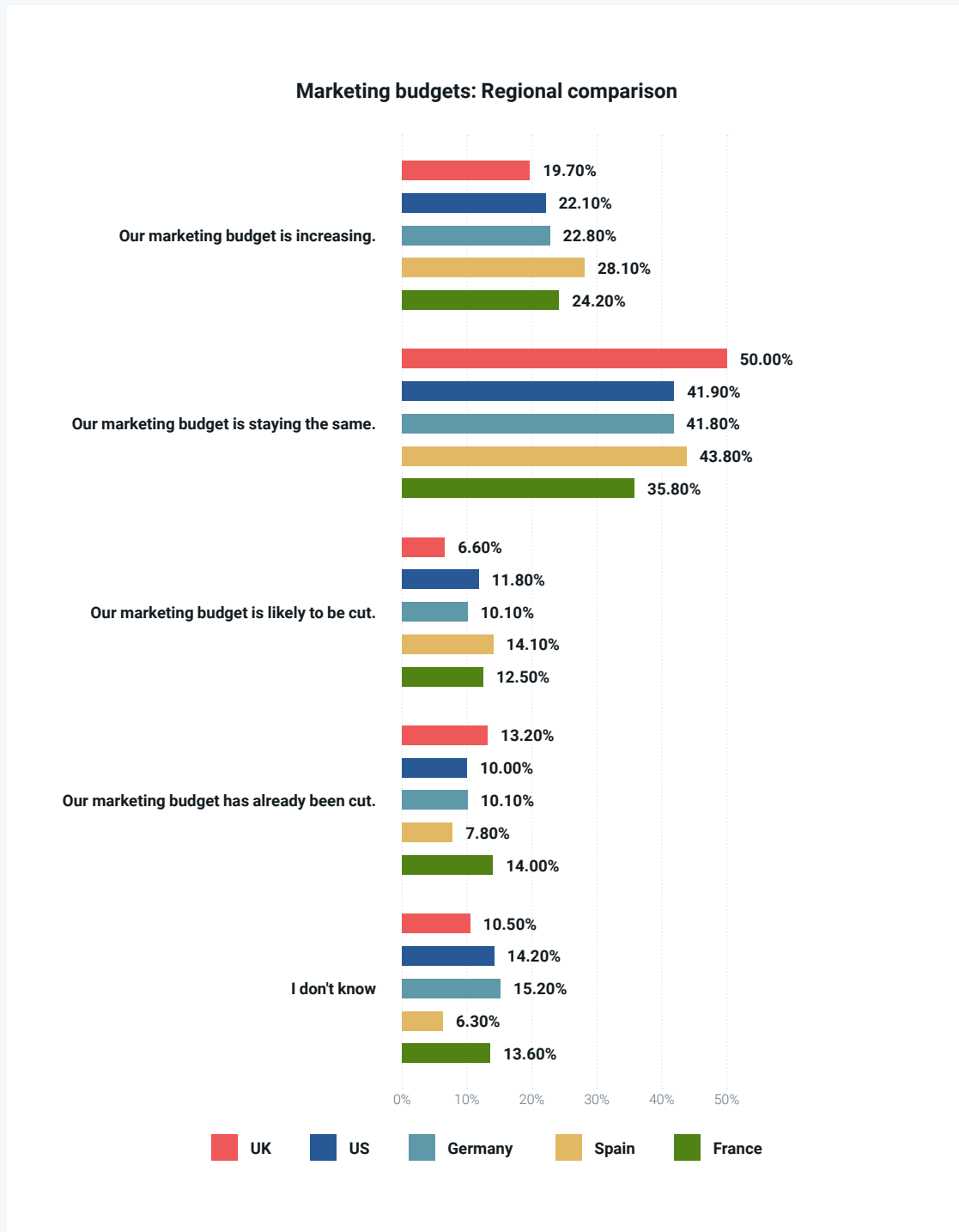


More than 20% of the people we surveyed expect the marketing budget to increase in the next 12 months. Nearly 40% think the budget will stay the same and it will be business as usual (or marketing as usual). **So, more than 60% of the organizations we surveyed don't expect to make marketing cuts next year.**

Only around 12% of respondents expect their marketing budget to be reduced while another 12% say it has already been cut. There's some uncertainty too as 13% say they don't know what will happen with marketing budgets in the near future.



Things look similar across the five nations we're examining for this report. In France, Germany, Spain, the UK, and U.S., between 60% and 70% of respondents say their marketing budgets will either increase or stay the same in the next 12 months.

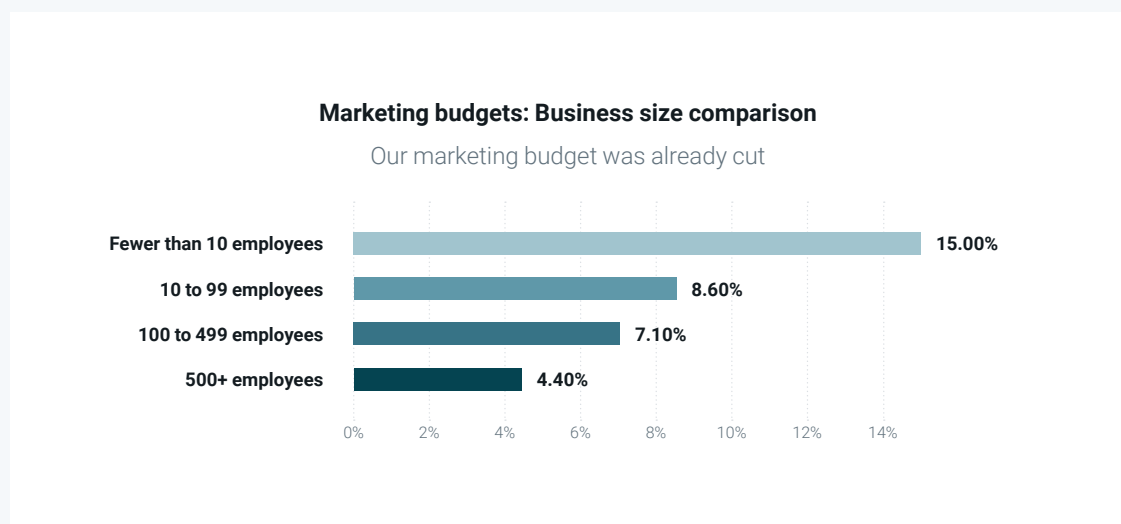


What's encouraging about these results is that it seems most companies have learned an important lesson: **When there are economic challenges, it's often better to strategically boost marketing efforts rather than cut them.** If there's lots of competition for new business in your target market next year, why hold back on marketing? That's what helps you stand out. If your competitors increase their marketing while you go silent, what do you think could happen to your existing customer base?

More than 60% of survey respondents say their marketing budget will either increase or stay the same in 2023.

SMB marketing cuts

One segment that shows a bit of a discrepancy from the norm is small businesses. In our survey, those with 10 employees or fewer were more likely to have already had their marketing budgets cut (15%).



Following the financial crisis of 2008, advertising in the U.S. experienced a two-year decline, dipping by 13%. There were advertising and marketing cutbacks during the 2020 pandemic as well. However, many businesses (especially smaller ones) adopted digital channels such as email and text messaging to communicate with customers about what was happening and how they could continue to serve people during lockdowns.

A [Harvard Business Review article](#) from writers Nirmalya Kumar and Koen Pauwels put it plain and simple, cutting your marketing efforts during a recession is a bad idea.



“Companies that have bounced back most strongly from previous recessions usually did not cut their marketing spend, and in many cases actually increased it. But they did change what they were spending their marketing budget on...”

Harvard Business Review, August 2020

De-prioritizing marketing channels

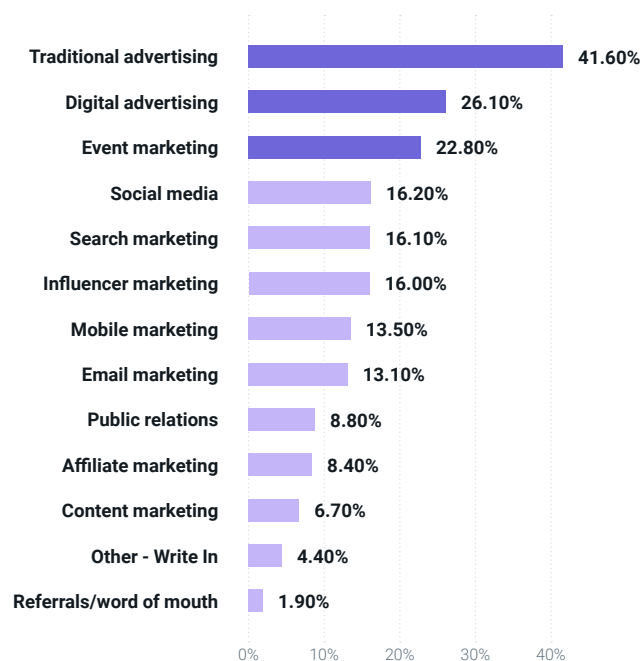
We know that some marketing cuts are inevitable as businesses are forced to make tough decisions. Brands may also move money around to support a marketing strategy that evolves with the changing economy. So, when it comes to prioritization, which channels and tactics will end up on the chopping block?

The overall results in our survey include some usual suspects and a bit of a surprise. **Traditional advertising (41.5%), which includes broadcast and print ads, is by far the channel most likely to see cuts in 2023.** That's to be expected as spending on traditional advertising has been declining for years. Digital ad spending surpassed traditional advertising back in 2019.

What's curious is that the second channel most likely to see cuts is **Digital advertising**, which is also cited as the No. 2 channel for ROI during a recession in the next 12 months. While 41% of respondents see it as valuable during a recession, 26% say digital ads could get slashed in 2023. Event marketing (23%) also makes the top three channels most likely to see a reduction in investment.

If forced to make cuts to your marketing budget, which of the following channels would you be most likely to reduce or stop using?

Respondents selected the top three options.



The reason is clear. Traditional ads, digital ads, and event marketing require constant investments, and they can get expensive. On the other hand, efforts around email, mobile marketing, social media, and content creation require less of an immediate financial investment. **What fuels the success of email, mobile, social, and content marketing isn't money as much as an existing audience that is highly engaged.**

Email marketing landed near the middle of the pack. Just 13% said email could be cut in 2023. That indicates **87% don't expect to reduce email efforts next year.** The same small percentage of marketers selected email as a channel that could be cut back. Overall, marketers' views on channel cutbacks mirrored that of the full group of survey participants.

41.5% of respondents say traditional ads could be reduced in 2023, making it the channel most likely to see cuts.

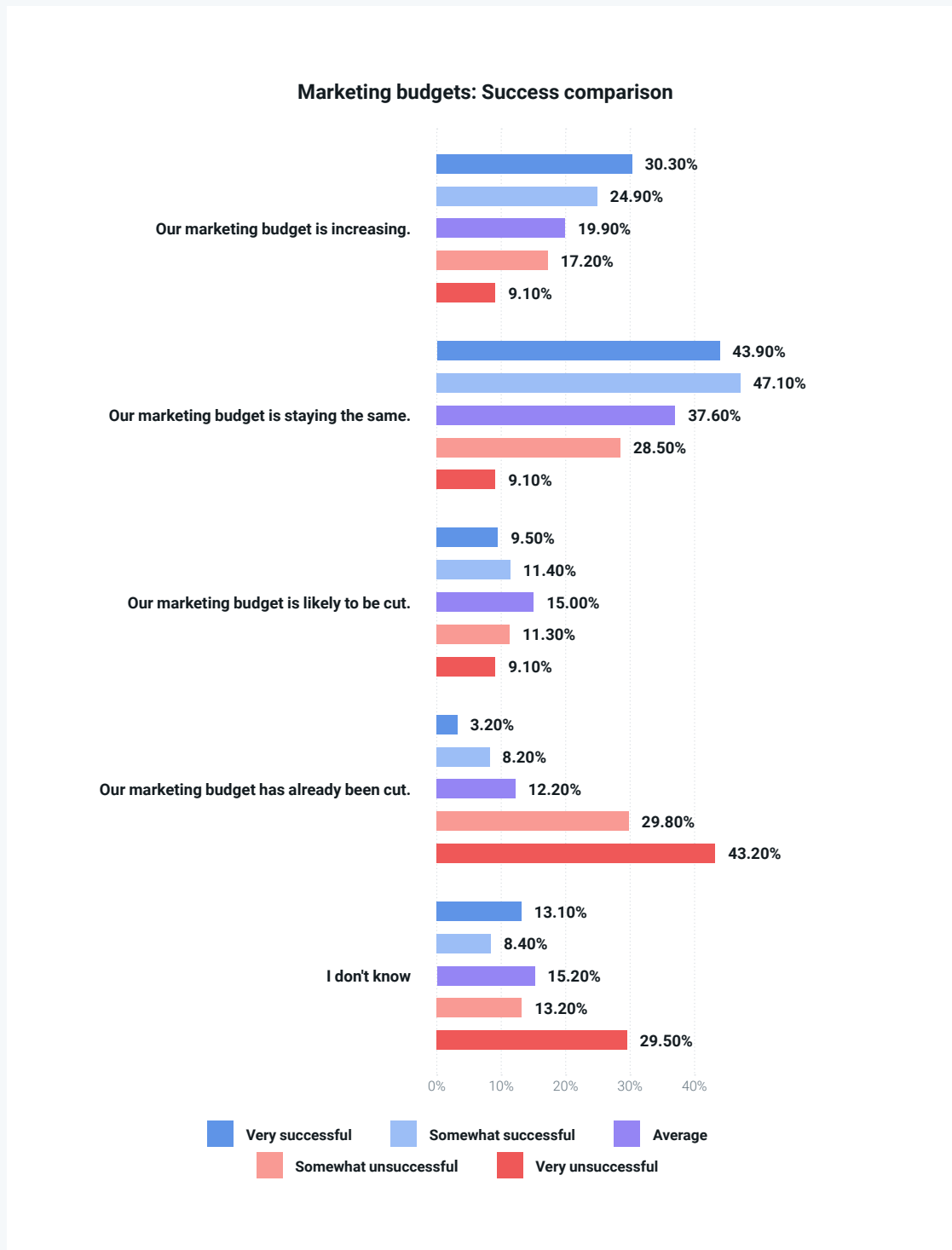
Success and marketing cuts

The channels that successful and unsuccessful digital communicators see as expendable during a down economy give us another interesting perspective.

Our survey found that those with the least successful digital communication strategy were the most likely to have already had their marketing budgets cut. Those who felt their strategy was unsuccessful were also the most likely to face uncertainty around the marketing budget.

On the other hand, **those with successful strategies are more likely to expect budget increases or maintain their current marketing spend.**





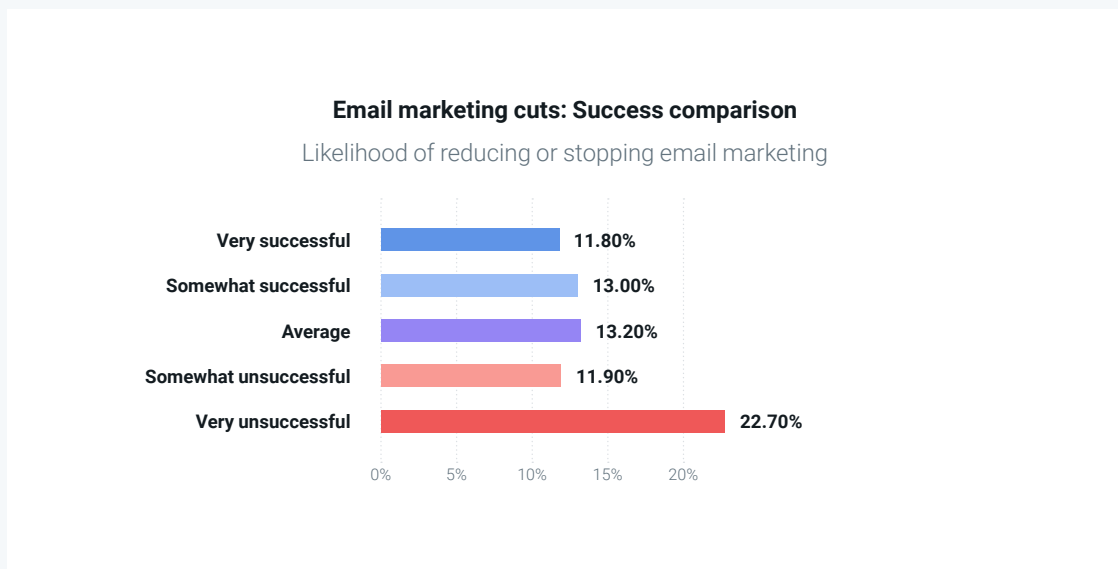
This could put those who are struggling with digital communication in a bit of a bind. It seems you have to be a high performer in order to earn a bigger budget. Yet, it's pretty tough to build a better strategy if your marketing budget is reduced.



Another way to view this result reflects the adage, “You’ve got to spend money to make money.” But let’s be honest, that statement will only be true if you spend money wisely. The best advice for those trying to improve digital communication and earn a bigger budget is this:

Find out what’s wrong with your current digital communication strategy. Come up with a plan to fix it. Forecast potential results of your improved strategy. Then, use that to justify the budget increases you need implement your new strategy.

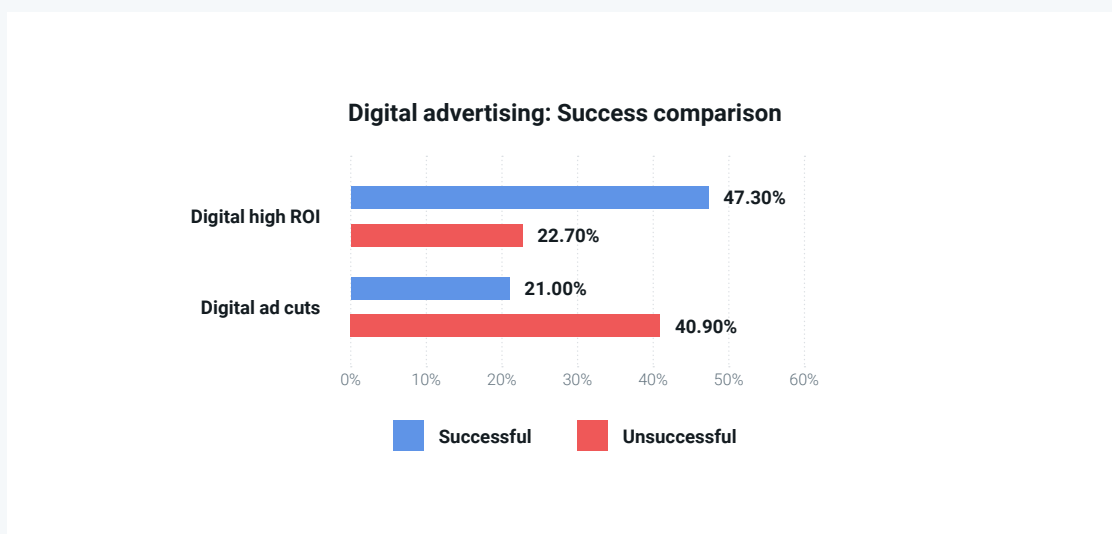
Here’s a good place to start. **Figure out what successful marketers are doing and emulate their strategies.** For example, while 23% of [Very unsuccessful](#) digital communicators selected email, only 12-13% of all other segments did the same. This could point to a connection between de-prioritizing email communications and a lack of digital marketing success.



Another area that stood out was the expected reductions in digital advertising. Those with the least successful strategies were by far the most likely to cite potential cuts in this area, especially in comparison to those with very successful strategies.

While 21% of the most successful group selected [Digital advertising](#) as a possible area where budget and efforts could be reduced, it jumps to 41% of the most unsuccessful who expect possible reductions. We see the exact opposite when looking at channels that provide the best ROI. While 47% of the most successful digital communicators see value in digital ads, less than 23% of unsuccessful respondents feel the same way.





Key takeaway: Stay the course, but be flexible

History shows us how brands that continue investing in marketing during recessions are more likely to emerge relatively unscathed. However, that doesn't necessarily mean you need to dig in your heels and resist changes to your strategy.

Unprecedented times call for flexibility and a willingness to adjust your approach to marketing and communication as conditions evolve. What worked five years ago may not be the best idea in the current economic climate. That being said, there are some channels that appear to be reliable, especially among those who enjoy the most success.

Use targeted digital advertising campaigns to build brand awareness and drive customer acquisition. Then use email and lifecycle marketing to nurture those contacts and move them along the ongoing customer journey.



PART 4

The email breakdown

Because we surveyed Mailgun and Mailjet customers, we know that most participants are connected to email in some way. That could mean anything from [designing email newsletters](#) to automating transactional messages for ecommerce to integrating email functionality inside an application.

The point is that these respondents know a thing or two about email, and it's worth asking them more about how they plan to use the channel over the next year. We started with a big picture question about how much they plan to invest in their email programs. Results are similar to responses around marketing budgets.



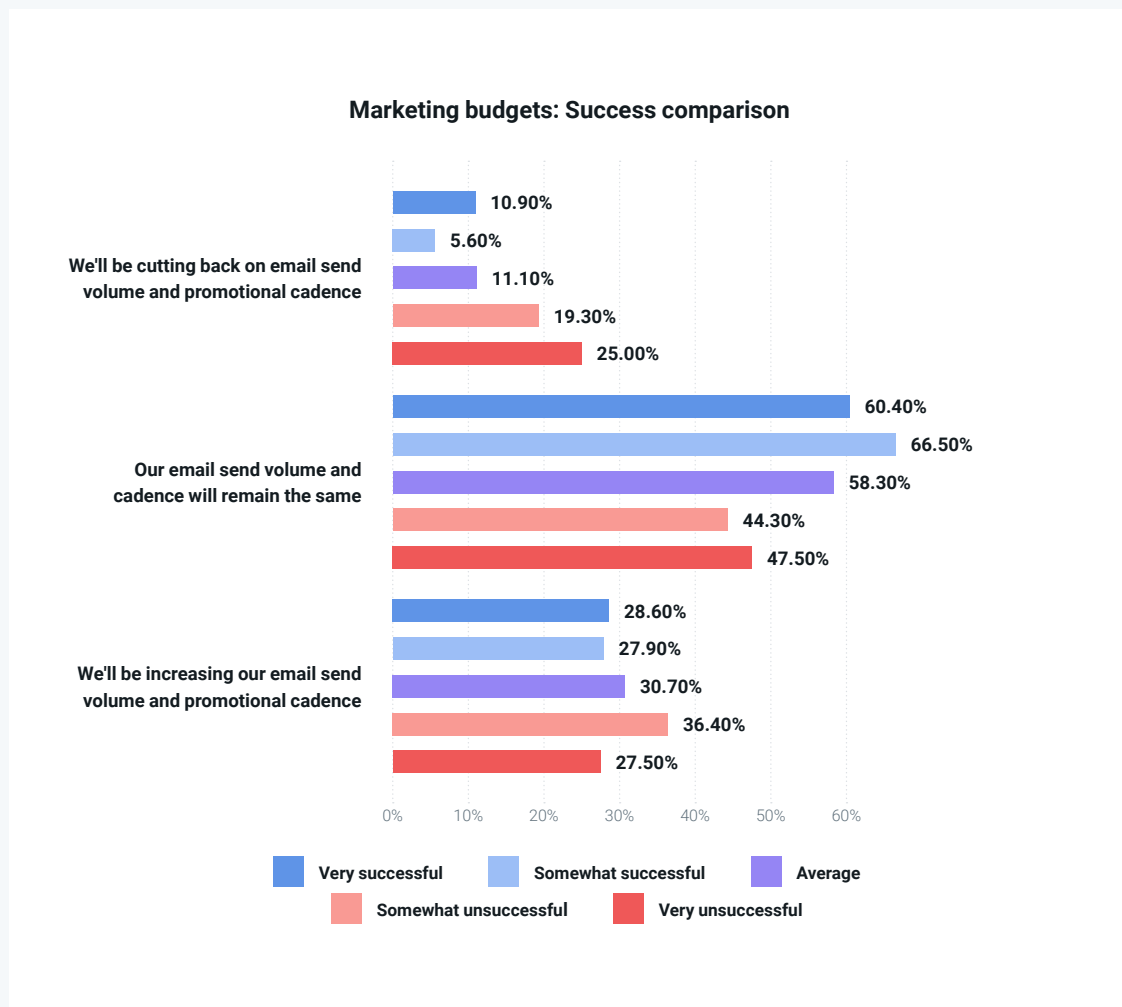
More than a quarter (27%) say they plan to invest more in email in the next 12 months. The majority of respondents (63%) say their investment in email will stay the same, and another 10% believe they'll be cutting back on email efforts in 2023.

90% of senders plan to either invest more in email or maintain their current investment in the channel.



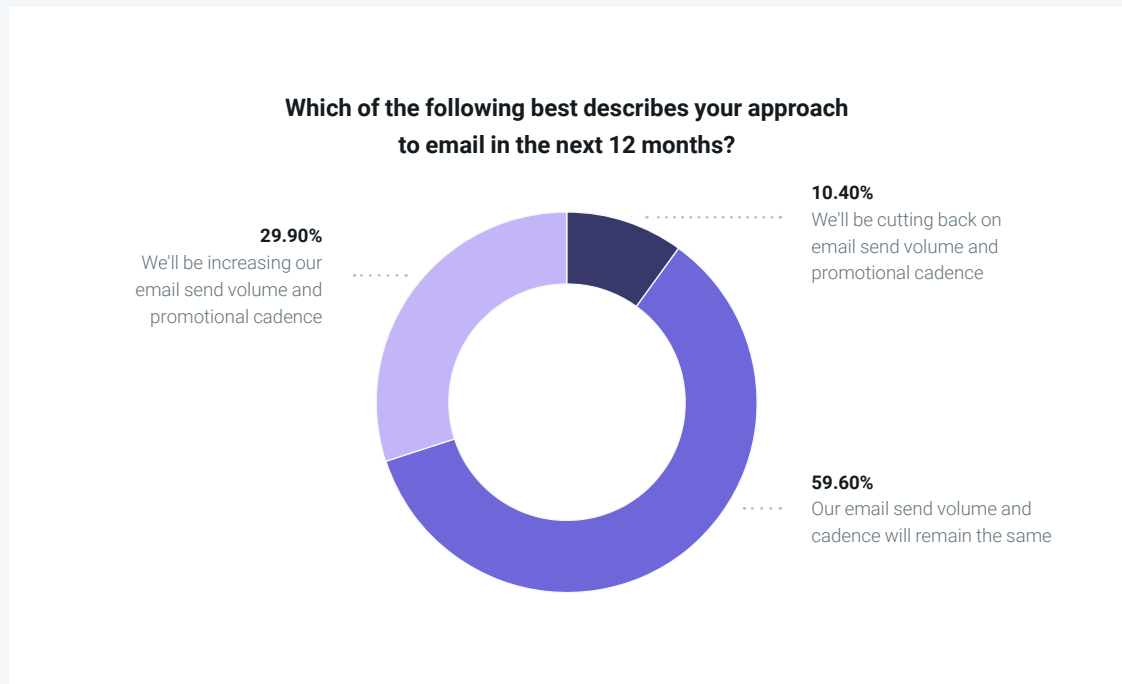
When we segment these results by success, we can see that **34.5% of the Very successful group is planning to invest more in email**. However, the **Very unsuccessful** group is most likely to cut back on email (43%). This supports the connection we made earlier that focusing on your email program may help lead to more success overall.

It's also helpful to know more about how much email (volume and cadence) senders plan to send next year as we head toward a potential global recession. Volume represents the total number of messages an organization is sending (promotional and transactional), while cadence indicates how often they are sending emails to their subscribers.



Our survey reveals that most senders plan to stick to their current levels of email volume and cadence, but a significant number plan to increase email marketing efforts. **While 10% of respondents think they will cut back on email volume and cadence, 60% say it will stay the same and 30% say it will increase in the coming year.**





These results coincide very well with the 90% of respondents who said email investments will increase or remain the same in 2023. It also speaks to the efficiency of the email channel. Unlike digital advertising, where you pay for clicks, brands don't pay for email opens and clicks. **So, if promotional emails are consistently driving traffic and sales, why not send more?**

As with the results regarding the overall investment in email, success seems to be connected to a higher frequency of email communication. **58% of Very successful digital communicators email customers at least once a week.** However, 72.5% of the **Very unsuccessful** group only email customers once a month or less.

Top email marketing practices

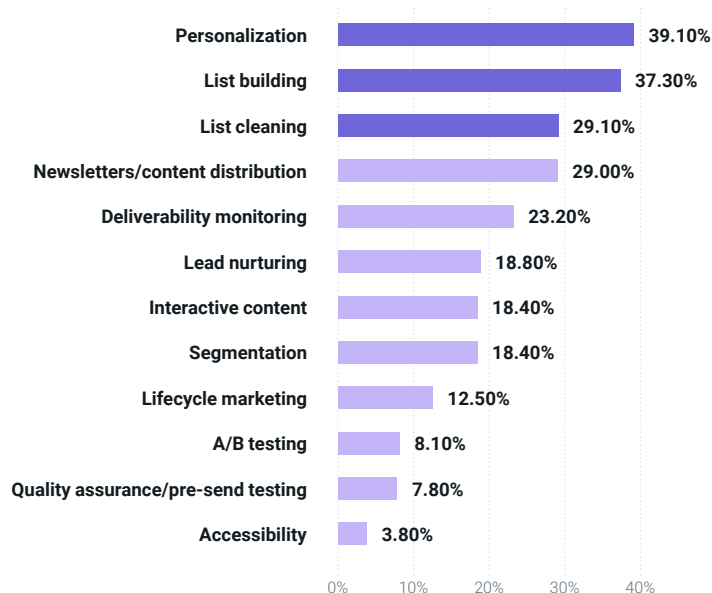
Next, we wanted to find out if there are certain email marketing practices that respondents believe are more likely to contribute to success. When asked to choose their top three options, several email marketing practices came out ahead of the rest.

Personalization (39%) was the top result. **List building** (37%) was not far behind. Both **List cleaning** and **Newsletters/content distribution** came in with 29%. Rounding out the top five was **Deliverability monitoring** at just over 23%.



Out of the following email marketing practices, which are the most likely to contribute to your program's success in the next 12 months?

Respondents selected the top three options.



The email inbox is an ideal place to deliver personalized experiences. Still, many brands have yet to test the waters of email personalization. If you work for one of those brands, now is the time to start implementing personalization in your email strategy.

The power of B2C personalization

Here are some [stats from McKinsey & Co.](#)

- 76% of consumers say they're **more likely to consider purchasing** from brands that personalize.
- 78% of shoppers are **more likely to make repeat purchases** from companies that personalize.
- Companies **generate 40% more revenue** from personalized marketing.

Keep in mind, personalization works well in B2B email marketing too. B2C respondents in our survey were only slightly more likely to place this practice in the top three.



According to our survey, **failure to prioritize email personalization may contribute to a lack of success**. Those who said their digital communication strategy was **Very unsuccessful** were also the least likely to select **Personalization** in the top three email practices. Only 25% of that group chose **Personalization** in comparison to 41% of those who said their strategy was **Very successful**.

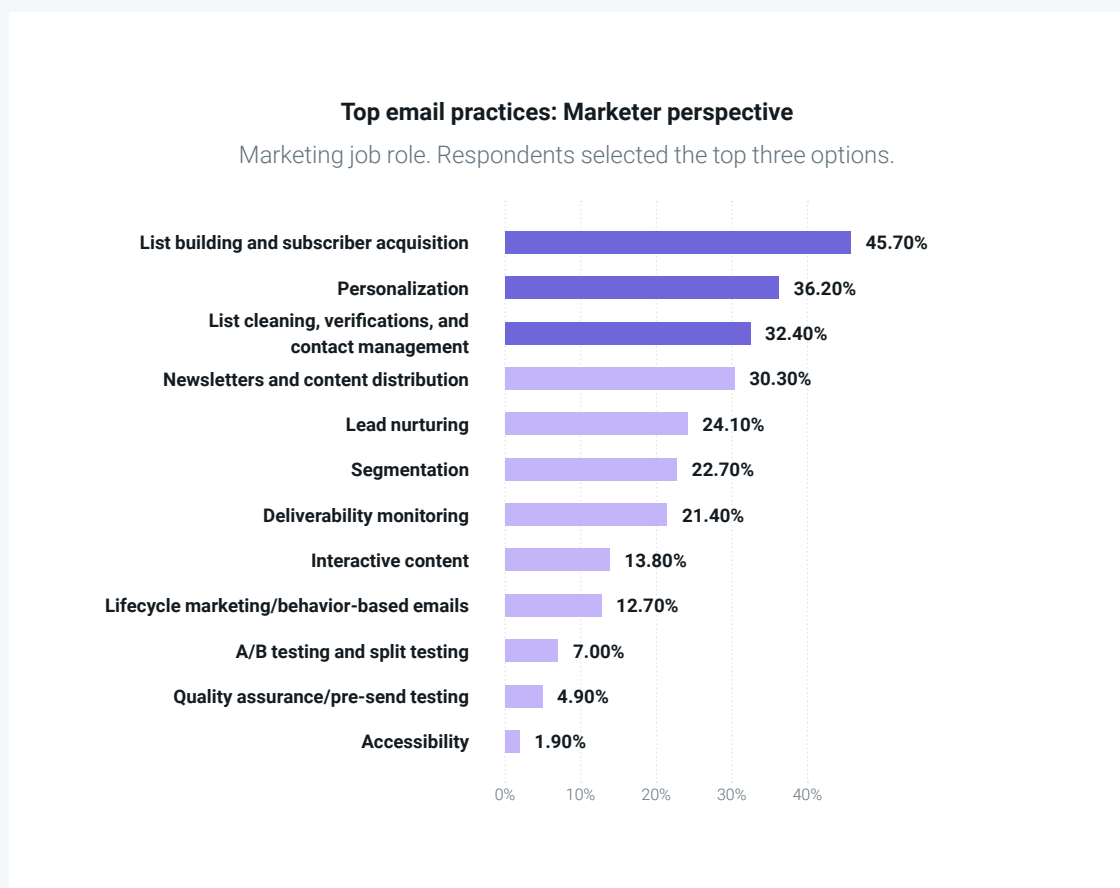
Look at your lists

The next two email practices in the top five involve managing email contacts – **List building** (37%) and **List cleaning** (29%) – which could also be called subscriber acquisition and list hygiene, respectively.

There's no mystery surrounding why [adding more subscribers to your email list](#) emerged as a top tactic that contributes to success:

The more you grow your list with contacts who are legitimately interested in your brand, the more likely you are to grow revenue through email marketing.

In fact, when we look only at respondents who have a marketing job role, **List building** soundly beats **Personalization** as a key email practice. **While 36% of marketers identified Personalization as a top tactic that leads to success, 46% put List building in the top three.**



Marketers were also more likely than other job roles to choose **Lead nurturing** (24%) as a practice that will lead to success in the coming months. Of course, the process of nurturing a lead occurs once a subscriber is acquired and identified as an ideal prospect. So, these practices are very much connected.

In order to build your email list, senders need to motivate and incentivize people to become subscribers. That can happen in several ways.

Email list building tactics

- **Blog content:** *Include CTAs in articles to promote newsletter subscriptions so readers can get more of what you're publishing.*
- **Social media:** *Encourage your fans and followers to become email subscribers and drive them to a newsletter signup page.*
- **Gated content:** *Use reports, online tools, video courses, and other types of valuable material to attract new email subscribers.*
- **Event marketing:** *Collect new contacts at industry events or host your own online events such as webinars, live product demos, or Q&A sessions with your thought leaders.*
- **Special discounts:** *Offer a promotional code to site visitors who sign up to receive your emails.*

What you should know by now is that purchasing new contacts is never a smart way to build your email list. For one thing, emailing without permission violates [data privacy laws like the GDPR](#). Purchased email lists may also include fake contacts that are actually [spam traps](#). Mailbox providers use these nonexistent email addresses to catch brands that are spamming people who never opted in.

Get caught with spam traps on your list and your [email deliverability](#) will take a serious nosedive. And this survey shows it's clear that organizations understand the importance of landing in the inbox instead of going to spam or getting placed on a blocklist.

Two of the other top five email practices, **List cleaning** and **Deliverability monitoring**, can help ensure your subscribers are seeing what you're sending. **Because what's the point of personalizing emails that never make it to the inbox?**

Email practices: Regional breakdown

The top email practices among the different nations we've focused on in this report tend to fall in line with the results of the overall survey. However, it is interesting to see how those who consider themselves successful (both Very and Somewhat) are prioritizing strategic email initiatives.



For example, when filtered for success, French respondents are more likely than other countries to believe **List cleaning** (44%) will contribute to success in 2023. Senders in Spain chose **Segmentation** (37.5%) significantly more often than other regions. And while **Accessibility** is at the bottom of the list of top email practices, just over 10% of UK respondents selected it, which is more than twice as much as any of the other four countries.

Regional outliers

France

44%

List cleaning

Spain

37.5%

Segmentation

UK

10%

Accessibility

At Mailjet, we've noticed that different regions tend to have different levels of sophistication in their email programs. However, no matter where you live and work, **the most important consideration for your brand is determining which email practices will support improved business results during the economic downturn.** Of course, that will vary based on your industry, audience, and current level of email marketing sophistication.

One thing about the five countries we've analyzed is very clear: **Most senders in the EU, UK, and U.S. do not plan to cut back on email efforts in the next 12 months.** Here's the regional breakdown of those who expect to either increase or maintain email sending volume and cadence:

- France (90%)
- Germany (92.5%)
- Spain (96.5%)
- UK (88%)
- U.S. (93%)

This makes it clear that email is an irreplaceable communication channel around the world, and it will play an important part in helping brands survive a possible global recession.





Key takeaway: Deliver an ideal inbox experience

Email marketing is a powerful tool for communicating with customers, driving website traffic, increasing sales, and much more. However, you'll only reap the benefits when you put in the time and effort to make this channel the best it can be.

Your email personalization strategy may start in simple ways, using first names in subject lines and copy. But it can extend far beyond that. Think about ways to personalize the inbox experience with unique messaging, curated content, and product recommendations.

Then, if you build an incredible inbox experience, make sure it is getting delivered and not being ignored by unengaged subscribers. Conduct list cleanup by verifying contacts on your list and monitoring deliverability metrics to ensure your investment in email pays off.



PART 5

Opportunities for senders

This is the part where we make the cliché statement that “every cloud has a silver lining.” Yet it’s true that every challenge can be viewed as an opportunity. Following that logic, **the many challenges of a global recession could provide plenty of opportunities for email senders.**

We wanted to find out if senders believe the evolving economic situation could present chances to grow and improve their digital communication strategies. While responses were spread out among the 10 options provided to participants, two potential opportunities came out on top: **Boosting brand awareness** (43%) and **Improving customer loyalty** (41%).

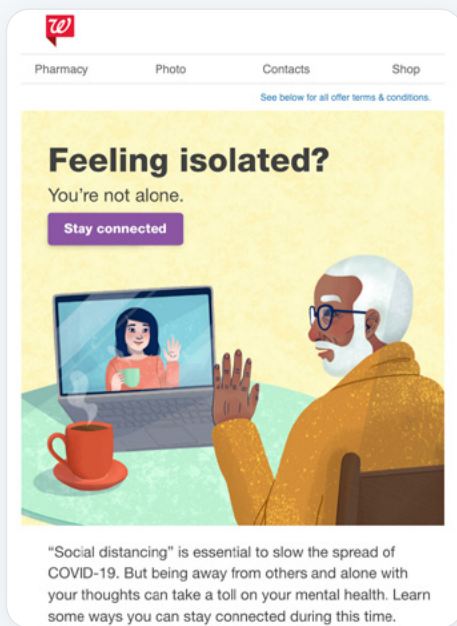


The top two areas of opportunity are connected to how people feel about a company. Brand awareness is obviously for those who are unfamiliar with your company's purpose as well as its products, services, and overall image in the marketplace. Customer loyalty is about the people you already serve, including the ways you keep them satisfied and retain their business despite your competitors' best efforts.

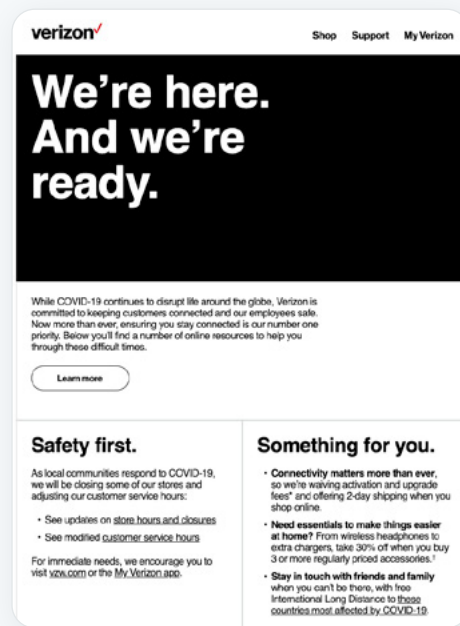
Senders say brand awareness and customer loyalty are the top opportunities for digital communication.

Brand awareness takes place at the top of the marketing funnel, and customer loyalty occurs at the bottom of the funnel (or end of a [customer journey](#)). Yet even though these opportunities represent different stages, they're both very emotion driven. And the challenges of a global recession will stir up a lot of emotions.

Think back to the start of the 2020 pandemic. Remember the ads and email campaigns? Whether it involved helping the less fortunate, supporting local businesses, or encouraging better health and well-being, there was a lot of emotional marketing.



An emotional COVID-19 email from Walgreens.



A March 2020 email from Verizon.

Email played a key role in this sort of pandemic communication. The email above from Walgreens encouraged self-care and provided answers to common COVID-19 questions. The campaign was relevant and timely but didn't push products or use fear as a marketing tactic.



Some brands went too far, and the public called them out for taking advantage of the crisis. Others found genuine ways to be helpful. For example, there were wireless companies that gave customers extra mobile data in the early months of the lockdowns. That certainly seems like a good way to encourage loyalty.

The ongoing global economic situation may not necessarily become a full-blown crisis in the way COVID did. However, there will certainly be people and businesses that struggle. Take care when using any current event as part of your marketing strategy. **There are ways to build brand awareness and encourage loyalty without connecting your marketing and communications to a dire situation.**

If a recession causes a slowdown in new business at your company, focusing on brand awareness and customer loyalty makes sense. You'll be working to keep and nurture the relationships you have with current customers. Plus, the brand awareness you build during a slowdown increases the likelihood that people will think of your company first when the economy rebounds and they're ready to start buying again.

Tactical opportunities

As you can see in the previous chart listing all 10 opportunities, there is a group of five options that landed in the middle of the pack, and all received around the same percentage of responses:

-  Streamlining operations (28.5%)
-  Expanding into new markets (27%)
-  Increasing promotions to gain new business (25%)
-  Automating customer communications (25%)
-  Exploring new communication channels (24%)

Compared to the top two opportunities ([Boosting brand awareness](#) and [Increasing customer loyalty](#)) the middle of the pack represents things that are much more tactical than emotional.

Two of these options, [Streamlining operations](#) and [Automating customer communications](#), represent opportunities to improve efficiency. The other three, [Expanding into new markets](#), [Increasing promotions](#), and [Exploring new communication channels](#), are more about growth opportunities.

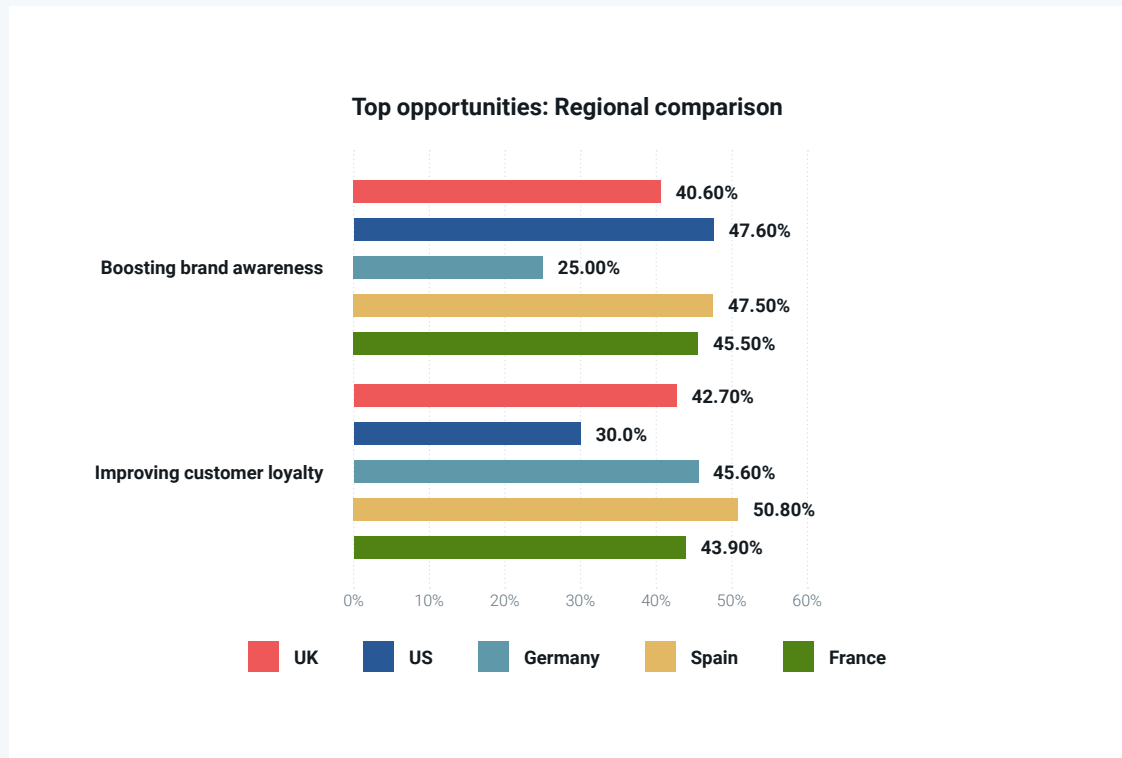
During a recession, it makes complete sense to find ways to operate more efficiently. When you save time and effort, you save money. And there's no doubt that companies will be looking for ways to cut costs in the coming months. Sometimes cutting costs may mean investing in technology that helps you increase efficiency or improve output.

Expecting growth during a recession may seem a little aspirational and overly optimistic. But when business dries up in one area, you may need to make up for it in another. That's why a significant portion of respondents see the advantage of looking for opportunities in new markets or trying to reach people in new ways, which could include channels such as [SMS marketing and mobile messaging](#).



Regional opportunities

Even though the five regions we've focused on in this report generally agreed about the biggest opportunities in the coming year, there are some areas of interest that stand out. First, let's look at how France, Spain, Germany, the UK, and the U.S. view the top two opportunities: **Boosting brand awareness** and **Improving customer loyalty**.



Respondents from Germany (25%) were the least likely to select **Boosting brand awareness** as an opportunity. However, German survey participants were more likely than other nations to choose **Streamlining operations** (29.5%) as well as **Implementing lean and/or agile** (15%). Perhaps this speaks to the cultural focus on efficiency.

At just over 50%, Spain selected **Improving customer loyalty** more than any other region. This could speak to the importance of relationships in Spanish culture. Or the opportunity could reflect a lack of brand loyalty in Spain, as [studies show](#) it's relatively low.

Like their German counterparts, around 30% of U.S. respondents see **Streamlining operations** as an opportunity. The U.S. was also the most likely to select **Expanding into new markets** (32%). We found that only large companies with 500+ employees selected this option (33% of the time).



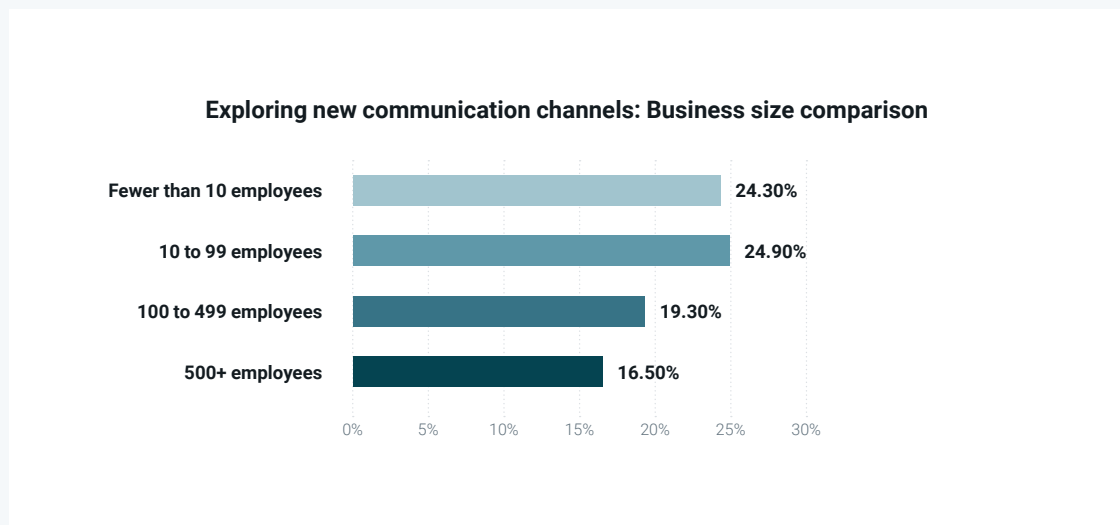
An early 2022 [study from Auxadi](#), which included 100 global companies, found that 97% were planning to expand internationally. Our survey results suggest that opportunity may have diminished as large companies consider the possibility of a global recession. Among all respondents from all countries, just under 27% cited expansion as a top three opportunity. Of course, that does not necessarily mean companies are cancelling plans to enter new markets. Instead, it indicates expansion is less of an opportunity in the next year.

Communication opportunities

An area of interest for email senders includes the sentiments around using new channels for customer communication. While around 24% of all respondents identified [Exploring new communication channels](#) as an opportunity in 2023, breaking things down into specific segments gives us another view.

When it comes to business size, it appears that smaller businesses are more likely to be interested in adding new communication channels to their marketing mix.

Around a quarter of both segments of smaller companies cited [Exploring new communication channels](#) as a top three opportunity. By comparison, larger organizations with 500+ employees chose this opportunity just 16.5% of the time.



A possible explanation for this is that large companies may have already started using channels such as SMS/MMS, mobile messaging apps, chatbots, voice, and other digital communication solutions. While some small businesses are early adopters of technology, larger firms tend to have the money and resources to experiment, implement, and manage new communication strategies.

Regionally, Germany (28%) was the most likely to see new communication channels as an opportunity with France (27%) not far behind. When looking at job roles, those who work in Product (28.5%) and Operations (27%) were a bit more likely than Marketing (25%) to see new communication channels as an opportunity.



Most likely to see new communication channels as an opportunity

Region	Job role	Business size
28% Germany	28.5% Product	25% 10-99 employees

The potential benefits of new communication channels shouldn't be ignored. An annual [Customer Experience Report from Sinch](#) found that **nearly 90% of consumers want the kind of two-way conversations that messaging channels and applications provide.**

In fact, a new way to connect with customers and prospects may be just what brands need to support improvements to customer loyalty and better brand awareness in the year ahead.



Key takeaway: Invest in the customer experience

The greatest opportunity for brands in the next year and beyond involves optimizing the customer journey for the future. That means putting customers at the center of your strategy and creating an experience that best serves their needs and aspirations.

A complete customer experience begins with brand awareness and continues long after an initial purchase through loyalty and brand evangelism. Participants in our survey clearly realize the importance of these opportunities. And, if business slows down, the expected economic downturn offers a chance to focus on these areas even more.

The question is, what strategic marketing initiatives will support awareness and loyalty among your customers and prospects? Brands that come out on top will rely on what's always worked, but they'll also be willing to experiment and look for opportunities outside their existing efforts. Because as the economy evolves, so should your marketing and communication strategy.



CONCLUSION

Is email recession proof?

Throughout this report, we've looked at the economic conditions that senders believe could hurt their organizations. We've also explored where brands may focus their marketing and communication efforts in the next year as well as where there could be reductions.

For those who have responsibilities connected to a company's email program, you've got to realize the important role you and the email communication channel will play as the economy evolves.



Email provides an incredible ROI. That's because you're working with what you already have. Instead of paying to reach people who may not even care, you're interacting with a base of subscribers who truly want to hear from you.



Email is ideal for personalizing customer experiences. Consumers have come to expect personalization, and email marketing offers many ways to personalize the messages that you deliver to your subscribers' inboxes.



Email communication keeps things moving. Don't take your automated transactional messages for granted. Order confirmations, password resets, shipping updates, and abandoned cart emails are a key part of how people experience your brand.



Email plays well with others. Integrate your email efforts with other marketing channels and you will optimize performance. Email can connect people to your website, your sales team, your content, your social media channels, and more.



Email helps you nurture customer relationships. If you see improving customer loyalty as an opportunity, there's no better channel than email to deliver the right message. From an engaging welcome series to rewards programs and customer referrals, email is there for every step of the journey.

Email investments support marketing success. Our survey shows that those with the highest level of success in digital communication send more email than those who are unsuccessful. If you want to take your strategy to the next level, look to invest in your email program.

All these reasons and many others explain why email is a recession-proof marketing channel.

It's affordable. It's efficient. It's versatile. It's effective. And email marketing could be the secret ingredient in a recipe for brands that know how to thrive in an evolving economy.



How we can help

[Mailjet by Sinch](#) is a leading email service provider (ESP) that provides an intuitive platform for designing and sending promotional campaigns, newsletters, and automated messages.

Here are just some of the ways Mailjet can help you and your team:



Build better newsletters: Newsletters and content distribution were among the top five contributors to success among senders in our survey. Use [Mailjet's drag-and-drop Email Editor](#) and our growing collection of [responsive templates](#) to create amazing emails.



Segment and personalize: Personalization topped the list of email practices in our survey. Target your email efforts and make campaigns even more relevant with Mailjet when you [segment subscribers and personalize messages](#).



Keep your contact list clean: Our survey found that list cleaning is a priority among senders. Use [Mailjet's bulk email verifications](#) feature to get rid of invalid contacts and protect your sending reputation with mailbox providers.



Automate customer communication: Build efficiency into your digital communication strategy with automated emails. [Integrate with the Mailgun API](#) to send transactional emails through Mailjet. Plus, check out all the other [Mailjet integrations](#).



Test and optimize campaigns: With all paid Mailjet plans, you can preview emails before you hit send. Plus, [use A/B testing](#) and our Campaign Comparison feature to find out what really gets your subscribers to engage.



Explore new channels: Use the Mailjet platform to [start sending SMS messages](#) to customers. For even more, check out all the communications solutions our parent company, [Sinch](#), has to offer.



Visit the [Mailjet blog](#) to find tons of advice for digital marketers, and check out our [resource center](#) for more guides and special reports.

Ready to give our platform a try?

[Start Using Mailjet Today](#)



About this survey

During August and September of 2022, Mailjet by Sinch surveyed Mailgun and Mailjet customers around the world to understand how email senders view the current global economic situation and how a recession could affect their organizations' digital communication strategies. Results include responses from 1,345 completed surveys as well as 457 partial completions. Survey participants were solicited via email messages and in-app notifications. Respondents used an online form to complete the survey, which was built with the Alchemer platform.

Regional breakdown

- United States: 18.8% (336)
- France: 18.1% (324)
- Germany: 5.6% (100)
- United Kingdom: 5.1% (92)
- Spain: 4.0% (72)
- All other regions: 45.9% (807)

Business size breakdown

- Fewer than 10 employees: 61.8% (1,109)
- 10 to 99 employees: 25.0% (449)
- 100 to 499 employees: 7.0% (125)
- 500+ employees: 6.2% (112)

Job role breakdown

- IT/Engineering: 38.1% (684)
- Marketing: 25.8% (464)
- Operations: 9.9% (177)
- Product: 7.7% (138)
- Support: 5.1% (92)
- Other job roles: 13.4% (241)

Business type breakdown

- B2B: 40.9% (718)
- B2C: 23.7% (416)
- Both B2B and B2C: 35.3% (620)

Industry breakdown

- Information technology: 35.5% (638)
- Professional services: 11.5% (206)
- Financial services: 4.7% (85)
- Wholesale: 2.7% (48)
- Retail: 6.9% (124)
- Hospitality: 1.6% (28)
- Manufacturing: 3.0% (53)
- Media and telecommunications: 6.9% (124)
- Real estate: 1.8% (32)
- Education: 4.5% (90)
- Non-profit: 6.3% (114)
- Other industries: 14.7% (264)





More than 40,000 companies around the world use Mailjet by Sinch to strengthen connections with customers and subscribers while building their businesses through email marketing. Brands like Microsoft, Kia Motors, and Toast trust Mailjet to send billions of emails every year. Mailjet combines an intuitive, drag-and-drop email campaign builder with easy-to-use deliverability features to help businesses create and send beautiful emails without touching a single line of code.

Founded in Paris in 2010, Mailjet has offices in tech hubs around the globe, including the UK, US, Spain, Germany, and France. Mailjet is proud to be part of **Sinch**, a leading Communication Platform as a Service (CPaaS) provider, offering messaging, voice, and video communication solutions to a large global customer base. Mailjet is both ISO 27001 certified and GDPR compliant, offering its clients the highest levels of data security and privacy.

For more information, please visit mailjet.com.

