



RESEARCH REPORT

Email in an evolving economy: The tech perspective

Insights from the IT and engineering community



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INTRODUCTION

Technology, communication, and the global economy

"What goes up must come down." That old saying applies to much more than just the law of gravity, doesn't it? In fact, it fits the evolving global economic situation very well.

After a sudden economic shock during the COVID-19 pandemic, industries and economies around the world were rebounding and recovering. Things were finally looking up. Unfortunately, it didn't last long.

Issues like inflation, higher interest rates, rising energy prices, and ongoing geopolitical tensions have a lot of people feeling concerned and uncertain about the future. **Many economists predict we're headed for a global recession in 2023.**

Unlike the 2020 recession, those working in technology may not escape the impact of the next economic downturn. During the pandemic and all its lockdowns, plenty of technology companies flourished. Consumers were using more personal tech, enterprises were looking for ways adapt to remote work, and many small to medium-sized businesses (SMBs) fast-tracked digital transformations to help keep them afloat. That meant there was a lot of investment in technology solutions and IT professionals were in high demand.

However, some economists expect the current economic slump to be more widespread and last longer. Big tech companies are also showing signs that we're heading for tough times. Among those that have announced hiring freezes and reductions are Apple, Microsoft, Google, and Tesla. As of early October, the technology-heavy Nasdaq stock index was down 29% year-to-date. Even the seemingly invincible [Amazon reported](#) a slowdown in sales growth and a corporate hiring freeze.

We wanted to know what customers of Mailgun and Mailjet by Sinch think about the evolving economy. How do they plan to use communication technology to help them navigate uncertainty and keep their businesses running smoothly? To find out, we conducted a survey during August and September 2022 to help us create our new report, "[Email in an evolving economy](#)".

In this special edition of the report, we'll focus on responses from those with IT and Engineering job roles. At other points, we'll examine how the IT industry or technology sector responded to the survey. Because our customers are all connected to email technology, we'll also take a closer look at sentiments surrounding that communication and marketing channel.

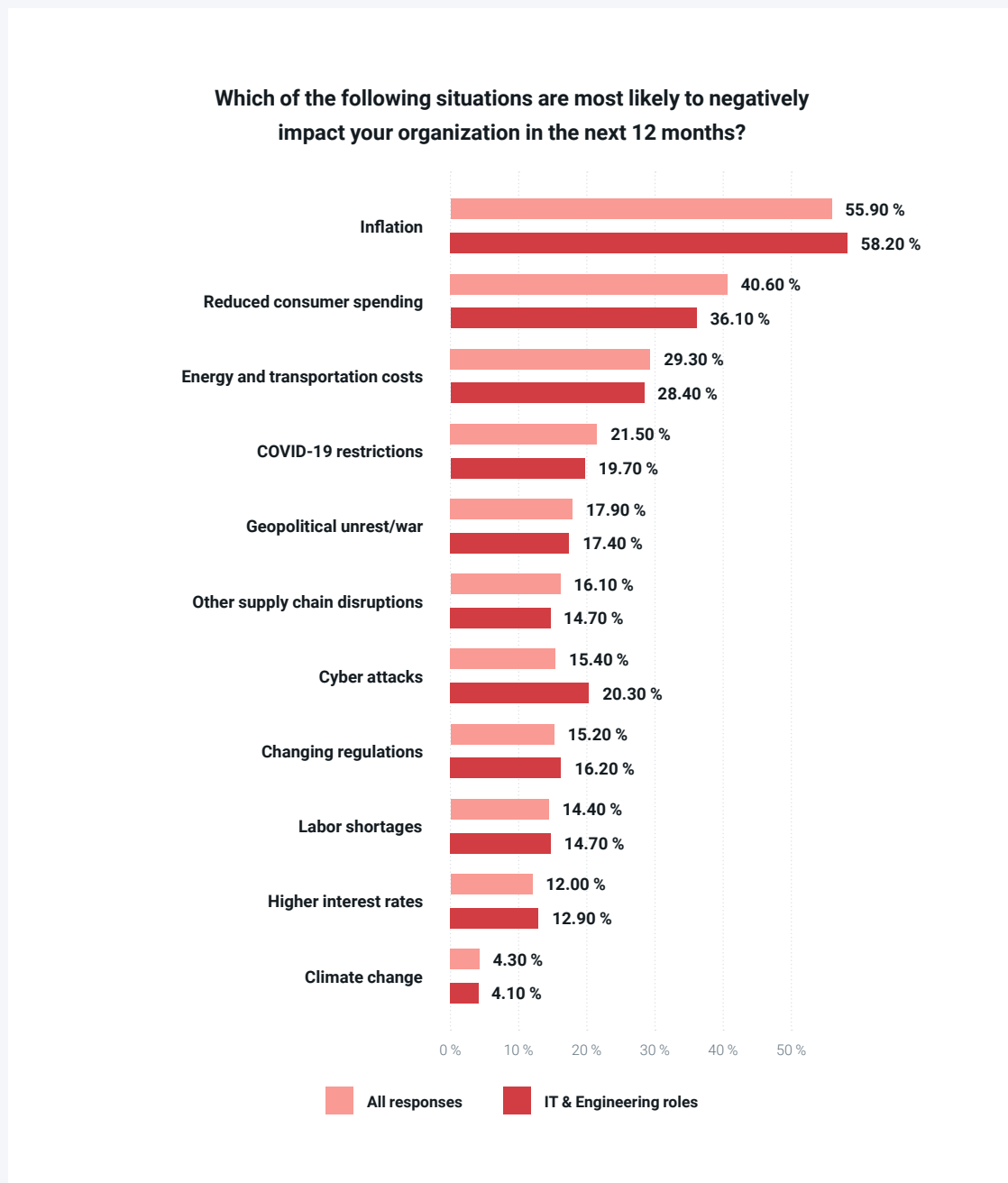
Use these results to uncover insights and adjust your own strategy for 2023 and beyond.



PART 1

Evaluating economic factors

Calling the global economy a nightmare might be a stretch, but there are some specific situations that may be keeping technology professionals from getting a good night's sleep. The first question we asked survey participants involved the factors they believe could hurt their business in the next year. Respondents chose from a list of eleven economic issues and could select up to three options.



For the most part, responses from IT professionals and engineers reflected that of the survey as a whole. **Inflation**, **Reduced consumer spending**, and **Energy/transportation costs** topped all three lists.

However, those working in technology were slightly more likely to cite **Inflation** as a potential issue than the full group of respondents, with just over 58% selecting **Inflation** compared to 56% of the full group. The IT & engineering segment was also less likely than average to have concerns about **Reduced consumer spending**.

58% of those working in IT & engineering think ongoing inflation is likely to have a negative impact on their organization in 2023.

For good reasons, IT workers were noticeably more likely to select **Cyberattacks** as an issue that could have a negative impact on business in 2023. Among technology professionals, one out of five chose **Cyberattacks** as a potential issue that could have a negative impact on the business.

While you may not associate cybersecurity and the global economy, cybercrime is definitely having an impact. The Center for International Studies and McAfee [released a report](#) indicating that the money lost to cybercrime equates to a full percentage point of the global gross domestic product (GDP). More recently, [Cybersecurity Ventures estimated](#) that **cybercrime will cost the world \$7 trillion in 2022**.

How secure is your email program?

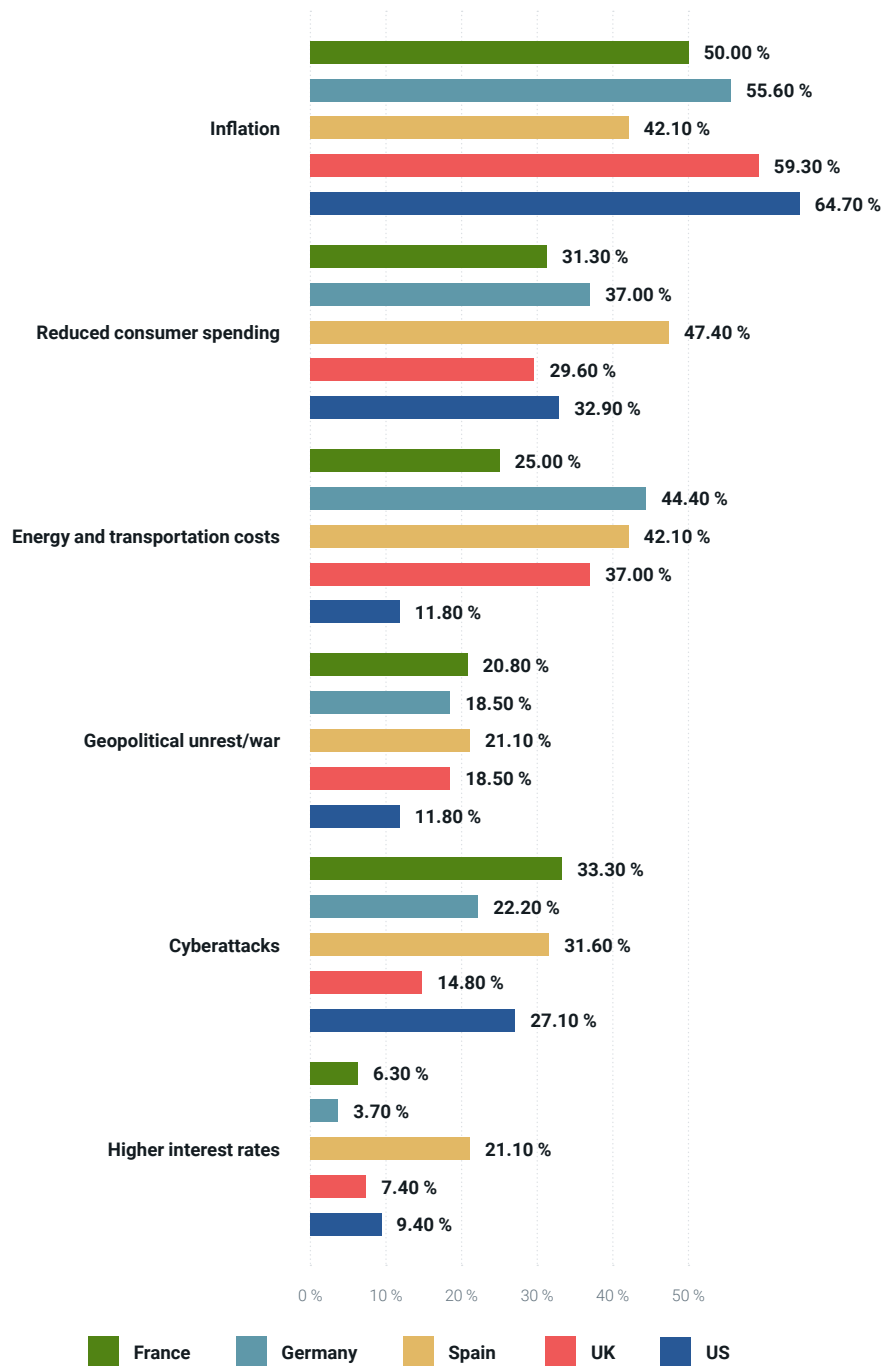
In "[The Mailgun email security and compliance guide](#)", we cite research indicating the financial impact of email scams and help you layout a plan for improving email security and data privacy compliance.

Regional economic concerns in the technology sector

Economic conditions can impact different parts of the world and specific industries more than others. In our survey analysis, we examined responses from the United States (U.S.), United Kingdom (UK), France, Germany, and Spain. Let's look at how the IT industry respondents from these regions view the evolving global economy. To clarify, these results represent those working in the technology sector (including marketers, working at tech companies) as opposed to IT & Engineering professionals in all industries.



Negative economic impacts: Regional comparison



While those from technology companies in all regions cited **Inflation** in their top three, the US (64.5%) and the U.K. (59%) were the most likely to do so. Spain (42%) was the least likely to select **Inflation** as a potential problem in the next 12 months. However, technology companies in Spain are more likely to have concerns about consumer spending and interest rates than other nations.

At just 12%, technology firms in the U.S. were significantly less likely to cite the negative impact of **Energy and transportation costs** than the four other regions. That can almost certainly be attributed to the fact that European nations are more affected by the war in Ukraine and reliance on Russian oil. The lack of access to Russian oil is expected to worsen in 2023 as [more EU sanctions](#) are introduced. Plus, planned OPEC production cuts could cause prices to climb even higher. It's worth noting that U.S. respondents were also less likely than others to select **Geopolitics/war**, perhaps because the conflict between Russia and Ukraine seems so far away.

However, when you look at these macroeconomic factors as well as the different regions in the global economy, it's important to remember how connected everything is. One economic condition can impact many others, and what happens in one country can easily affect the other side of the world.

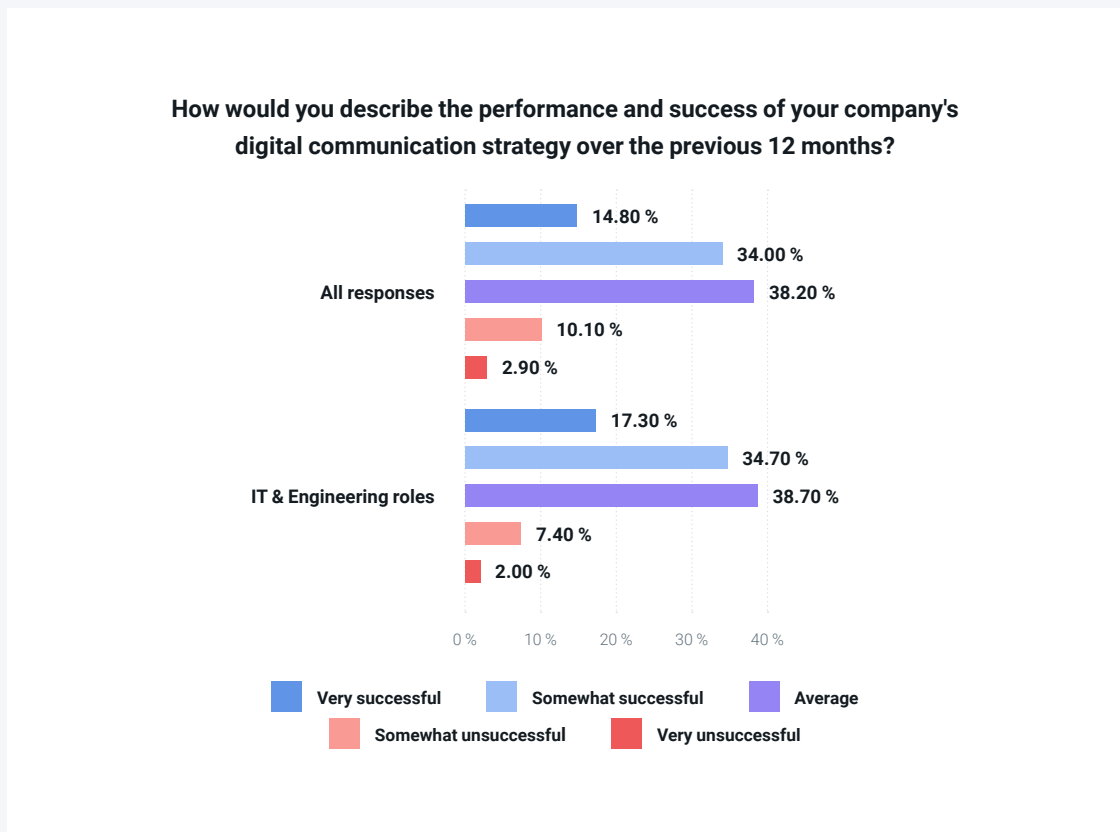


PART 2

Communication strategies

Communication will be key to navigating a potential recession and surviving a constantly changing global economy. That includes communicating with customers as well as prospects, partners, and employees. Those who can thrive during tough times are bound to have successful communication strategies. That means they know which channels to prioritize and how to use them effectively.

We asked Mailgun and Mailjet customers how they feel about their current digital communication strategies. Results suggest there's a good deal of success as well as plenty of people who feel their strategy has room for improvement.



Here's a quick look at the combined results of those who said digital communication has been either very or somewhat successful:

- **All responses:** 49% at least somewhat successful
- **IT & Engineering roles:** 52% at least somewhat successful

Marketing budgets and the technology sector

Financial support for many digital communication channels often comes (at least in part) from the marketing department's budget. So, our survey also questioned participants on whether they expected their marketing budgets to be cut or increase as the world faces uncertain economic times in 2023.

Marketing budgets may not have a direct impact on IT workers and software engineers, but cuts could certainly affect organizations in the IT and technology sector. Budgetary decisions in this sector also suggest something about expected demand for and financial stability of the tools and vendors that the IT & Engineering community uses.

Marketing budget expectations: Technology sector

- Our marketing budget is increasing: 24%
- Our marketing budget is staying the same: 37.5%
- Our marketing budget is likely to be cut: 13%
- Our marketing budget has already been cut: 12%
- I don't know: 14%

Scaling back marketing and digital communication during a recession could be a mistake. History shows us how brands that invest in marketing are more likely to emerge from economic downturns with a competitive edge.

For example, [AdRoll reports](#) on how Amazon continued marketing new products and services throughout the Great Recession of 2008. It had recently introduced the Kindle, Prime, and AWS. Thanks in part to its marketing, as well as its innovation, Amazon came out of the recession and posted [impressive profits in 2009](#) – 68% above the previous year.

It's encouraging to discover that our survey suggests nearly half of organizations are seeing success and good performance with digital communication. Plus, it appears most marketing budgets for tech companies are either growing or holding steady. But are there specific communication channels that are more cost-effective when there's economic uncertainty? Let's dive into that question next.

Digital communication ROI

Our survey asked participants to pick the three marketing and communication channels that they believe will provide the highest return on investment (ROI) in the year ahead. While it may be no surprise that email came out on top in a survey of our customers, breaking down the results reveals some interesting anomalies.



Which of the following marketing channels do you believe will provide the best return on investment (ROI) during a recession or economic downturn?



About 42% of all respondents chose **Email marketing** as a channel with strong ROI – the highest result in our overall survey. However, among those with IT & Engineering job roles, just over 30% selected **Email marketing**.



It's worth noting that **53% of marketers working in the IT industry selected email as a channel with some of the strongest ROI**. That's much higher than average in our survey. A total of 60% of marketers from all industries chose **Email marketing** as a top channel for ROI. So, it seems that those who work in marketing have experienced a significant return from investing in email.

Channel ROI and the technology sector

When we look at the technology sector and compare the responses of different company sizes, the survey points to some other notable differences. Organizations with more than 500 employees are significantly more likely than average to see **Digital advertising** as a key communication channel during a recession. While 60% of those from the largest companies chose this option, that number drops to 41% among the smallest IT businesses.

Larger technology-focused organizations were also more likely than smaller companies to see **Mobile marketing** (SMS, messaging apps, etc.) and **Traditional advertising** as having strong potential to provide ROI during a recession.

Channel ROI: Differences in company size (Technology sector)

500+ employees	100 to 499 employees	Fewer than 100 employees
60% Digital advertising	52% Digital advertising	41% Digital advertising
21% Mobile marketing	7.5% Mobile marketing	6.5% Mobile marketing
21% Traditional advertising	4% Traditional advertising	7% Traditional advertising

(Larger tech companies see more value in digital and traditional ads as well as mobile marketing.)



When it comes to email ROI, the different businesses sizes are somewhat closer together. Each cohort of organizational size selected **Email marketing** as a top channel for high return on investment between 30% and 40% of the time.

More than half of marketers working in the technology sector say email is a digital communication channel that provides a high return on investment. This supports email's value as part of a communication strategy that can survive a global recession.

Communication cuts

In addition to asking which communication channels provide the best return, we also wanted to find out which channels could be cut if a global recession causes problems for organizations in 2023. Unsurprisingly, **Traditional advertising** is the most likely to land on the chopping block. The channel includes broadcast, print, and outdoor advertising.

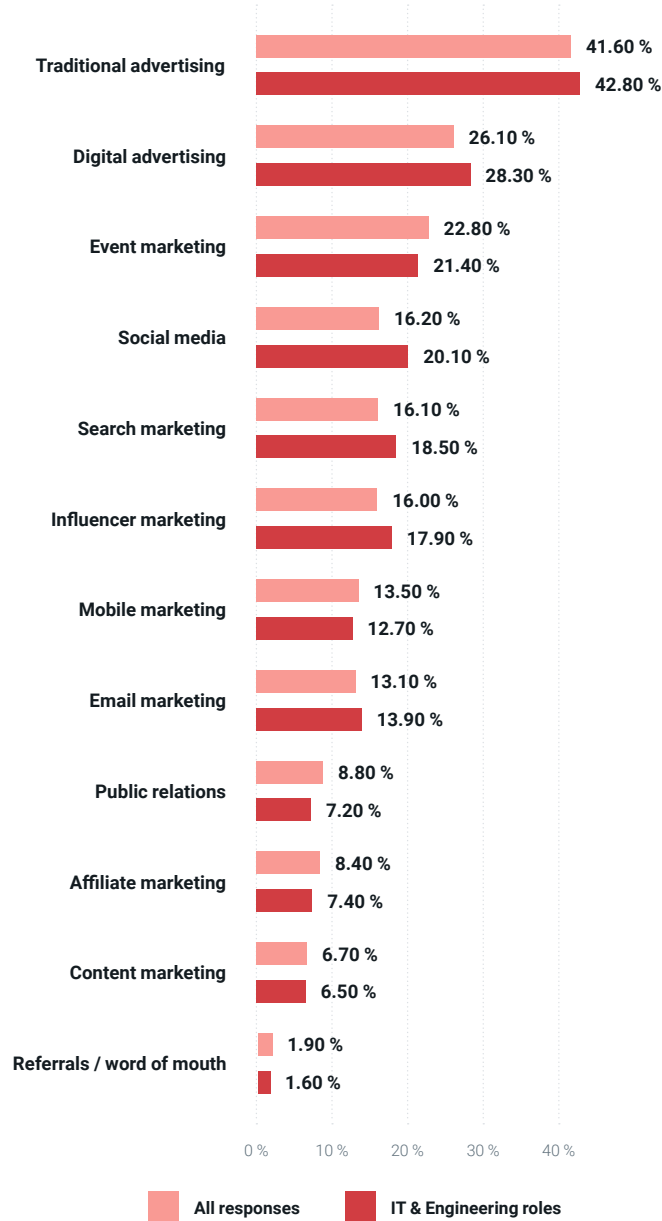
Among all respondents, 41.5% said traditional ads could be cut next year. The IT crowd generally feels the same way. This follows a trend of companies increasingly relying on digital channels for advertising and marketing efforts.

According to our survey, **Email marketing** is the eighth most likely channel to see cuts out of the 12 options. 14% of IT & Engineering respondents believe it's possible there will be reductions to email marketing in 2023. Of course, this suggests that **more than 85% of those respondents are not expecting to reduce email efforts in the coming year.**

More than 85% of IT & Engineering respondents say they do not expect their organizations to cut back on email.



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



Up next, we'll examine what our survey suggests about the use of email in the next year and which email practices are expected to contribute to business success in the midst of a looming global recession.

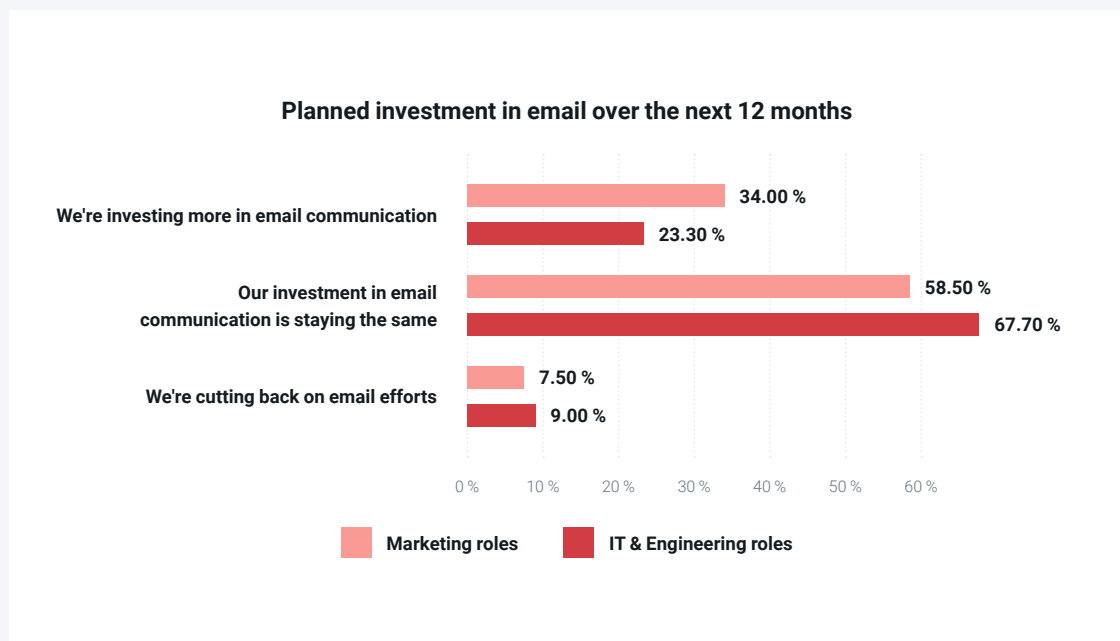


PART 3

Email insights

No matter what industry you work in, email is an important marketing and communication tool. When we asked survey participants about their planned investment in email over the next 12 months, **around 90% of all industries said they were either investing more or maintaining their investment in their email program.**

However, there's a difference of opinion when we compare those working in marketing to the IT & Engineering cohort. Marketers are more likely to say they'll be investing more in email while more than two-thirds of IT & Engineering respondents say it will remain unchanged. Still, less than 10% of both groups expect email program cuts in the next 12 months.



Investing in email could mean different things to these two groups. For instance, developers may invest in technology that helps them automate and integrate email communication within an application. This kind of investment typically supports **transactional emails**.



The marketing team uses email as a promotional and informational communication channel. Rather than helping conduct business, as with order confirmation and account creation emails, the main purpose of **marketing emails** is to drum up more business. That could be why Marketing roles are more likely to increase their investment in the channel.

Yet, both types of email communication have their purpose in the lifecycle of a customer or user. The IT & Engineering community may decide to invest in onboarding emails, support communication, email security, or keeping contacts informed about supply chain issues.

Email sending and the technology sector

How much an organization uses email is another sign of the channel's importance. We asked respondents to describe their typical email marketing cadence and send volume. The **cadence** represents the frequency of promotional emails while the **volume** represents the total number of all emails sent. In this case, we'll look at the sending habits of technology-focused companies to examine how much they rely on email and communication.

In the technology sector, 57% of senders are only emailing customers once a month or less often. However, failing to touch base via email more often could be a missed opportunity for many technology-focused companies trying to remain successful during a recession.

Our research shows that 58% of those with **Very Successful** digital communication strategies are emailing customers at least once per week. On the other hand, 72.5% of those with **Very unsuccessful** strategies emailed customers monthly or less frequently. This correlation suggests that more frequent email communication supports a successful strategy.

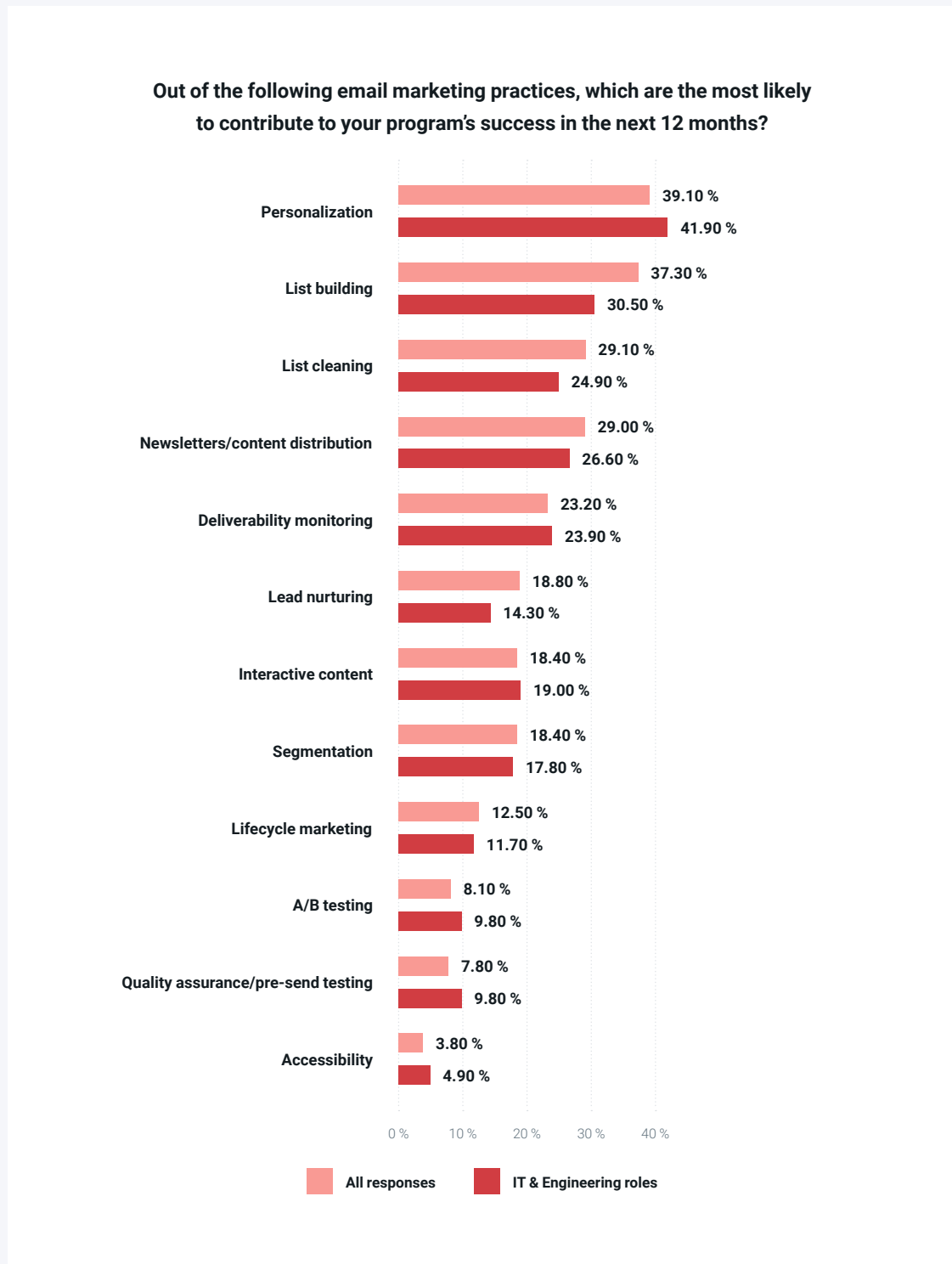
When asked about plans for their email programs in the next year, there are signs that some in the IT industry plan to add to their efforts. Nearly 28% of respondents in the IT sector expect to increase their email marketing send volume and cadence in 2023. Just 10% said they would be reducing those metrics.

58% of respondents with highly successful digital communication strategies are emailing customers on a weekly basis.



Email practices and success

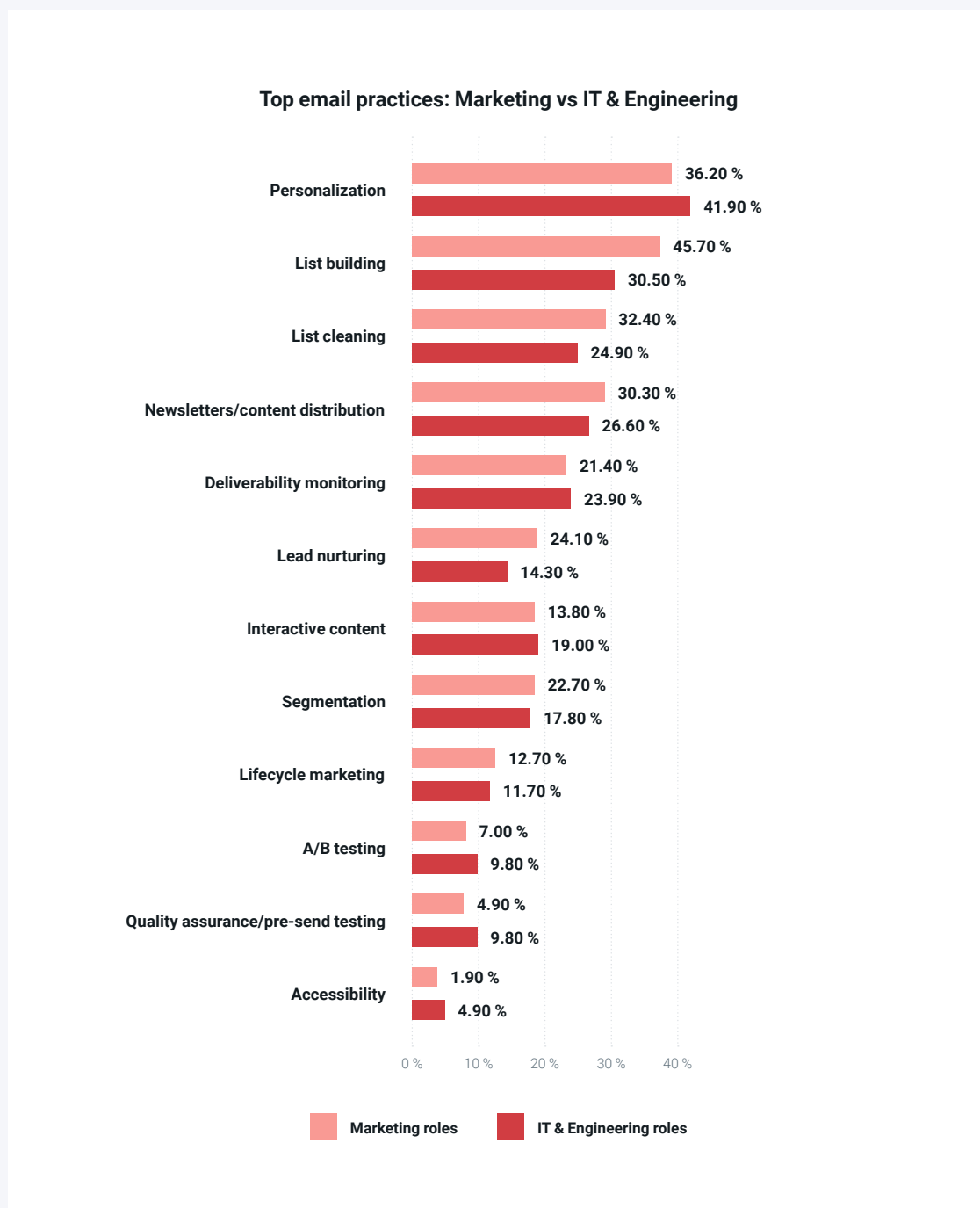
Next, let's look at email marketing tactics and which ones are most likely to contribute to success in 2023. When comparing responses from the IT crowd to the full survey, most practices line up evenly. As with all respondents, the IT crowd chose **Personalization**, **List building**, and **List cleaning** as top practices.



The IT & Engineering cohort was slightly more likely to identify **Personalization** as a top tactic while those respondents were somewhat less likely than average to choose **List building** and **List cleaning**. However, we can see a much starker contrast when comparing the Marketing job roles segment to that of IT & Engineering.

While more than 45% of those in Marketing see **List building** as a top tactic, just 30.5% of IT & Engineering roles feel the same way. Instead, that segment seems to place higher importance on email personalization. While 42% of IT & Engineering respondents selected **Personalization** as a top three email practice, only 36% of Marketers felt as strongly about that email marketing tactic.

This speaks to the type of communications each group is more likely to be responsible for. Those in IT may work closer with transactional emails for which personalization is important. Marketers are more focused on generating new business.



If we look a little closer at some of the differences between these two job roles, a clearer picture starts to appear. You'll notice that IT & Engineering respondents seem more likely to select technical and analytical email practices. That includes **Deliverability monitoring** (24%), **Interactive content** (19%), and two types of email testing (pre-send and A/B testing both came in at 10%).

The Marketing cohort is more likely to select practices connected to its everyday activities, including what they create and how they measure the success of their efforts. That includes **Newsletters/content distribution** (30%), **Lead nurturing** (24%), and **Segmentation** (23%).

Perhaps the question here isn't which cohort is right or wrong about the most effective email practices. Instead, colleagues should look to understand each other's perspectives, learn from those different points of view, and understand the different roles email plays in the customer lifecycle.

Those with IT & Engineering roles were most likely to choose email personalization as a practice that will contribute to success in the next year.

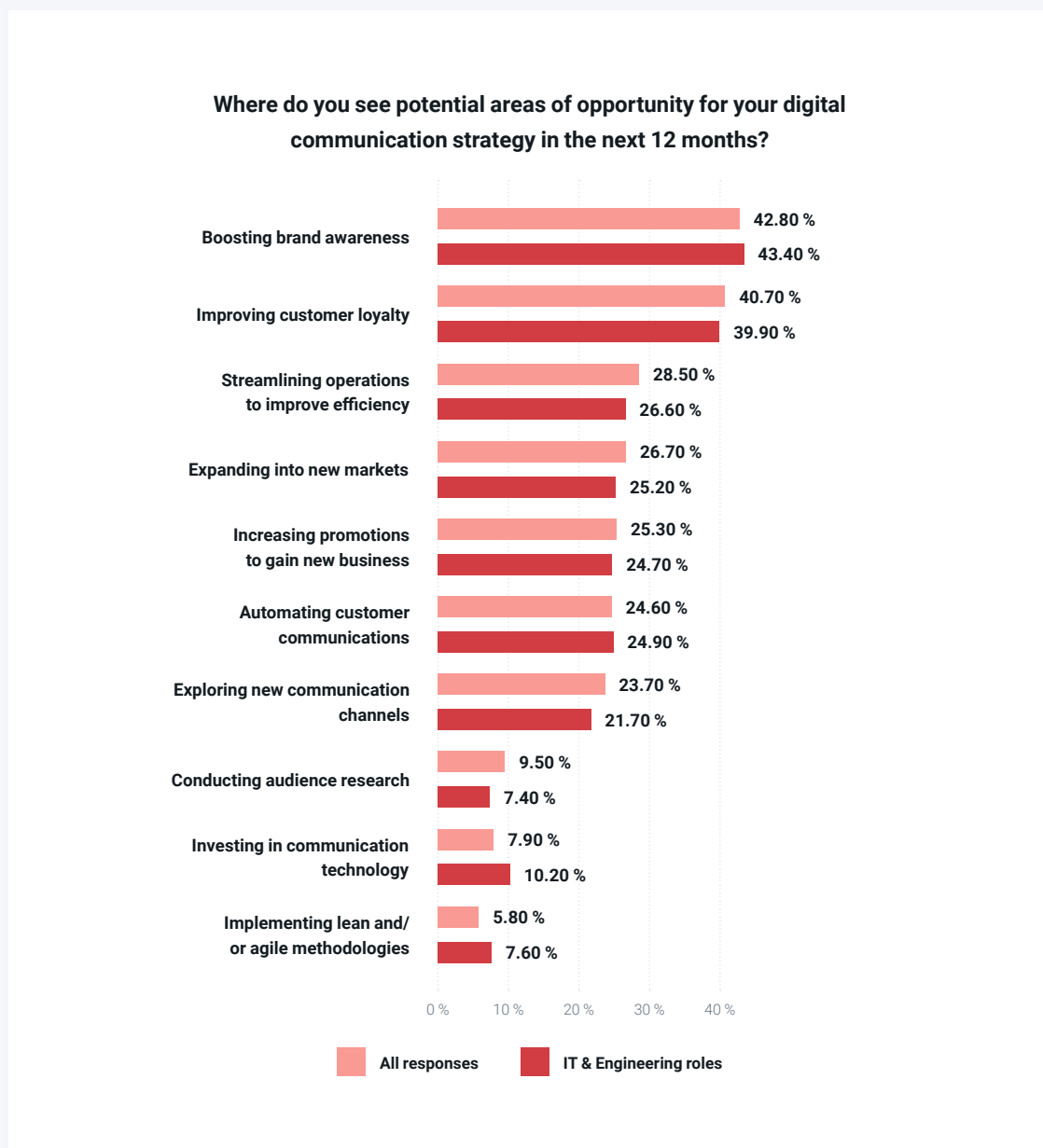


PART 4

Opportunities

Whenever a problem presents itself, there's almost always an opportunity to be found. A global recession will come with plenty of problems for businesses of all types and sizes. For email senders, a downturn in the economy could offer a chance to use digital communications to accomplish more than what's expected during tough times.

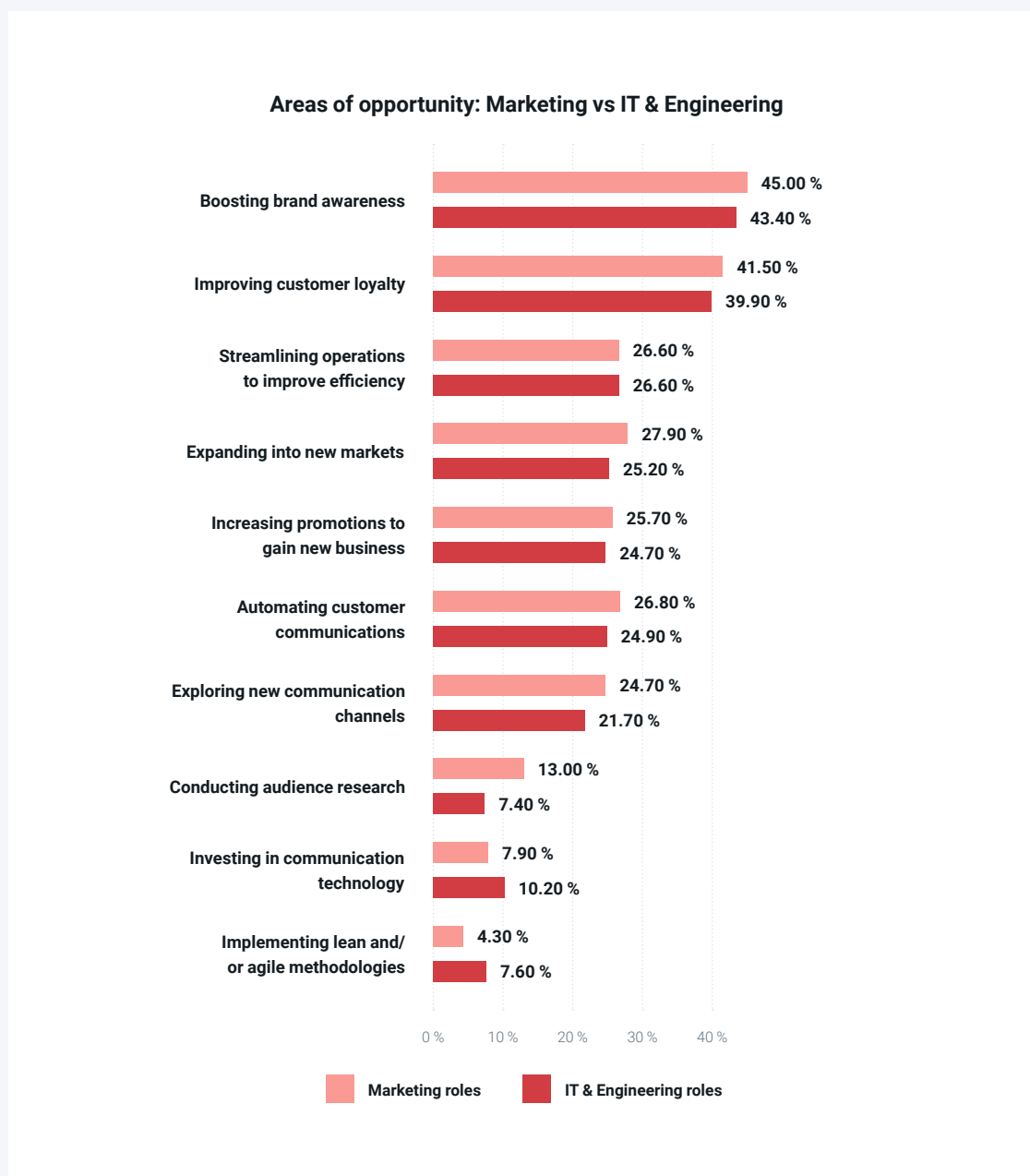
To end our survey on a more optimistic note, we asked participants to identify three key areas of opportunity in the year ahead.



Once again, the opinions of those working in IT & Engineering tend to fall in line with the overall average of all survey responses with a few small exceptions.

Those with IT & Engineering job roles were more likely to view **Investing in communication technology** (10%) as an opportunity in comparison to the full group. They are also slightly more inclined than average to identify **Implementing lean/agile methodologies** as an opportunity in the coming year. Of course, these kinds of process improvement methodologies are more familiar to those who work in IT and software development.

When comparing Marketing job roles to those with IT & Engineering roles, these two departments appear to agree on digital communication opportunities for the coming year. Unlike their differences of opinion on email practices and the ROI of email marketing, the groups are strongly aligned on what could be accomplished despite an expected global recession in 2023.



Once again, the IT & Engineering cohort stands out slightly in terms of **Investing in communication technology**. While 10% of the IT & Engineering segment chose this as an opportunity, it drops a bit to 8% for Marketing roles and the same percentage for the overall responses.

For the IT department, these investments typically include digital transformation projects, such as [migrating to the cloud](#). However, organizations that do choose to invest in technology for digital communication may also be considering opportunities like **Automating customer communication** and **Exploring new communication channels**, the latter of which could include things like transactional SMS, mobile messaging, and [chatbot development](#). These opportunities are also likely to become features that are built into the application user experience.

Choosing to invest in your marketing and communication strategy can also support the two biggest opportunities in our survey. When you're able to reach people on new channels, and do so efficiently and effectively through automation, your organization will see an increase in **brand awareness** and **customer loyalty**. That's simply because you are investing in building a better user experience.

Both marketers as well as IT & engineering professionals see brand awareness and customer loyalty as the biggest digital communication opportunities for the year ahead.



CONCLUSION

How we can help

Mailgun by Sinch is an email service provider (ESP) that is built for the IT and engineering communities. We take email seriously and are trusted by more than 100,000 businesses to deliver messages with our reliable global infrastructure and industry expertise.

Here are just some of the ways Mailgun supports your email program:



RESTful APIs: While senders can use SMTP ports if they choose, Mailgun provides a powerful, RESTful [Email API](#) for sending that provides additional security via API keys, and easily integrates with your existing applications in the coding language of your choice.



Security you can trust: Mailgun takes pride in its [commitment to security](#). That includes keeping bad actors off our platform as well as protecting our customers' data. Visit the [Mailgun Security Portal](#) to view our ISO certifications and security audits.



Data privacy compliance: Mailgun understands the challenges of securing and handling personally identifiable information (PII). We are proud to be [HIPAA](#), [CCPA](#), and [GDPR compliant](#).



Unmatched email deliverability: [Improving deliverability](#) is one of Mailgun's many strengths. With our [Inbox Placement](#) features, you can even predict where your messages will land before they're sent. Learn more about our [Deliverability Services](#).



Email verifications: Keep your list of contacts clean and validate email addresses before you add them. Confirm valid email addresses in real-time using our [Email Verification API](#).



Developer documentation: When you're ready to dig into the technical details, Mailgun has an extensive [documentation library](#) and SDKs to support you in your work.



You'll find more helpful content on the [Mailgun blog](#) as well as in our [Resource Center](#). If you have questions, feel free to [talk to a strategist](#) and find out more about our services.

You can also try out Mailgun for free right now.

[Get Started Today](#)



About this survey

During August and September of 2022, Mailgun 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.

You can download the full ["Email in an evolving economy"](#) report from Mailjet by Sinch.

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)





Over 100,000 companies worldwide use Mailgun by Sinch to create elegant email experiences for their customers through world-class infrastructure. Brands like Microsoft, Lyft, and Dell trust Mailgun's innovative technology and reliable infrastructure to send billions of emails every year. Built with development teams in mind, Mailgun makes sending, receiving, and tracking emails effortless for email senders of all sizes.

Mailgun was founded in 2010 as a response to the lack of developer-friendly, API-based email services. Since then, Mailgun has joined **Sinch**, a leading Communication Platform as a Service (CPaaS) provider, to become the developer-first email solution for their global customer base. GDPR, HIPAA, and SOC I & II compliant, Mailgun aims to provide the best email service possible with the utmost security and privacy.

For more information, please visit mailgun.com.

