

E-Mail as a Strategic Tool in Organizations

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INTRODUCTION

During the past decade, strategic information technology (IT) applications, such as electronic mail (e-mail), have been used to gain competitive advantage over rivals or prevent rivals from gaining a competitive advantage. The use of e-mail has been considered a component of overall business strategy, and its application depends more on understanding unique business opportunities than on competitive benefits from technological features that are easily duplicated. Since the first message was sent in 1971 by Ray Tomlinson, e-mail has emerged as an important technological requirement in business. E-mail is as common as the U.S. postal mail in the twentieth century. Businesses, schools, and universities are insisting that employees and students have an e-mail account to check updates or download information concerning business tasks or class activities. Given the widespread acceptance and use of this technology, the strategic value of e-mail within an organization should be apparent.

Companies have discovered that they must aggressively pursue new information technologies to exploit their own core competencies. Contemporary organizations have found ways to not only build more functionality onto their core mail systems, but also combine their core capabilities with strategic and creative ways of using e-mail. Clearly the definition and parameters around e-mail are changing, and the use of electronic communication is revolutionizing how firms do business.

BACKGROUND

E-mail, as a specific information technology, not only has proven to be one of the primary technologies by which an organization can begin to achieve radical and beneficial organizational change, but also has become an integral part of the corporate culture in many organizations (Carroll, 1993). This technology, which is considered the electronic transmission of messages, documents, data, and images, has enabled people to send electronic correspon-

dence to others with e-mail addresses anywhere in the world, and is fast, inexpensive, and easy to use, making it a convenient and flexible way to improve corporate communications. As a competitive information technology, e-mail offers many advantages to the dynamic environment of today's businesses (Reark, 1998).

Literature suggested that e-mail may be used to improve relationships with customers, to link organizations with their strategic business partners, and to enhance communication between managers responsible for business redesign (Kirschner, 1995). This technology may be used to facilitate better coordination of a firm's communication between departments and divisions—*intraorganizational* uses of e-mail. Although internal communication was considered to be the core use of e-mail, firms are increasingly using it for outside communications—*interorganizational* uses of e-mail which include improving relationships with customers. Lastly, researchers have suggested that the primary benefit of e-mail have been its efficiency (Palme, 1995). For example, e-mail decreased the use of paper, eliminated time delays, and allowed the sender to transmit messages to a list of specific individuals; we refer to these as the organizational benefits of e-mail.

In 2000, more than seven trillion e-mail messages traveled the wires in the U.S. alone, up from a mere four trillion in 1999, and thus supporting the argument that e-mail correspondence is the fastest growing communication medium in the world. The most recent findings report that the average businessperson sends and receives approximately 90 e-mail messages daily (Casper, 2002). As international competitiveness concerns have forced businesses to right-size, e-mail has surfaced as one of the facilitators that permit savings in middle-management expenditures. The increasing ubiquity of e-mail lessens telephone tag and makes direct communication more efficient, even when there are no other sophisticated systems supports (King & Teo, 1994).

Furthermore, the utilization of e-mail to communicate with customers and suppliers indicates the need for interorganizational linkages. Customers prefer to communicate with key people in a firm through the use of e-mail,

because it produces a record of their communication as opposed to multiple phone calls. This perceived personalized service allows direct access to a person who could answer their questions and solve their problems. Providing this dependable link to the customer gave the company an edge over its biggest competitors.

STRATEGIC USES OF E-MAIL

Technology reaches its greatest potential when it supports the strategic operations of the organization. It is not necessary for a technology to be new for it to be used strategically. An established technology can provide a competitive advantage when it is viewed from a strategic perspective. For example, the often touted success of American Hospital Supply (AHS) was the result of using old technology in a new way. AHS simply placed tried-and-true terminals on the desks of purchasing agents, supplanting catalogs. Thus, even a simple, well-established IT has been used as a competitive tool when corporate management develops a strategic viewpoint about its computing and telecommunications resources.

E-mail was seen as a facilitator of business change as early as 1995 (Garai & Pravda, 1995) and has become as indispensable a business tool as the telephone, the postal service, or the fax machine (Harper, 2002). The increasing use of e-mail systems resulted from the desire of users to share information. For these and other reasons, e-mail has become a vital technology in today's organizations, thus improving a firm's competitive position by increasing productivity and enhancing communication inside (intraorganizational) and outside (interorganizational) the organization (McManus, Carr, Sankar & Ford, 2002).

E-mail is an example of an information technology that has potential as a strategic tool because of its capacity to increase efficiency, decrease costs, and improve productivity. Intraorganizational uses of e-mail include what has been termed productivity use and functional coupling use. Productivity use represents the use of e-mail to increase the speed, efficiency, and effectiveness of communication (e.g., scheduling meetings) (McManus et al., 2002). The utilization of e-mail for these tasks improved the productivity of individuals, giving them the ability to concentrate on more critical tasks.

As literature has indicated, many businesses have restructured themselves into high-performance teams to accomplish strategic and tactical goals. Such restructuring places a premium on reliable and timely communication between team members and functional departments. This coordination of efforts between functional areas avoids duplication and supports the timely completion of critical tasks. E-mail has been shown to support func-

tional coupling to accomplish tasks or to achieve communications that typically involve multiple departments or divisions (e.g., polling opinions on a topic). Therefore, e-mail facilitated functional coupling by providing better coordination of a firm's internal processes (McManus et al., 2002).

Furthermore, it is not uncommon for organizations to read employees' e-mail that is believed to be inappropriate for the business environment. These findings have been supported in other studies, which refer to such applications as "inappropriate use" of e-mail technology (Rice, 1994). This stands to reason that if employees are utilizing time for social activities, the company is not achieving its business goals. Previous literature indicated that many office workers are tempted to do a little business of their own on company time, with e-mail and fast Web connections at their fingertips (Whitford, 1998). The misuse of e-mail for non-business activities has the potential to negatively impact the competitive performance of the company. Therefore, as e-mail is viewed as a strategic information technology resource, consideration of the misuse of the resource is important to avoid negating benefits.

E-mail supports the drive for competitive advantage by reducing cost and increasing productivity, providing linkages with suppliers and customers, and changing the way goods and services are provided and supported. It is these competitive uses of e-mail that make it a strategic resource. If e-mail were removed from many modern organizations, they would likely fail to remain competitive. "Building an e-mail database should be central and basic to business because this means of communications is both extremely effective and very economical" (American Gas, 2002, p.10). These strategic uses of e-mail ultimately provide a method of gaining a competitive advantage over rivals and should be a component of overall corporate strategy. Therefore, to consider e-mail other than a strategic resource places it back into a utilitarian category.

FUTURE TRENDS

During the height of the technology boom of the mid-1990s, information technology (IT) investments were in excess of 50% of capital budget expenditures in U.S. organizations (Rockart, Earl & Ross, 1996). Managers and researchers agree that IT must be appropriately utilized within these organizations in order to achieve increased worker productivity, better decision making, or other expected benefits. Thus, researchers continue to develop new theories in an effort to inform IS professionals who design and manage information technology, such as e-mail, which support managerial communication.

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