



Chapter V

E-mail's Value: Internal versus External Usage

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ABSTRACT

This chapter provides a new perspective on the competitive advantage of electronic mail within organizations. Essentially, e-mail assists individuals with efficiency and effectiveness. It improves the overall productivity of the firm and provides better coordination of internal processes. Electronic mail has been considered an important channel of communication. Since quality, time and cost are considered the main means of competition in today's global market, this study investigated the relationship between the strategic uses

and competitive benefits of electronic mail in contemporary organizations. A sample of 99 management-level staff members in 41 companies responded to a questionnaire assessing their e-mail usage and their perceived e-mail benefits. The results suggested that e-mail usage could augment the competitive posture of the firm.

INTRODUCTION

“E-mail [electronic mail] correspondence is the fastest growing communication medium in the world. In 2000, more than 7 trillion e-mail messages traveled the wires in the U.S. alone, up from a mere 4 trillion in 1999. Additionally, the most recent findings report that the average businessperson sends and receives a total of about 90 e-mail messages daily” (Casperson, 2002, p. 10). Information technology (IT) investments are in excess of 50% of capital budget expenditures in United States (U.S.) organizations (Rockart, Earl & Ross, 1996). Managers and researchers agree that IT must be appropriately utilized by individual users within these organizations in order to achieve increased worker productivity, better decision making or other expected benefits (Srinivasan, 1985). Thus, researchers continue to develop new theories in an effort to inform IS professionals who design and manage information technology that support managerial communication (Ngwenyama & Lee, 1997).

The success of an organization depends on rapid, reliable and direct communications within the organization and with the outside world. To determine if e-mail provides a competitive benefit, a sample of 99 management-level participants in 41 companies responded to a survey that assessed their intraorganizational (internal) and interorganizational (external) uses of e-mail. Through the use of factor analysis and regression methodologies, the researchers investigated whether a significant relationship exists between the internal and external uses and benefits of e-mail. The intraorganizational uses of e-mail indicated a significant and positive relationship with the organizational benefits of e-mail, thus, supporting the electronic exchange of information within organizations. However, the results indicated that interorganizational uses of e-mail did not promote corporate communication outside the company. Thus, managers need to know which communication technology is appropriate for intraorganizational and interorganizational uses.

Research into the uses and benefits of e-mail has become important to understand this growing phenomenon (Rudy, 1996). The results of this study provide important implications for managers in suggesting appropriate use of communication technology in order to improve the organizational benefits.

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