

The role of Instant Messaging (IM) in Business Promotion

by

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Abstract Purpose – Instant messaging (IM) may allow businesses with limited financial and technical resources to communicate and collaborate internally and externally. Little research has been done investigating IM in the small business context. This study seeks to address this research gap and to investigate how businesses respond to and actively exploit the opportunities brought by IM through promotion.

Design/methodology/approach – Two comparative case studies were conducted. The research sites were selected based on the companies' IM usage pattern. Multiple data collecting methods were used including observation, interview, and IM transcripts. Open coding and qualitative data analysis were employed to get rich descriptive findings about IM usage.

Findings – IM was found beneficial to businesses in several ways. The IM usage management is more a managerial issue than a technical one and a set of organizational and managerial factors were identified critical to the achievements of these benefits.

Originality/value – This paper addresses a research gap and investigates the under-researched IM management issue. The study shows that creative and constructive usage of IM could bring a variety of organizational benefits to businesses. The findings of this study provide guidance to IM researchers and business practitioners as to how businesses can manage IM to exploit its benefits. The comparative study method employed by this study also identifies situations where the utility of IM usage could be limited.

Keywords – Instant Messaging, Small enterprises, Communication management, Information systems, Electronic commerce

Paper type – Research paper

INTRODUCTION

Small businesses are an important and integral part of every nation's economy. In the USA, small businesses account for almost one-half of the gross national product, create two-thirds of new jobs, and invent more than one-half of the technological innovations (US Small Business Administration, 2001). Faced with intensified competition, small businesses strive to extend their reach to a larger market and the operations of small businesses start to span over organizational and geographical distances. They are increasingly active in international markets (Etemad and Wright, 1999; Kleindl, 2000).

However, small businesses are likely to be limited in financial, management, human, and information resources (Hussin et al., 2002). The exponential growth and the non-proprietary nature of the internet have made internet-based communication technologies (ICT) a good communication platform for small businesses. Among a variety of ICTs, instant messaging (IM) has become one of the leading communication forms. IM is a low-cost communication tool that is easy to implement and use. Many popular IM systems are available for free distribution, including Yahoo! Messenger, Microsoft Network Messenger, ICQ, etc. In addition, targeting business customers, software vendors also provide higher-priced enterprise version IM tools, such as Effusia, Jabber, Lotus Sametime, etc., which are often integrated with other enterprise applications such as workflow systems and go beyond the scope of traditional IM.

IM has unique features such as real-time exchange of text, file and graphic icons, a contact list, presence awareness, "pop-up" recipient notification, and polychronic communication (simultaneous involvement with more than one conversation at the same time) (Rennecker and Godwin, 2003). Freely available IM comes with these features and is a natural choice for small businesses with limited financial resources and technical expertise. The use of IM might open up real-time communications internally and also externally with customers and partners to make an organization more responsive and possibly more competitive. In an initial estimate (July 2005), 85 percent of all enterprises in North America were reporting IM use and over 387 million IM users worldwide sent 13.8 billion IM messages per day (Symantec, 2006).

Understanding the impact of IM to businesses and the best management practices are imperative for researchers and important for business managers, especially those of small businesses. However, very few studies have investigated how IM is used in small businesses and how small businesses should manage IM usage in order to gain and maintain organizational benefits. This paper aims to answer these two questions. The paper first reviews the existing literature from both the small businesses research field and the instant messaging field. Based on the literature review a case study research method is proposed. Then, two case studies are presented. The results of the case studies are compared and a cohesive picture of how small business can explore the use of IM is developed. The paper concludes with a discussion of the study in terms of contributions and limitations.

RESEARCH METHOD

This paper adopts a two-case comparative case study approach. Previous small business IS research has largely deployed the quantitative method, which generalizes patterns from questionnaire data. It is rigorous in terms of statistical analysis but lacks the richness of contextual information to explain why a pattern exists (Mason and Mitroff, 1973). To understand the unique situation of IM in small business, qualitative and inductive method should be used (Swartz and Boaden, 1997). Benbasat et al. (1987) suggest three reasons of using a case study method for a specific research question. All three reasons exist in this research project and further justify the research method of this paper. First, case study method can be used when it is hard to study the phenomenon of interest outside of its natural setting. The purpose of this paper is to identify how small business can best exploit the potential of IM.

It requires examination of managerial processes and organizational factors. It explores the question “why” and “how” by going beyond merely describing specific outcome variables. It aims to investigate the use of IM in the real settings of functioning small businesses to gain deep understanding of the complexity of this issue. It is almost impossible to study the plethora of issues, which might exist in real organizational settings, through a controlled study. Second, the study should focus on contemporary events and learn about the state of the art. Third, the case study is appropriate for a field where there is no established theoretical base. Instant messaging is an emerging technology. Few studies have been conducted to explore this issue. In addition, due to

the unique technical, managerial and organizational characteristics of small businesses, theories developed in large corporation context cannot be automatically applied to the small business context (Swartz and Boaden, 1997).

Small business IS theory is still in its formative stage and case study method should be used to induce more generalizable knowledge from the myriads of complex facts. The comparative case study fits well with the exploratory nature of the research question of this paper. In comparative case study, data are collected from each study site. The qualitative data collected can be analyzed through comparative analysis. This approach helps systematically derive important issues for different categories of organizations, or other entities of interest and generalize pattern across categories. Previous IS studies which adopted this approach found it effective (Blanton and Watson, 1992).

RESULTS

Overview of IM usage In Company A surveyed

IM was used very intensively and extensively. Every manager and employee in Company used IM. During the three days when the employee and the manager were observed, of the total time they spent on e-mailing, telephone calling and IM, 70 percent was spent on IM. BoldChat, a free downloadable business chat application, was used for online customer support and MSN messenger is used for other communication activities. Compared to Company A, IM was used in a very limited fashion in Company B. The owner-manager was the only person who “officially” used IM. During the three days the manager was observed in his work, IM communication accounted for 8 percent of the total communication time spent on e-mailing, telephone calling, and IM. The manager set the rule that the employees in Company B were not allowed to use IM in their work. The rule was set after the manager found that an employee installed IM software in one company computer, which was removed upon the order of the manager, however, two employees were observed chatting with their friends online.

Breadth of IM usage

Table II shows the breadth of and the amount of IM use in two companies. Quoting the owner manager in Company A, “We IM every day with everyone”. IM supports a wide range of business activities in Company A. IM is one of the primary means for internal communication. The members of Company A are distributed in two different countries. Decisions on each side are not made separately and need to draw on the information provided by the other office. Traditional face-to-face meetings just cannot facilitate the collaborations, which span across great geographical distance. Instead, the owner-manager in the US office worked late in the night and the China office started working from 8.00 am so, despite the 12-hour time difference, the two offices had around one to four hours’ overlapping work time. In these overlapping work hours, a lot of messages were exchanged through IM.

The owner manager described one such scenario: I want to add one new feature ... but I have to discuss with our customer service people in China and see if they can do that. We are not in the same office and I cannot simply walk over and talk to them. So, we IM. To the researchers’ surprise, IM is also used by members in the same office to communicate with each other. One employee in the China office explains: Why not? A lot of times, you need to tell the others some things that would be hard to remember. For example, Yan [the manager] wants me to transfer money to several suppliers. It is very fast if he just IM me the numbers.

DISCUSSION

This study confirmed the potential of IM as a particular internet-based communication technology in productivity enhancement, knowledge sharing, relationship building and customer support. These benefits are associated with unique features of IM. For example, presence awareness can be used to monitor employee work hours; the multi-conversation feature of IM improves productivity; and the emotional icons sent in real time in conversation help build personal relationships. This finding contrasts with the general perception of IM as part of teenager pop culture (Drucker, 2000). However, it is not a very surprising finding in light of some CSCW studies which found that, compared to high-technology special purpose installations, teams may be better supported by relatively modest technologies accessed from desktop (Carletta et al., 2000).

In the global economy, IM should be welcomed by small businesses, which needs low-cost yet productive communication technologies to communicate with more dispersed partners. This study found that the use of IM is more an organizational and managerial issue than a technical one. To fulfill the innovational opportunities of IM usage, creativity of the management is required and managers need to carefully examine their organizational situation and set an IM communication strategy. Vintin (1999) has confirmed the importance of a communication strategy for the small businesses. A more informal organizational culture and dispersed organizational structure will be a good environment to foster IM communication practices.

This is an important finding in that traditionally the resource-constraint of small businesses focus on the costs of adopting new technologies in terms of technical support, user training and infrastructure. Low-cost, easy-to-use ICTs fit the simpler structure and smaller scale of operations of small businesses. When costs are no longer the number one concern, many other factors can be of deterministic importance to the successful utilization of information technologies. Managerial strategies and measures towards IT adoption and exploitation should receive due attention, in integration with a study of the unique small business environment.

CONCLUSION

This study employs a comparative case study approach and provides a preliminary account of how IM can be used in various ways in a small business for organizational benefits. In the global economy, benefits of IM include low-cost yet productive communication technologies to communicate with more dispersed partners. The results suggest that small business managers play an important role in creating a constructive and creative communication strategy to achieve such benefits as productivity enhancement, knowledge sharing, relationship building and customer support. Small business managers should focus on the benefits of IM while remaining aware of the disadvantages of IM (i.e., security concerns, increased communication workload).

In addition, managers should guide their employees with clear company policy as to how and where IM can be used to achieve the maximum benefits. The insights from this study should provide a practical guidance to small business practitioners regarding how to manage and guide IM use in a constructive manner. In addition, from the research perspective, it adds to the

knowledge regarding how IM can be used in real business context. This study also sheds light on how IM management in small businesses may differ from that in big corporations: IM is especially attractive to small businesses due to its low-cost nature; . owner-managers of small businesses play a critical role in IM management.

In addition, this study raises important research opportunities for future IM research as it would be meaningful to test the findings of this study in more varied organizational contexts. The comparative case study approach in this study contrasted IM management in two small businesses and identified how one small business gained benefits while the other failed to do so. This way it draws lessons from two different situations at the same time and is therefore useful in finding the factors that constitute successful IM management. In future IM studies, comparative case studies could be conducted to contrast IM management in small businesses with that in big corporations in order to further our understanding on IM issues in real-world businesses.

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