Email: Business or Pleasure?
Mission criticality meets personal interest

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We all take email for granted, but rarely have time to consider how much we have come to rely on it for both business and personal communications. This short report looks at the importance of email and how it is used based on feedback from IT professionals working at the sharp end.

- **Email is a business critical application**

  More than 80% of respondents saw email as critical or extremely important for internal communication within their organisation. A similar proportion highlighted the importance of email for external communication with customers, suppliers and business partners.

- **Email is a pre-requisite for doing business in the modern commercial world**

  When we looked more closely at the perceptions of email importance by company size, we saw an important difference. Smaller companies rely on email much less for internal communications, almost certainly because it is more likely that employees will be working in close proximity to each other. The importance of email for external communications was consistent across all organisation sizes, however, highlighting that email is now an important business-to-business communication mechanism that all organisations must have in place to trade effectively.

- **Email is also important for personal communications and the line between business and personal use is often blurred**

  Around half of respondents indicated that there was significant personal email traffic being sent or received via their company systems and almost four out of five (78%) acknowledged that users are accessing their personal email accounts via company equipment. Conversely two thirds of respondents were aware of users in their organisation accessing their corporate email account via their home PC.

- **Larger companies acknowledge the need for personal use policies more than smaller ones**

  Due to the potential security and other issues, over 80% of large businesses (those with more than 5,000 employees) have policies in place to cover personal use of email. Indeed, 18% of these larger organisations ban the use of personal email in the workplace altogether. The proportion of companies with a personal use policy drops to 68% for medium businesses (between 500 and 5,000 employees), 49% for small businesses (5 to 500 employees) and 24% for micro businesses (less than 5 employees).

- **Email has moved far beyond simple desk-to-desk messaging**

  Four out of five respondents indicated that attachments are frequently sent and received both internally and to/from customers and partners. Almost two thirds (64%) said that it was common for personal email messages to have attachments. Email has thus moved from a simple messaging medium to an important vehicle for distributing documents and other objects that is now often used in preference to traditional postal and internal physical mail delivery services. Furthermore, email access whilst away from the desk is becoming more important. 64% have implemented or are planning to implement Web-based access to email. The equivalent percentages for access via VPNs, PDAs and Smartphones were 58%, 36% and 24% respectively.

- **The pressure on suppliers and service providers to address the issue of security is appropriate and must be maintained**

  The findings presented here demonstrate that email has woven its way into the fabric of both business and personal communications and that separating the two is at best difficult and at worst impossible. It is also clear that the many-to-many relationship between email accounts and access mechanisms means that security and management must be tackled at a systems level. IT vendors and services providers therefore have a responsibility to ensure that effective security is adequately incorporated into their solutions. For large businesses, the spotlight here is on Microsoft and IBM who control 62% and 18% of the email server market respectively with Exchange and Lotus Domino. At the lower end of the market, the pressure must be on the ISP community who, for example, serve 53% of Micro businesses with POP3/SMTP services. The specifics of email security will be covered further in a subsequent Quocirca report based on the same study.

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1. Introduction

This report summarises some of the findings of an online research study conducted in May 2004 designed to explore how email is being used in a business environment and how that use is evolving.

Opinions were gathered from 1793 respondents who completed a Web based electronic survey. Respondents were largely IT managers and professionals, although there was also a range of business managers, business professionals, consultants and others. The distribution of respondents by job function, company size and geography is detailed in Appendix A.

The study was designed and analysed by Quocirca Ltd on a completely independent basis.

2. Email is a business critical application

There should be no doubt after reviewing the findings of this study that email has become a primary business tool in most organisations. More than 80% saw email as critical or extremely important for internal communication, whereas only 10% saw it as no more than useful (Figure 1).

Figure 1

How important is email for internal communication within the organisation?
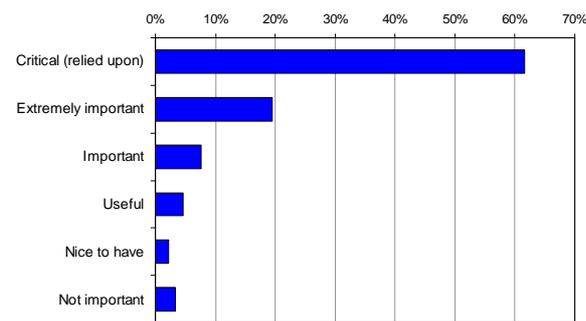
These numbers were similar when we looked at external email communication with partners, customers, suppliers and prospects (Figure 2).

Figure 2

What about communicating with partners, customers and prospects? How important is email for that?
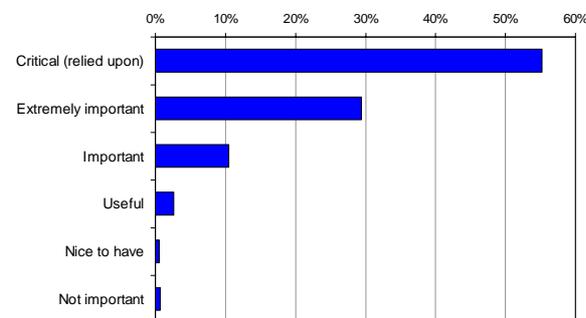
Given that this survey draws on responses from all levels of seniority, there was remarkable consistency amongst all the respondents on the question of email importance.

When we looked at email importance by company size, however, we did see some differences. At the smaller end of the scale, email for internal communication was seen as less important on average than with larger companies (Figure 3).

Figure 3

How important is email [for internal and external communication]?
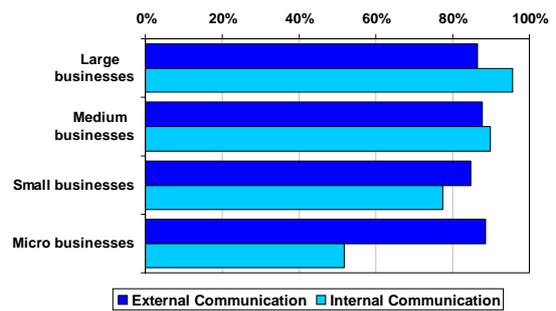

Percentages relate to those considering use of email as "Critical" or "Extremely Important"

This is not surprising given that employees in smaller companies are more likely to be working in close proximity to each other. But the lack of difference in perceived importance of email for external communications brings into sharp focus the fact that email has become a critical business –to-business communication mechanism making it effectively a mandatory tool, even for smaller organisations.

# 3. Microsoft exchange dominates the corporate email landscape

Microsoft clearly dominates the email space with its Exchange product being used by 42% of responding organisations. Thereafter, the market is fragmented. The only other significant commercial product is Lotus Domino, but this option is less widely used than both POP3/SMTP ISP services and Sendmail, the essentially free utility that has traditionally been bundled with operating systems (Figure 4).

Figure 4

What is the primary server environment through which email is sent/received in the organisation?
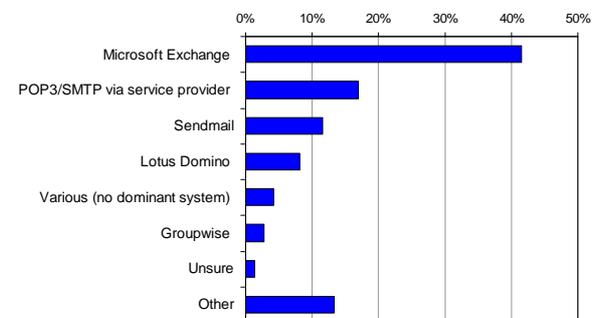
Allegiance to different email server environments varies considerably by organisation size (Figure 5).

Figure 5

What is the primary server environment through which email is sent/received in the organisation?
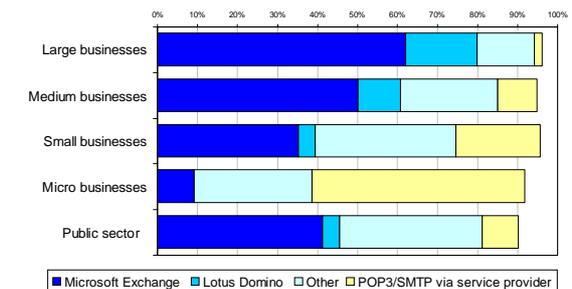

Again Microsoft's dominance is clearly indicated by its presence in over 60% of large businesses. Perhaps surprising

is the fact that Lotus Domino takes a healthy share of this market, being used by 18% of large businesses. The presence of Lotus and indeed of Microsoft, diminishes in relation to the size of the organisation. Unsurprisingly, the majority of micro businesses (organisations with less than 5 staff) do not have a server environment at all, preferring to access their email directly from a service provider.

In the public sector Microsoft holds less of a position and Lotus Domino only a small foothold.

If we home in on the two big email giants, IBM Lotus and Microsoft, their relative strength and penetration in different parts of the market may be illustrated very clearly (Figure 6).

Figure 6

What is the primary server environment through which email is sent/received in the organisation?
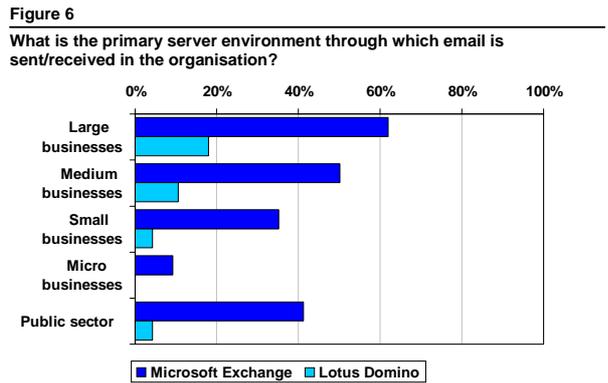
As we can see, Domino retains just under a third of the enterprise customer base of Microsoft Exchange and this proportion does not diminish significantly in medium businesses. Exchange retains a presence, however, even into the smallest of organisations. This could be because of the general perception that it scales down better than Domino, but it may also be function of Microsoft selling more efficiently to small businesses through its reseller channel.

The use of email client software also varies by organisation size (Figure 7).

Figure 7

Which is the most common email client in use within the organisation?
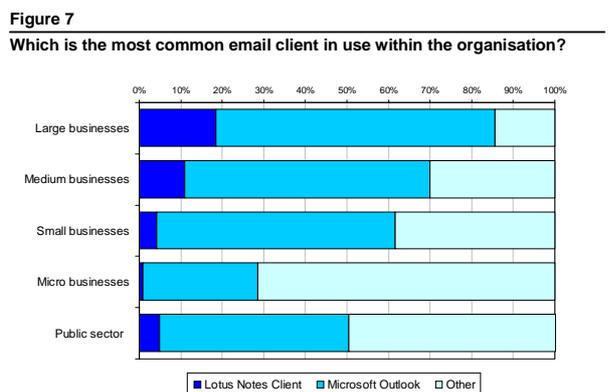
There was a very high degree of correlation between the use of Lotus Domino and the Lotus Notes client (over 95%) demonstrating that contrary to speculation often heard, it is not that common for Microsoft Outlook to be used as the standard client in a Domino environment.
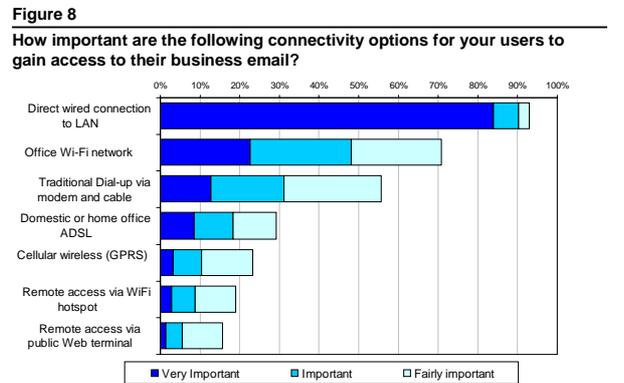
Clearly, though, the bundling of outlook with Microsoft Office means it is often used as the default email client, even when the back end server is something other than Exchange (compare Figures 6 and 7)

Looking at the results in a slightly different way, we can say that two out of every three emails (67%) sent to or received from a large organisation will be composed or read in

Microsoft Outlook. For Lotus Notes, the figure is one in five (19%).

4. Alternative access mechanisms are becoming more popular

Connecting to the corporate LAN via a traditional Ethernet cable is obviously the most common method of accessing email in a business environment (Figure 8).

Figure 8

How important are the following connectivity options for your users to gain access to their business email?


More interesting however is the proportion of organisations that are turning to the use of wireless networking, with over 70% having some kind of wireless implementation already and a third of these saying it is very important to their business.

Similarly, although remote access is still dominated by traditional dial-up mechanisms, other remote access mechanisms such as cellular based access and WiFi are gaining in importance.

The increased use of domestic ADSL lines and GPRS tallies with the introduction of small form factor devices such as PDAs and Smartphones as email access terminals, whilst the proliferation of connectivity mechanisms, especially the use of insecure public networks, creates some interesting security challenges.

5. Email traffic is wide and varied

Nearly two thirds of respondents said that business correspondence accounted for the most significant amount of email traffic, whilst just under half also acknowledged that significant traffic was generated for personal reasons (Figure 9).

Figure 9

Please indicate which of the following account for a significant amount of email traffic?
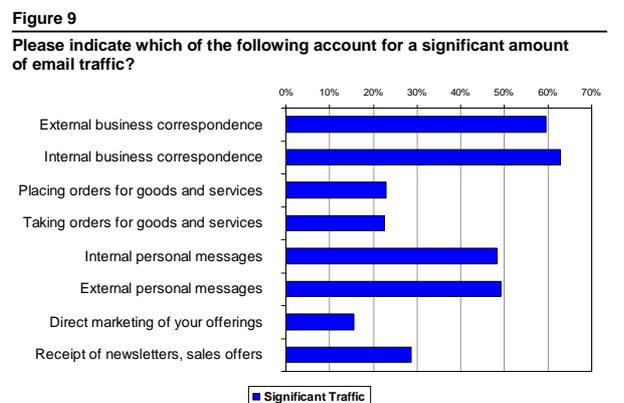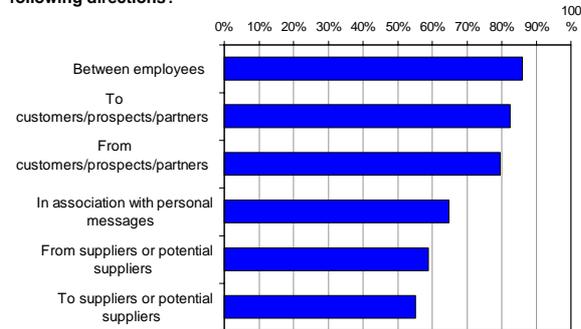

The interplay between personal and business usage of email is explored later.

Apart from straightforward messaging, email has evolved into a vehicle that is also commonly used for transporting documents and other files as attachments (Figure 10).

Figure 10

Are email file attachments commonly sent/received in any of the following directions?


As we can see, attachments move freely over email both within and between organisations. It is also evident that many attachments are concerned with personal messages, raising a flag about the potential security implications of this.

The dangers are highlighted further when we look at user habits in relation to email. For example, more than three quarters of respondents say that corporate equipment is used to access personal email on a regular basis in their organisation (Figure 11).

**Figure 11**

How common is it for users to …
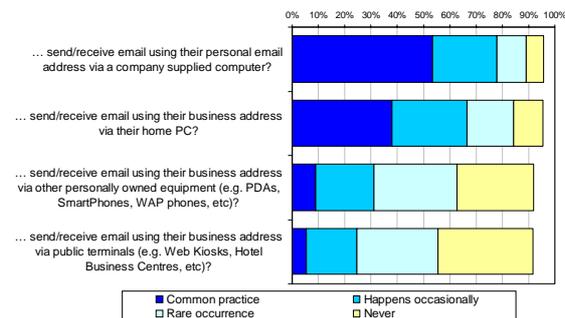
A lesser but still significant proportion of employees use their home PCs for corporate email, adding a further complication to discussions on security and management.

Email access via personally owned equipment and public terminals does not take place on as frequent a basis, but the proliferation of mobile technology and the changing working patterns that are driving more remote access are likely to change this over time.

With respect to personal email almost 20% of companies have no policy for personal email access, and a similar proportion permit access to personal email without restrictions (Figure 12).

Figure 12

What is the organisation's policy relating to personal email access in a work environment or via company equipment?
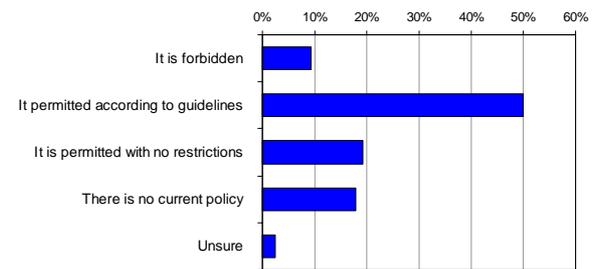

Combined with the respondents who answered unsure (implying that even if there is a personal email policy, it is serving no purpose), this totals 40% of organisations who are not successfully enforcing any policy over the use of personal email.

If we look at this by organisation size however, this drops to under 20% for large businesses, which is similar to the number of large businesses that forbid the use of personal email at work (Figure 13).

Figure 13

What is the organisation's policy relating to personal email access in a work environment or via company equipment?
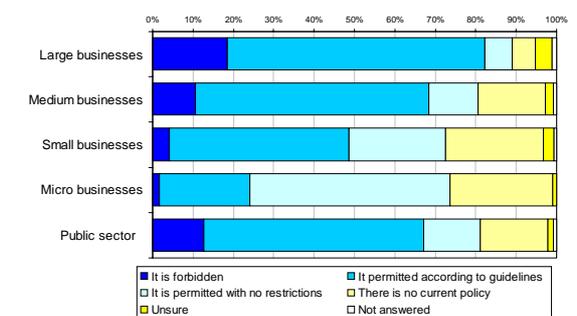

For the 50% of respondents who answered that email is permitted with guidelines, the obvious question is how good the guidelines are and how effectively they are enforced. As email users are human beings, guidelines can only provide theoretical protection. Developments by security suppliers that allow policy enforcement via technology are therefore likely to be an important way of dealing with the issues that emerge from the usage patterns that are so clear from the above.

# 6. Email systems are evolving to allow better remote access

The increasing popularity and acceptance of home working, along with the ongoing proliferation of mobile technology, is driving the evolution of email systems to allow better remote access either via the Web or mobile devices (Figure 14).

Figure 14

Do you have any plans to modify your corporate email configuration over the next 12 months, for any of the following reasons:
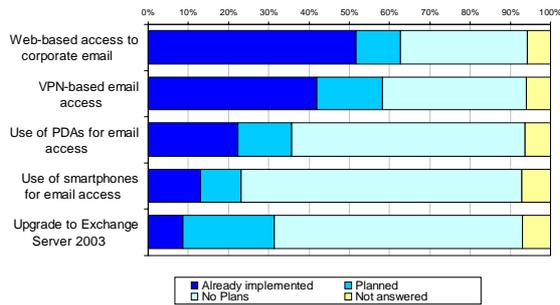
When we put this picture together with the combination of personal and business usage we saw previously, it is not surprising that security is highest on the list of drivers for further investment in and enhancement of e-mail systems (Figure 15).

Figure 15

If you are considering modifying your corporate email configuration, which of the following has influenced you to do so?
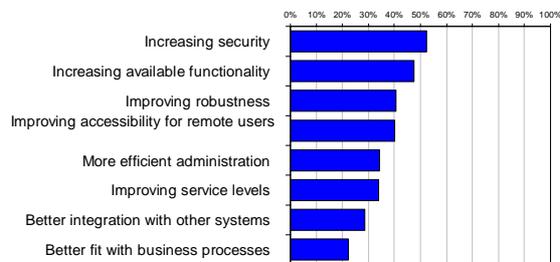
Over half of our respondents cited increasing security as a priority. After this, most of the other drivers are concerned with improving service levels to users.

7. Discussion

Email is something we have all come to take for granted in the business world as a convenient way of communicating.

What is clear, however, is that e-mail has moved far beyond the status of a "nice to have" convenience.

It is clear from the study that today, e-mail is a business critical application for the majority of organisations. Not only is it important to facilitate smooth internal communication, but it has become a mandatory part of the way businesses exchange information with each other. The significant observation that even very small companies regard e-mail as critical for communicating with their customers, partners and suppliers, confirms this.

Email is obviously also important as a personal communication tool and the blurring of work and private lives has led to the personal and business use of email being mixed relatively freely. The challenges that arise from this, together with the issues associated with the frequent use of attachments, has put security enhancement at the top of the email development agenda.

This highlights the security imperative, not only for user organisations, but also for the email solution vendors and ISPs that serve smaller business in the manner we have seen.

Email security, including spam, has therefore been explored as an extension to the study presented here and will be the subject of a report to be published at a later date.

In the meantime, the results of this study demonstrate that email has moved on from being the killer application for the internet and has assumed a critical role in both our business and personal lives.

Acknowledgements

Appendix A – Interview Sample Distribution

The primary research data presented in this report is from 1793 responses to a Web based questionnaire gathered in May 2004. The following charts illustrate the distribution of this sample in terms of geography (Figure 16), job role and viewpoint (Figure 17) and size/type of organisation (Figure 18).

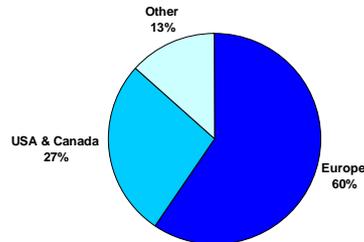**Figure 16**

Respondents by Geography

Figure 17

Respondents by Role/Viewpoint

Figure 18

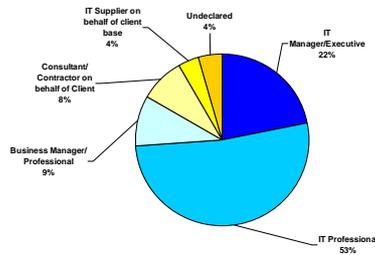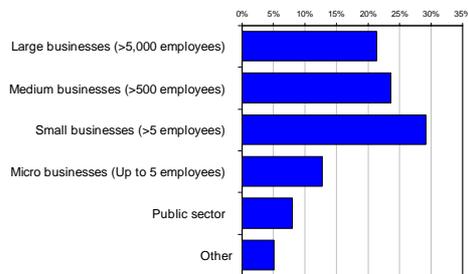**Respondents by Size/Type of Company**

About Quocirca

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- o   Enterprise Applications and Integration

- o   Communications, Collaboration and Mobility

- o   Infrastructure and IT Systems Management

- o   Utility Computing and Delivery of IT as a Service

- o   IT Delivery Channels and Practices

- o   IT Investment Activity, Behaviour and Planning

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