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E-MAIL AS A TOOL FOR EFFECTIVE MANAGEMENT OF
SMALL BUSINESS

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Abstract

One of the most effective tools of business communications is e-mail, which is used in almost all areas of business. Like any technology, e-mail has its advantages and disadvantages including positive and negative impact on the effectiveness of small businesses. The article deals with e-mail, not only as a handy tool for information exchange, but also a source of threats to information and reputation of small businesses. The advantages and disadvantages of using e-mail based on a survey of managers of small businesses on the feasibility and effectiveness of its use are summarized. The main advantages found were as follows: fast communication, lower costs, lower management levels, fast data transfer, security, marketing. Reducing the level of management, precision, competition, professionalism, increase employment, information overload - attributed to the shortcomings of the use of e-mail by small businesses. The study allowed us to draw conclusions about the high level of e-mail application in small business management, the lack of currently effective alternative solutions for replacing e-mail. Basic rules and recommendations of the e-mail using for small businesses have been revealed in the article.

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Keywords: Email, small business, computer technology, digitalization of the economy.



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1. Introduction

In recent decades, email has remained the main tool for business communication. At present, there is not enough conviction for refuse the small business the usual implementation of communications and switch to full-fledged communication in instant messengers, corporate social networks and video conferencing. It is necessary to consider the main features of using e-mail in the activities of small businesses: the implementation of communications, use of the opportunities of the global address book, the organization of joint work through calendars, cloud services. The implementation of communications is expressed in the daily communication of the head of small businesses by E-mail from a smartphone or tablet. For businesses, the use of mobile email solutions is an advantage in terms of cost savings and management efficiency. Using the potential of the Global Address Book is relevant for a company with native growth. It is the Global Address Book that becomes the first tool that does not depersonalize the company, but helps to consolidate information about colleagues, partners and customers in one place. The value of collaboration over calendar and cloud technologies that functionality is expressed in the fact that once you start using a fairly simple automation tool, head of the company is able to structure the work of employees through planning events - meetings, sessions, tasks. It is the functionality of email that forms the teamwork skills of a team in a small business.

2. Problem Statement

It is quite difficult to imagine modern society, and even more small business without the use of E-mail. We witness millions of mailboxes, trillions of messages annually, terabytes of data daily. The E-mail address has become as mandatory for communication as the home address and telephone number. E-mail address is not just a handy tool for information exchange, but also a source of threats to information and reputation of small businesses. These facts were the basis for a more detailed generalization of the advantages and disadvantages of using E-mail in small businesses.

3. Research Questions

The development of small business is given constant attention by state and municipal authorities, financial and credit institutions, small business support centers, and economists. One of the components of an effective system of functioning of small businesses is digitalization. A lot of scientific researchers are devoted to this topic, namely by Molotkova et al. (2019), Volkova et al. (2019), Shokhneh et al. (2018).

Kostin and Uporova (2018) considered the transformation of entrepreneurship under the influence of the digital economy. Rumyantseva (2018), Tronina et al. (2019) summarized the main possibilities of using digital technologies in the innovative development of small business in various regions of Russia. Digital sustainability in innovations through social networks was determined by Subhankar and Anand (2019). The use of social networks as an advantage, a measure of support, and the transition to digitalization of entrepreneurship was proposed in the article by a team of authors in the Journal of Entrepreneurship Development (Ajjan et al., 2015). Earlier, the author of the article conducted a comparative review of ERP systems for small businesses (1C: ERP, Microsoft Dynamics NAV, Odoo, iDempiere) (Demiroglu, 2019). Benotmane et al. (2017) developed a cloud computing model to optimize the transport logistics process.

Kumova and Toropova (2017) summarized the trends, prospects and risks of modern business Internet technologies. Peculiarities of E-mail marketing were summarized by scientific economists Shipshova and Nurtudinov (2020). Prokopenko (2019) conducted an analysis of business communications and studied the main types of mail services. The quality of E-mail and its main competitors were briefly reviewed in order to understand the current problems for e-mail by the authors of the article, Sochor and Chalupova (2019). Sobotta (2016) tried to answer the question “why re-forwarded E-mail streams were difficult to read?”. However, a review of scientific research indicates the need to focus on current trends in the use of email in the development of the digital economy of small businesses.

4. Purpose of the Study

The purpose of the paper is to make analysis of the effectiveness of E-mail in small business management.

5. Research Methods

In recent years, digital technologies occupy an increasingly prominent place in the operation of the business system. Individual entrepreneur or entity cannot imagine their activities without the use of the modern computer technology. An elementary example of the use of digital technologies by small businesses is the use of E-mail and open accounts in social networks. E-mail is the standard tool used by companies around the world for fast communication. Having first appeared as a business tool, companies increased labor productivity, reduced costs and found a new place for marketing.

In order to conduct an analysis of the effectiveness and necessity of using E-mail in small business management, a questionnaire survey of heads of small businesses was conducted (Table 01).

Table 01. A questionnaire form for managers of small businesses on the feasibility and effectiveness of E-mail *

The question	Answer options	Response share % / number of respondents
1. Are you an Individual entrepreneur or Entity?	1.1 Sole trader 1.2 Entity	69.0/29 31.0/13
2. Do you use E-mail in your business?	2.1 Yes 2.2 No	100.0/42 0.0/0
3. What mail service do you use?	3.1 Gmail 3.2 Outlook 3.3 Mail.com 3.4 Yahoo! Mail 3.5 AOL 3.6 Others	31.0/13 11.9/5 28.6/12 16.7/7 7.1/3 4.7/2
4. What are the main advantages of using the E-mail?	4.1 Fast connection 4.2 Cost reduction 4.3 Decrease in control levels 4.4 Data transfer 4.5 Safety 4.6 Marketing 4.7 Other advantages	83.3/35 69.1/29 28.6/12 100.0/42 35.7/15 90.5/38 9.5/4

5. What are the main disadvantages of using the E-mail?	5.1 Level reduction control	71.4/30
	5.2 Accuracy	95.2/40
	5.3 Competition	19.0/8
	5.4 Professionalism	81.0/34
	5.5 Increase in employment	35.7/15
	5.6 Information overload	90.5/38
	5.7 Security	64.3/27
	5.8 Other disadvantages	9.5/4
6. What do you see replacing the use of E-mail?	6.1 use of accounts on social networks	31.0/13
	6.2 "paper" mail	9.5/4
	6.3 no replacement yet	59.5/25
	6.4 I do not use email in my work	0.0/0
7. How many E-mailboxes do you use in your work?	7.1 One	38.1/16
	7.2 Two	50.0/21
	7.3 Three	4.8/2
	7.4 Four and bigger	7.1/3
8. Does E-mail improve small business management?	8.1 Yes	76.2/32
	8.2 No	19.0/8
	8.3 Difficult to answer	4.8/2

*Note: The total number of respondents included 42 people, the survey was conducted in the Republic of Crimea.

The study conducted allows us to assess the real situation of the use of e-mail in business management. Both individual entrepreneur and heads of small businesses (entities that participated in the survey) use E-mail in their work and more than half of them do not see the replacement of E-mail. Moreover, most of them have more than one email and confirm the positive effect of the use of this type of technology in small business management.

6. Findings

The analysis revealed a number of advantages and disadvantages of using e-mail for small business executives.

The advantages of E-mail for business include the following.

Fast connection. E-mail is paving new communication links through the Internet at an amazing speed. This speed allows enterprises to work faster and communicate more efficiently. Managers have the opportunity to receive status updates in almost real time and, therefore, make informed decisions. E-mail can also be used to quickly disseminate information simultaneously between several co-workers.

Cost reduction. One of the biggest business advantages of E-mail using in business is cost savings. The overhead of maintaining an E-mail system is relatively low. Small businesses can use free E-mail services, paying only the cost of caring for their computer and the cost of connecting to the Internet.

Decrease in management levels. E-mail effectively reduces management levels, because everyone in the company has the opportunity to contact the company management with their ideas, suggestions or comments. Management can get opinions directly from the forefront of their business, which helps them to stay in touch constantly and use the practical experience of their co-workers. Suggestions and ideas received from employees at lower levels of business organization can help to stimulate innovation and create new

sources of income for the business. Management can also take advantage of the easy distribution and promotion of business updates for all employees at the same time.

Data transfer. Before the E-mail has come, data transfer was a very laborious and tedious task. Information was stored in large files or large documents, and then sent to the place where this data was needed. Any delay in this process, the company forced to use old data for decision-making and hampered the ability of management to understand the real situation. Thanks to E-mail, data transfer is fast enough.

Safety. E-mail is a safer way to communicate than regular mail or faxes. Letters and faxes can be intercepted quite easily. Faxes with confidential information may accidentally remain on the fax machine if the recipient does not know when the fax will be sent. E-mails can create a record of information in a secure environment that easily backs up for future use.

Marketing. E-mail allows businesses to interact with customers in a more economical and appropriate way. Businesses can answer customer questions quickly, which increases customer loyalty. Marketing and advertising can be provided on a variety of client-based or distributed among a group of potential customers. This quick distribution of marketing materials increases sales and reduces the time between starting a marketing campaign and making purchases by customers.

However, E-mail for business also has disadvantages, which should also be emphasized. All over the world, enterprises use e-mail for communication, data transfer and collaboration. Email has been an effective tool to increase business productivity and improve data transfer trustworthiness. Anyway, the simplicity of E-mail can formally create an unprofessional way to transfer and overload data. Using email in business also has the disadvantage of being able to open the computer network to potential viruses and malware sent across E-mail attachments.

Here are some of the disadvantages.

Decreased management. Co-workers at all levels of the business can send messages to any businessman. This ease of sending messages bypassing established standards violates standard procedures for resolving various issues. This informality can also cause disruptions in the work of managers, who should focus on solving high-level issues, rather than daily communication with their co-workers.

Accuracy. The ease of sending E-mails can reduce the accuracy of the information. In a more informal environment, senders usually respond to messages quickly and do not view the information. Co-workers can also respond quickly, regardless of accuracy. When sending messages with incorrect information, it may be more difficult to correct the error due to the rapid spread of e-mail to other users.

Competition. E-mail can increase competition. Customers using e-mail may request an additional reduction in the price of goods. If they do not receive a lower price, they can go to competitors or return asking for an even lower price. E-mail also makes it easier for customers to work with offshore companies that provide services at lower prices by reducing wages and low living costs in developing countries.

Professionalism. E-mail can lead to a decline in professionalism. Co-workers tend to use a less formal approach to communication when using E-mail, which may result in an unprofessional approach to attracting potential customers. Formatting using text and graphic elements may not match the mission of the small business.

Employment increase. E-mail can increase the need for co-workers. Additional customer service staff may be needed to respond to consumer e-mails, and more executive assistants may be needed to help sort out and respond to e-mail messages instead of busy managers.

Information overload. E-mail can easily create information overload at the recipient. The ease of copying messages throughout the organization can overwhelm employees with unwanted or unnecessary information. Information overload reduces productivity.

Safety. Data security is harder to maintain as sensitive information can be easily sent via email. Viruses sent through e-mail attachments can cause damage to a computer system and result in data loss, may also endanger computer networks.

7. Conclusion

The study indicates a high level of e-mail application in small business management, the lack of currently effective alternative solutions for replacing e-mail, as well as a generalization of the main advantages and disadvantages of using this type of Internet resource. The management of small businesses when using the studied type of technology, namely: e-mail, should strictly take into account the shortcomings that can have a negative impact on the efficiency of doing business. Of course, e-mail is gradually losing ground to other information exchange tools (including documents). But leaving for a separate niche of “communication through long thoughtful messages” is still a question of the future, and, most likely, quite distant. So far, thanks to a number of undeniable advantages for the business, e-mail outperforms social networks, cloud collaboration services, and various instant messaging tools.

The basic rules and recommendations for the use of e-mail by small businesses should also be highlighted: e-mail today is not the most reliable means of communication; it is recommended to use email on the corporate domain. One has to use anonymous mailing addresses for business employees. We have to use email in business only for communication with customers and partners. It is not recommended to send documents or photos by e-mail. When one transfers business mail to a public cloud, the web interface and / or mobile applications has to be used for working with mail. One has to set up automatic sorting of regular mail - by folders, conversations and tags. It is also recommended to get rid of the fear of losing your email archive.

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