

New messaging apps gain traction in workplace

October 17 2016, by Rob Lever



Facebook hopes "Workplace" will replace intranet, mailbox and other internal communication tools used by businesses worldwide

Looking to break out of a "messy" email situation, the nonprofit group dosomething.org recently switched over to a new way of communicating among its far-flung teams.

Moving most internal communications to the messaging application Slack with its "channels" for various teams made it easier to coordinate the group's social change projects across 131 countries, said software engineer Joe Kent.

"All the teams have their channels and anyone can jump in and see what the others are doing," Kent told AFP. "You can follow the conversation a lot more quickly."

Slack, created in 2013, has become a leader in a crowded field of new applications aimed at helping workplaces move away from email.

Facebook this month jumped headlong into this segment with its Workplace application, aiming to leverage the popularity of the leading social network used by some 1.7 billion people.

Facebook is among an array of competitors vying for a slice of this market, including several startups and Microsoft.

San Francisco-based Slack has raised some \$500 million at a reported valuation of some \$4 billion, making it one of the most prominent venture-funded tech "unicorns" worth over \$1 billion.

With some three million active users, including nearly one million paying for "premium" service, Slack has become one of the fastest-growing business applications.

Craig Le Clair of Forrester Research said these services are growing because younger "millennials" have different ways of working.

"They want to work when they want to, they want chat sessions that better integrate with their social media lives," Le Clair said.

Le Clair said many workplaces are facing "information overload" due to the volume of emails that need to be sorted and prioritized.

"The goal is to get out of email hell," he said.

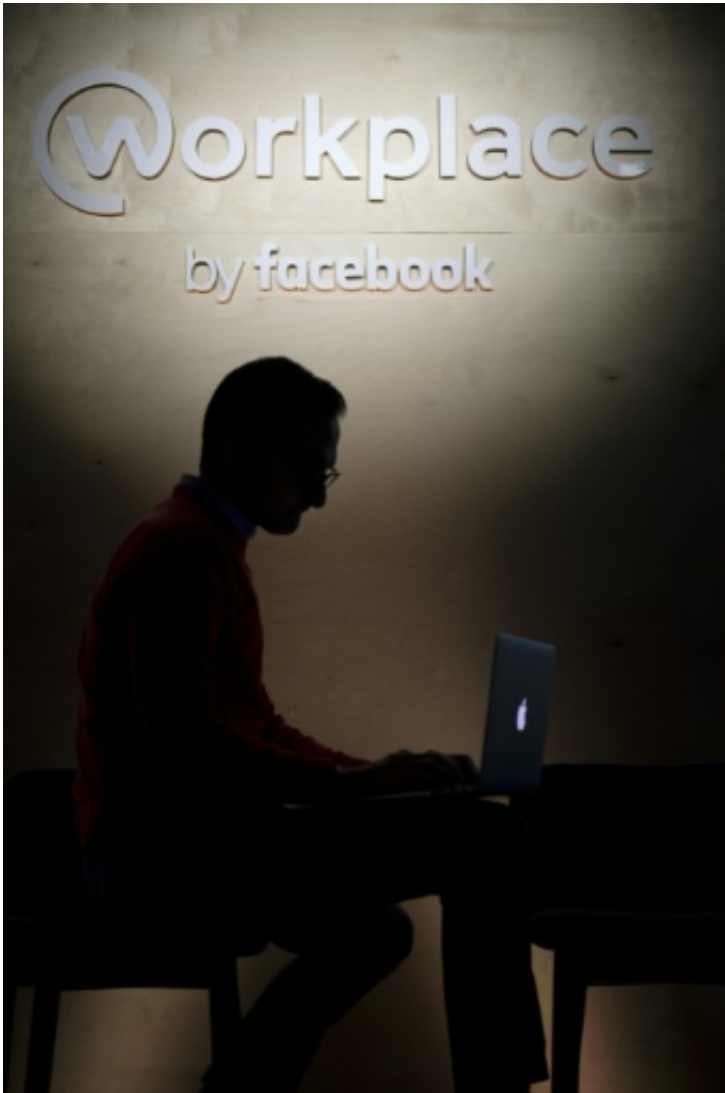
'Just sign up'

Small- and medium-sized businesses find Slack especially appealing because of its ease of use on both mobile and desktop devices, says Mark Beccue, an analyst who researched the market for Compass Intelligence.

"There's no friction. Companies don't have to go through a major software license process, you just sign up," Beccue said. "It's the consumerization of an enterprise product."

The global enterprise chat and messaging market is set to reach \$1.9 billion by 2019, according to Beccue's report.

Slack came at the right time for companies seeking new ways to improve workplace efficiency, Beccue said.



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"I think they are major driver of innovation for business productivity," he said.

Slack and rivals like Atlassian's HipChat and Microsoft's Yammer offer social media-style interfaces for messages, and some integrate with business applications to enable voice calls, video and other services.

Slack recently teamed with cloud computing group Salesforce to broaden its offerings in services such as customer relations management.

Slack also allows organizations to create channels for communicating outside the enterprise, powered by artificial intelligence "bots."

"Slack is moving away from just being a messaging tool, they want to be the home base for enterprise applications, and that's a different ballgame," said Raul Castanon-Martinez, an analyst at 451 Research.

Castanon-Martinez said that "Slack's success took a lot of people by surprise" but that it may be difficult to sustain momentum in the face of deep-pocketed rivals like Facebook and Microsoft.

Microsoft earlier this year announced that its Yammer messaging platform would integrate with its Office 365 groups, while also offering easy connections to Outlook email and Skype, aiming for a broad set of business tools under its umbrella.

"Microsoft hasn't made a lot of noise, but they have been aggressive in remaining the dominant place in productivity applications," Castanon-Martinez said.

Aggressive pricing is also being used as a way to woo businesses away from Slack. Microsoft offers its suite of services for \$2 to \$4 per user, and Facebook \$1 to \$3 per user compared with Slack's standard \$6.67 per user.

The Facebook model

Facebook meanwhile is seeking to use its advantage as "the social media world that millennials grew up with," Le Clair said.

But the analyst said it is not clear if companies and network managers will move to the Facebook platform.

"Most of the employers and managers didn't grow up in that world," he said.

"They associate Facebook with something their kids are doing, it's not associated with productivity and getting work done. Some companies even restrict the use of Facebook in the workplace."

Analysts point out that Slack and similar platforms may increase the burden on employees, becoming an additional "feed" to manage, and that email is still necessary for external contacts and other functions.

Le Clair said artificial intelligence may be the tool that helps sift through messages to stay on track.

"You're going to need emerging analytics to go through those streams," he said.

"Facebook has done a lot of investment in AI so they could be well-placed to do that."

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