

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND**

Nowadays, e-Customs, which is a web-based version of its customs automation system, has an increasing significance in the era of globalization. The evidence for this development lies in the fact that the values of e-Customs have crucial benefits to both government agencies and e-Business companies, especially in some regions of the Asia-Pacific, including Southeast Asia. There are some benefits that e-Customs can provide for both of them. For example, it is the best filler of gaps left by mercantile contracts and perspective governmental regulation of electronic commerce. Therefore, each country has been enthusiastically accelerating the speed of development of this newly implemented system.

In Thailand, after it was used since 1997, the Customs Department of the Royal Thai government stopped providing Electronic Data Interchange (EDI) at the end of 2008. The e-Customs will fully replace and play a crucial role in the shipping business. According to “Doing Business 2008”, the World Bank report, Thailand was ranked 15 in this year’s World Bank’s ranks and the fourth among Asian countries compared with ranked 20 in 2004 of the most favorable country for doing business and investment among 178 countries around the world. It has improved ranking this year largely because of the reduction of days taken to import and export brought about the adoption of e-Customs. This new system can also support member shipping groups to establish a single-window e-Logistics platform that is created to be the single technology clearing customs for the country (Kimberley, 2007). It includes approaches for relevant trade facilitation actions and measurement and a web-based entry system that enable all importers and exporters to apply and implement trade permits and licenses through centralized e-forms.

Moreover, the government’s objective of e-Customs aims to perform paperless trading by reducing or eliminating the requirement for paper documents needed for customs and other cross-border trade administration, and other documents and

messages relevant to international sea, air, and land transportation (Asia Pacific Council for Trade Facilitation and Electronic Business [AFACT], 2004). According to Dr. Satit Limpongpan, the Former Director General of the Thai Customs Department, e-Customs could support customers to maximize the efficiency of operations in regional areas and reform to reduce time, cost and procedures in the shipping business (Department of Special Investigation, 2006). These benefits will also help shipping lines to enter manifests electronically and reduce the number of steps that customs procedure normally takes.

However, government challenges in e-Customs facing Thailand's logistics system require improvement linking transactions, information and the database systems, strengthening logistics services providers and cooperation with importers or exporters to ensure e-Customs efficiency (National Economic and Social Development Board [NESDB], 9 Nov, 2004). These obstacles cause heavy business restrictions, lengthy procedures and complex tax administration which can delay business growth and economic development (Razmerita & Andersen, 2007). Moreover, e-Customs has some limitations and barriers both as a new system itself, and for customers needing to apply and implement, especially in preparing for the new system. Thai importers and exporters should make sure their customs agents and freight forwarder have sufficient customs experience to provide and support the e-Customs service (The Nation, 25 Apr 2008). The Customs Department announced that customers must also store either a hard or soft version of their documents for at least five years in case they are post-audited by customs officers. Customs offences can lead to stiff penalties and therefore customers must pay attention to the new policy and abide by the latest regulations. Furthermore, customers still cling to the old way of doing business and cannot reach the right information on how to practice e-Customs, so they are unwilling to fully participate and hesitate to use this system.

Therefore, the purpose of this research is to focus on the benefits and barriers of e-Customs in Thailand among Japanese companies' customers in Bangkok. Moreover, it is useful to understand how the government can support customers to implement the new method and what the characteristics of customers who favor or do not favor the current method are.

## 1.2 STATEMENT OF THE PROBLEM

There is one main statement of the problem and three sub-statements to be studied in this research relating to attitudes towards e-Customs in the shipping business.

### **Main-problem:**

What is the attitude of customers towards e-customs in the shipping business?

### **Sub-problems:**

1. What are the benefits of using e-Customs?
2. What are the barriers towards e-Customs?
3. What are the customers' suggestions for further service improvement of e-Customs?

## 1.3 OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

### **Main objective:**

To find out and focus on the attitudes of users towards e-Customs

### **Sub-objectives:**

1. To look for and find out the advantages of using e-Customs.
2. To investigate the constraints that customers face when using e-Customs.
3. To find out customers' suggestions to offer Thai Customs Department the service improvement.

## 1.4 DEFINITION OF TERMS

Definitions of the terms mentioned in this study are the following:

**Attitude** can be defined as mental feeling, point of views towards something and can be positive, neutral, or negative.

**Customers** refer to Japanese companies' customers in the shipping business only the Bangkok area that uses electronic customs processing.

**Service Satisfaction** refers to the feeling of satisfaction/dissatisfaction of the customers using e-Customs processing.

## VARIABLES AND DEFINITIONS

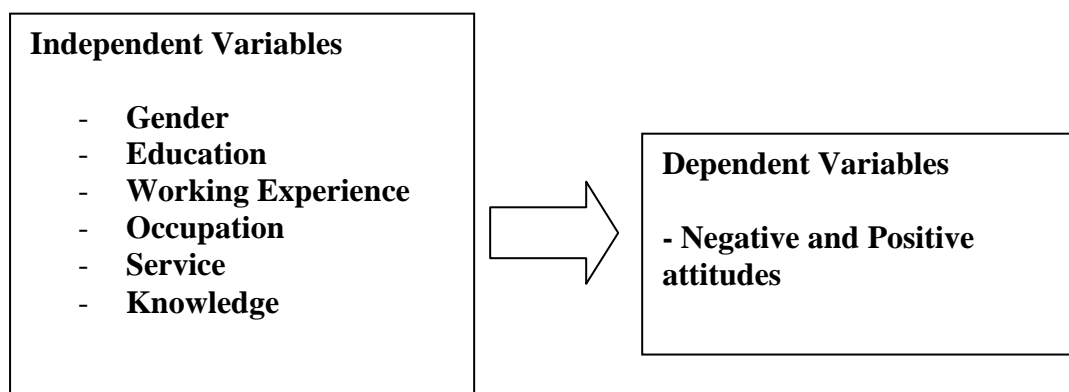
### **Independent variables:**

The factors include working experience and the demographic information, which is classified by gender and education background. These factors are also related to the attitudes towards e-Customs and level of satisfaction with service.

### **Dependent variables:**

The dependent variables include negative and positive attitudes towards e-Customs in shipping business.

*Figure 1.* Conceptual framework of customers' attitudes towards e-Customs in the Japanese shipping business.



### 1.5 SCOPE OF THE STUDY

The study focuses on the response of customers towards e-Customs and finds out the advantages and obstacles of e-Customs in shipping business. The main scope focuses on only e-Manifest. The respondents are employees who are working as customers of Japanese shipping companies and employees who work in the Japanese shipping company. The self-administered questionnaire comprises both closed-ended questions with the Likert 5 points scale to understand attitudes towards e-customs, and open-ended questions that ask about gender, age, education, marital status, occupation and working experience in the shipping business. The main content of this study is comprised of questions to collect the demographic information of respondents, their attitude towards the e-Customs, and their suggestions to improve further service of e-Customs.

## **1.6 SIGNIFICANCE OF THE STUDY**

1. To discover basic understanding of customers towards e-Customs.
2. The result of this research will be useful for the Thai Customs Department who may use it as a guideline to improve the further e-Customs service.
3. This study can support further research into the related attitudes towards customs processing of people who work in the shipping business.

## **1.7 ORGANIZATION OF THE STUDY**

This study of Customers' Attitudes towards e-Customs in Shipping Business: A study in a Japanese company, its subsidiaries, and their customers in Bangkok is divided into five chapters.

Chapter 1: Introduction, which consists of background, statement of the problem, objectives of the study, definition of terms and variable definitions, scope and significance the study.

Chapter 2: Review of related theories, concepts, and literature.

Chapter 3: The methods used in data collection and interpretation methodologies, procedures, and the data analysis method.

Chapter 4: The analysis of data collection from questionnaires and presentation of the results of findings.

Chapter 5: A summary of this study, discussions, conclusions and recommendations for further research.