Chapter V

Findings and Discussion

Chapter 4 provided a description and discussion of the research method chosen to test the conceptual model of inter-organizational trust in e-commerce participation. In this chapter, we report and discuss the findings of the bi-directional dyads by first providing the background information of each case followed by their findings based on the research propositions. Finally, we discuss the findings from a cross-case analysis leading to similarities and differences of the findings.

BACKGROUND OF THE UNI-DIRECTIONAL DYADS

Uni-directional Dyad 1: NZ Customs
(Bi-directional Dyad A)

NZ Customs is a large public sector organization with 700 employees. NZ Customs undertakes the clearance of importing and exporting documents. NZ Customs uses CusMod (Customs Modernization), a complex and sophisti-
icated alert system to perform intelligence testing using message queue series (a priority-based software). CusMod uses X400 with Electronic-Data-Interchange (EDI) to integrate all information and electronic processes involved in identifying and processing goods and passengers. CusMod is unique because it facilitates trade internationally and undertakes a back-end imaging audit. A copy of the transaction is produced automatically for each adjustment made to a transaction. CusMod business functions include providing clearance service and information regarding import and export of goods, services, and people coming in and leaving the country, both nationally and internationally.

The New Zealand government’s investment in implementing CusMod has put NZ Customs in the forefront of innovation worldwide. The objectives of CusMod are as follows:

- to have all invoice information transmitted electronically before shipment;
- to enable pre-clearance of most shipments;
- to enable consistency of declarations to Customs;
- to reduce customs clearance costs through the elimination of line fees; and
- to assist with the automated calculation of landed costs.

The dyad in this case consists of NZ Customs and their ISP. NZ Customs outsource part of their business-to-business e-commerce processes to their Internet Service Provider who facilitates the movement of business transactions between NZ Customs and their trading partners. The business transactions include cargo information, shipping documentation, clearance documents, and passenger information (both flight and sea) transmitted through CusMod. All incoming transactions have to go through the Internet Service Provider before coming into NZ Customs. NZ Customs has more than 200 trading partners that include customs brokers (agents), regular importers, and exporters.

The ISP is a trade facilitator and has no interest in competing with NZ Customs. In this dyad, NZ Customs (trustor) is supposed to trust their service provider (ISP). NZ Customs also interacts directly with the trading partners (exporters and importers).
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