



PIFS E-COMMERCE
BUSINESS TOOLKITS

USING E-COMMERCE TO HELP THE GENERAL MERCHANTISE SELLERS IN SAMOA

A guide to getting more customers online



Pacific
E-commerce
Initiative



PACIFIC ISLANDS FORUM



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FOREWORD FROM PACIFIC ISLANDS FORUM



Over the past few years, E-commerce has become one of the focus areas for the Pacific Islands Forum. We are working hard on this space because we believe that E-commerce has real potential to help Pacific businesses overcome their structural challenges and gain a competitive advantage over their global competitors.

Our activities and those of our partners are carried out under the umbrella of the [Pacific E-commerce Initiative](#) and guided by the directions of the [Pacific Regional E-commerce Strategy and Roadmap](#).

As a regional organisation, our job is to help our members achieve their objectives by working together. In many instances, working together can help us save time and money and achieve better results. The Pacific Regional E-commerce Strategy and Roadmap requires that we work together to develop E-commerce skills for our small businesses. The preparation of business toolkits is a practical way to do so.

Based on a common methodology, which is how we work together, our toolkits have benefitted from the skills of local experts and business leaders who came together to ensure that each toolkit responds to the real needs of the target area and sector.

I salute this progressive public-private partnership and wish our small businesses success in their digital journey.

Zarak Khan

Director Programmes and Initiatives
Pacific Islands Forum Secretariat

SECTION 1:

WHY MOVE ONLINE? WHY NOW?



The COVID-19 Pandemic has shifted behaviours of the public and businesses. Online sales, remote work and contactless deliveries have become the norm and expected by buyers. Furthermore, decisionmakers and the large Samoan diaspora are doing online search and directly purchasing products and services for their families through online ecommerce platforms. Therefore, it is critical for your business to have online presence.

This toolkit focuses on helping General Merchants to harness e-commerce and existing online tools to improve their online presence, improve their marketability and competitiveness. General Merchandise stores are those retail stores which sell several products which are used by the general public but excludes certain items like food and grocery.

CASE STUDY: Toa & Sons

With the international borders being closed for two years and restriction of opening hours as well as restriction of public movement, Toa & Sons Merchants have seen sales drop by 60% and were struggling to continue to operate. It was time for the business to adapt. Toa & Sons registered with the Maua App, also started posting their top selling products on [Makeki](#) Online Facebook page and started to promote discounts for online sales.

Since signing up with marketplaces, there have been steady sales of usual products by Samoan customers. Also new customers from New Zealand and Australia that buy household products for their families in Samoa.

SECTION 2:

WHAT ARE THE DIFFERENT OPTIONS TO GO ONLINE?

There are three main types of options that General Merchants should consider: webpages or websites, social commerce, and online marketplaces.

Websites

Prior to the popularisation of social media, many businesses in Samoa established websites as a marketing and promotion tool. But these websites tend to be cost and time intensive, often requiring outsourcing to dedicated companies or ICT specialists to develop, maintain and update. This resulted in many of the websites being out of date resulting in lower number of visits. However, well-kept websites present advantages over other options and should not be discarded without giving it a thought. Also, nowadays platforms such as [Shopify](#), [Squarespace](#), [Wix](#) and [Weebly](#) can help

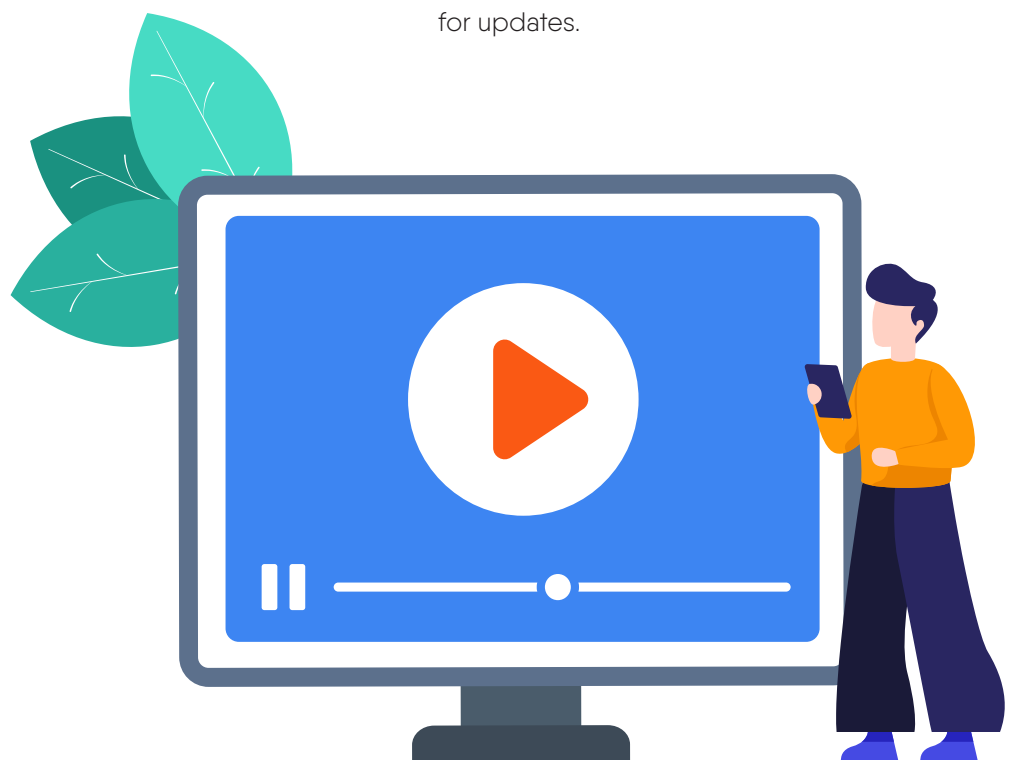
you build and operate your website easily including through the provision of modules to enable marketing and payments, secure transactions and even shipping!

Advantages

- You sell direct and keep the most margin from online customers.
- Full freedom for your own business branding.

Disadvantages

- Costly and time consuming to maintain (need to hire staff).
- Customer conversion will be costly.
- Need to hire staff to manage each different component.
- Change in technology means continuous need for updates.



Social Media platforms

Social Media platforms such as Facebook provide a multitude of cost-effective and often free options to market and sell products, including your business services. They require less time to maintain and update. Generally, Facebook is the most widely used social media platform in Samoa followed by Instagram (primarily for youth).

Social Media Platform	Pros	Cons
<u>Facebook</u>	Often easier to update and so provides up to date information about a business service. There are more people using and connecting on Facebook than any other Social Media platform and much more than on websites.	Not suitable for business that sell goods as Facebook does not have a store front/ inventory system. Facebook Marketplace Checkout does not function in Samoa because the banking system in Samoa cannot integrate with Facebook Marketplace.
<u>Instagram</u>	Go to place for teen market. Fast growing commercial adoption due to better visual tools for posting and presenting great photos. Posts can link directly to purchase of products, but this feature is not available in Samoa. It can be enabled if the business has an overseas bank account.	Not as wide reach as Facebook. Interface harder to use and understand vs Facebook.
<u>Twitter</u>	Monitored and frequented by professionals and celebrities. Has more trust with its audience.	Not much usage by the general public and businesses especially in the Pacific.
<u>TikTok</u>	High and increasing number of users including in the Pacific.	Cannot purchase direct on platform. Small market reach in Samoa but growing fast.
<u>YouTube</u>	Large reach and most popular video sharing platform.	Require video content that is harder to create for small businesses.

E-commerce Marketplaces

Global shopping marketplaces such as Amazon, eBay and Alibaba revolutionized the online shopping experience of buyers globally but can present challenges for Samoan sellers and buyers, including due to the country's lack of addressing system and available e-payment options. Local E-commerce marketplaces such as Maua, Mad Pacific, Makeki Online, MySamoa, Samoa Market and Talofa Vouchers can offer easier access.

Advantages

- Ready-made system that helps bring your services to a larger audience.

- No need to manage the ICT infrastructure.
- Don't have to worry about getting products to customers.
- Easy to receive payments.

Disadvantages

- Fees.
- No white label, no business branding.
- Selling on a bigger marketplace but also with many competitors for same market.

The following table can help you decide which local marketplace to use – if you decide to use one!

E-commerce Marketplace	Pros	Cons
<u>Makeki Online</u>	<ul style="list-style-type: none"> • Has over 91,000 users both local and overseas • Open to anyone to post – only well-established pay a fee • Average 120 posts daily • Average 600,000 views a month • Viewed from 99 countries 	<ul style="list-style-type: none"> • For notifications only • There is no system for online shopping, purchase, or delivery • Difficult to verify product quality
<u>Maua</u>	<ul style="list-style-type: none"> • Free for vendors • Open to any vendor • Accurate geolocation system • Available in Samoan language • Integrated with local mobile money providers • Same-day vendor settlement • Cash on delivery available • Open for vendor to self-deliver and keep delivery fees 	<ul style="list-style-type: none"> • Lower number of users compared to Makeki Online and Samoa Market • Fees for buyer
<u>Samoa Market</u>	<ul style="list-style-type: none"> • Well established overseas clients • Well established local vendor partners • Goods inventory system • Easy buying experience • Established trust with its target market • One of the longest operating Ecommerce websites and therefore well known 	<ul style="list-style-type: none"> • Fees for vendors • Fees for buyers • Not open to all vendors



When choosing between different marketplaces, ask yourself:

- What are the set up and ongoing costs?
- does it have a support service?
- How and how quickly will I get paid?
- Can my products be specifically promoted or just sold generically?
- Does the marketplace deliver my products?

You can of course choose more than one option, but your costs will increase!

CASE STUDY: **How to join an online marketplace**

1. Ecommerce Marketplace Registration

Each marketplace normally onboards you through a website or app. You will be required to provide information on: shop name, address (GPS location), contact name, phone number, email, type of shop, opening hours, catalogue, photos, quantity, and cost of products/services.

2. Payment Method Registration

Depending on the marketplace you might need to register for mobile wallets, have a bank account locally or overseas.

3. Contracting

Receive, review, and sign a service level agreement contract with the online marketplace. Pay close attention to the terms and conditions!

4. Set up and Training

The online Marketplace should provide you with set up training.

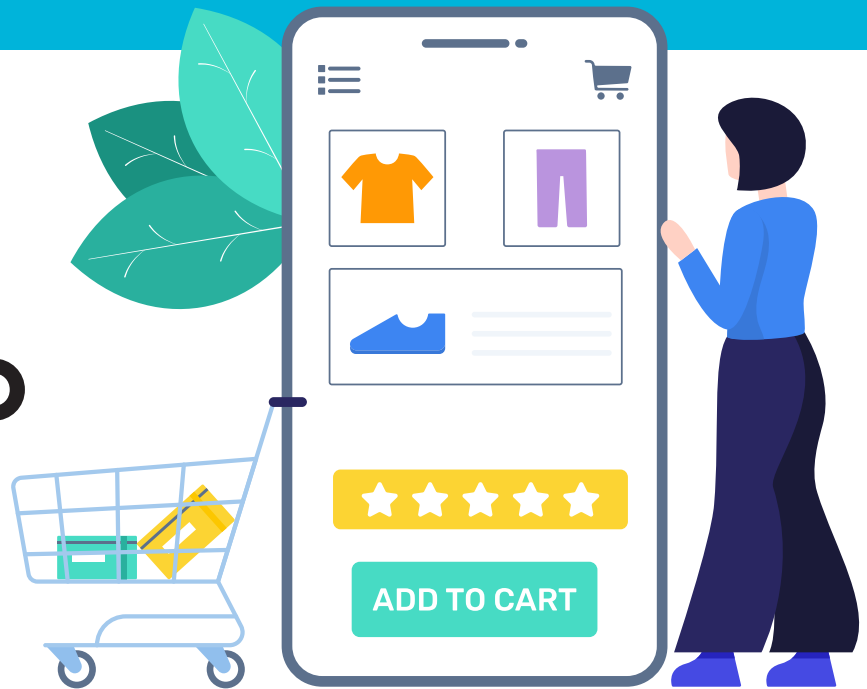
5. Go Live

Before going live, check your online catalogue on the online marketplace. Does it look attractive and are all the descriptions and costs correct?

Start selling online and earning more revenue!

SECTION 3:

WHAT COSTS SHOULD YOU CONSIDER TO TAKE YOUR BUSINESS ONLINE?



Your time!

Whichever option you choose, going online will require **time** – products description, good design, quality photos, communicate with the buyers, answer queries, etc.

ICT needs

A **smartphone device** is recommended as it can be used to send/receive emails, to take photos and video, to post on social media, and even to accept online payments or manage your finances. Whether you buy a new smartphone or ask a relative to send you a used smartphone, it is going to help you stay connected with your customers. It's important that you can respond quickly to their inquiries, comments, and orders.

Dual Sim phone for backup mobile data as well as for different carriers' mobile wallets is highly recommended.

Starting price for smartphone WST 200.
Recommended smartphone for Ecommerce with sufficient camera WST 1,750.

A **tablet or laptop** is also a great resource for any online business. Tablets and laptops are more convenient to manage accounts, invoices, and emails.

Tablet starting at WST 800, recommended WST 1,100. Laptop start at WST 850 refurbished, recommended for Ecommerce WST 1,750.

A **good quality camera** is very helpful for photos that can promote your company, also inf you are selling business services. If your phone or computer doesn't have a good camera already, you might consider getting a second camera to have for business use.

Dedicated camera starting price WST 3,000.

Internet Plan. Good access to reliable internet with a backup in case your primary Internet Service Provider goes offline. Vodafone, Digicel, Netvo and Computer Services Limited offer home broadband, satellite internet, fibre optic and 3G/4G cellular services. Fast and affordable internet service is essential for common e-commerce activities such as posting photos/videos, downloading documents, and voice or video calls with customers.

Recommend WST 50 for 50GB Digicel or WST 60 for 60GB Vodafone for 28days.

	Set up costs	Ongoing costs
Social Media	<ul style="list-style-type: none"> • Free. 	<ul style="list-style-type: none"> • Social media and online advertising may be needed to attract clients.
Website	<ul style="list-style-type: none"> • Easy now with online platforms such as Shopify, Squarespace, Wix and Weebly, but monthly fees attached (see below). It is possible to use Open-Source software such as WordPress and Joomla but that will require programming skills or hiring a professional. • It is time consuming choosing the correct theme and creating content such good quality photos and layout. • Finding a payment facility to process payment can be difficult. 	<ul style="list-style-type: none"> • Monthly subscription; for business range USD 10 to USD 500 per month. • Monthly cost for plugins adding features to your website, such as communication plugins for Facebook Messenger and WhatsApp. • Social media and online advertising may be needed to attract clients.
Ecommerce Marketplace	<ul style="list-style-type: none"> • Many do not charge setup fees. • Sometimes charge setup fees when the requirements are advanced like payment integration and stock management. 	<ul style="list-style-type: none"> • Most charge a monthly subscription fee. • Most charge transaction fees on each sale. • Extra marketing on the marketplace for your products such as 'Featured' or higher ranking or sponsored require extra payment. • May request discounts on products and services.

SECTION 4:

GETTING NOTICED ONLINE.

It's not as easy as it used to be to 'go viral', but there are some good practices to follow.

Social media companies use algorithms to make decisions about which content to post on people's news feeds and know what's trending. The algorithm will usually reward a post the more times it is liked, commented, and shared.

- **Be consistent** and be active on your social media accounts.
- **Post answers for frequently asked questions** on your website, product listings, and social media accounts. Some customers don't want to go through the trouble of reaching out to you first.
- **Make sure that pricing and shipping costs are easy to find.**
- **Learn about your customers by using the analytics** tools available to download, usually in the 'Settings' menu of your social media page, marketplace back-end, or website. You can see all kinds of information about your customers, for example which products they were most interested in, which posts they shared the most, and even data about 'abandoned carts', where your customers are from, and how much time they spent on each page of your website.
- **Try to collect emails from your customers** so you can reach out to them with special offers, discounts, and news updates. Since the early days of the internet, email has been, and still is, one of the most effective ways to reach customers on the internet.

CASE STUDY: Toa & Sons (part two)

Now that Toa & Sons Merchants has an online presence, they needed to do more advertising. They have been in operation for 25 years and during that time they have come to understand their customers well. Therefore, they had a lot of knowledge on products to promote, it was just a matter of the right presentation online.

They saw a great opportunity for the overseas Samoans to buy for their families at home. Two options they looked at were Facebook Ads and Google Ads.

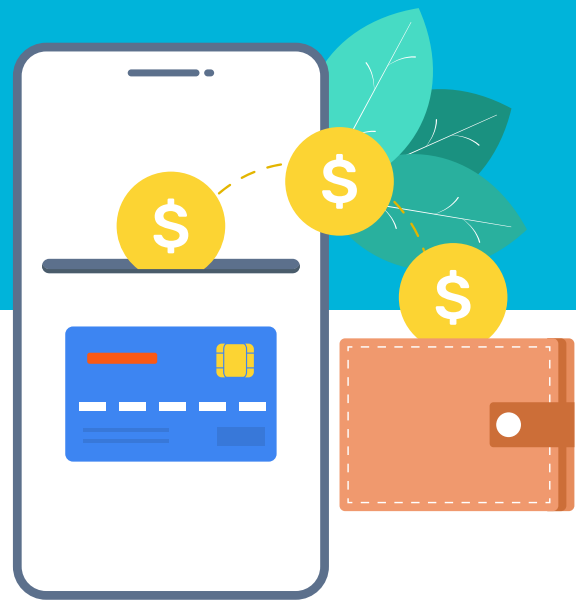
Facebook provided the simplest interface and required minimal content creation, with budget starting from USD 1. Google Ads required training or a hired resource, it also required a lot of content to be created to attract different audiences. The minimum expenditure recommended by the Google Ads team was USD 3,000 per month. Looking at the 2 options, Toa & Sons Merchants chose Facebook Ads.

They decided to trial running parallel campaigns on Facebook to view which option the public and buyers react better to. They chose their best-selling product, and one campaign was just highlighting the product by itself in great lighting and background. The other campaign also had the best-selling product but with two people interacting with the product. The results showed better reaction and engagement for the campaign with people in it. This was because it was more relatable with friendly people seeming to enjoy the product. Also, Samoa is a small community so people that know each other reacted and commented because of the people and not necessarily the product.

Toa & Sons then paid for the campaign with people in it and targeted specifically audiences in New Zealand and Australia with families in Samoa.

SECTION 5:

GETTING PAID ONLINE.



The purpose of the whole exercise is to get sales and get paid. Therefore, it is important to understand all the Terms and Conditions of the online platform that you have registered for, including (1) amount of fees and charges that will be deducted; and (2) payment period – immediately, at regular dates, after certain volumes have been achieved.

Your financial system should have a method to reconcile your sales on other platforms that is not your usual method of selling so your books and accounts are reconciled easily. It is always advisable to run some test transactions to see if what you expect to see is what is reflected on the logs and books. If not, this is the only time to adjust before going live.

If you choose to develop your own **website**, it is important to choose the correct payment gateway. For the Samoan market, there are only four local payment options that can be integrated into your platform.

	Pros	Cons
1. <u>Digicel MyCash</u>	Relatively easy to setup and only once	Only Digicel Customers able to pay
	Good management tools to perform reconciliation	Only local payments
	Low fees for Buyers	Web-developer required to integrate with your portal
	Almost real-time settlement with Vendors	

	Pros	Cons
2. <u>Vodafone MTala</u>	Relatively easy to setup and only once	Only Vodafone Customers able to pay
	Good management tools to perform reconciliation	Only local payments
	Low fees for Buyers	Manual Vendor settlement at the end of the day
		Web-developer required to integrate with your portal

	Pros	Cons
3. ANZ eGate	Allow for Visa and Mastercard payments globally	Difficult to integrate with specific coding. Website cannot be in HTML for integration to happen (most websites are based on HTML)
	Good management tools to perform reconciliation	Higher fees relative to MTala and MyCash
		Limited Shopping Cart software are compatible and therefore may need customisation
		Limited browser compatibility with only Chrome and MS Edge but Firefox and Safari are also very popular that are not compatible

	Pros	Cons
4. SkyEye MauaPay	Locally owned and supported	Higher fees relative to MTala and MyCash
	Great management tools to perform reconciliation	Manual Vendor settlement at the end of the day
	Allow for local both Digicel and Vodafone Mobile Money payments	
	Relatively easy to setup and only once	
	Allow for overseas payment globally via Stripe Australia – allows for payment via Visa Debit/Credit, Mastercard Debit/Credit, American Express, Discover, JCP or Diners Club	

Digicel MyCash and Vodafone MTala are also excellent options for direct payment, which will be your payment method if **Social Media platforms** are choice to go online.

If you use an **E-commerce marketplace**, it will be the marketplace to provide a payment gateway, and all you'll have to do to get paid is to follow the marketplace's instructions – normally a business bank account will be required as a precondition to use the different payment options.

SECTION 6:

GET MOVING: E-COMMERCE LOGISTICS

You're ready to get sales online! Here's what you need to do to be ready to accept orders from your customers.

Share your product listings or create a catalogue that shows all your products and how to order them. Provide good quality photos of the product from at least 3 angles, information on its composition, dimension, pricing, and currency. You'll get plenty of positive reviews from your customers if what they receive matches the photos and description they originally saw when they ordered it.

If you can, **specify the origin of product** as often this connects buyers to the community they are buying from. Especially if it's a location renowned for providing high quality of such products. For example: Taro from Savaia Lefaga. Samoan fans from Lauli'i. Miniature Tanoa from Fagalao. Koko Samoa from Fasitoo Uta. Limu from Faga Savaii.

Keep an updated and **accurate inventory** of your products, or clearly describe the production time required to make a custom order so that customers are aware of the time it will take you to fulfil their order.

Make sure the **quality of each product is checked three times:** during production, after production, and before shipping. It is a good practice to take pictures of each shipment before sending to the customer, so you have photo proof if anything goes wrong during the shipment or if the customer is unhappy with the quality.

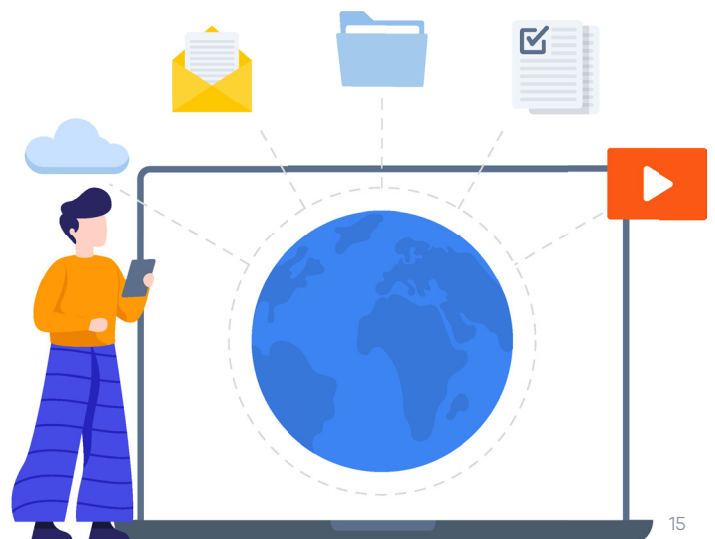
Post your **terms and conditions** on your website or profile so your policies are clear and easy to reference. Important policies for e-commerce are

shipping policies, payment terms, return policies, and warranty policies (if any). Having publicly posted policies is a requirement by law for e-commerce to do business in most countries. It's easy to find examples from other e-commerce businesses and customize them for your business.

Become familiar with your local post office, and make sure you keep records of how much it costs to send your products to different locations around the world so that you **know what shipping costs to charge** your customers. Don't feel bad about charging the customer for the actual shipping cost, and don't try to compete with Amazon who can afford to offer free 2-day shipping. Try to make sure your product is one-of-a-kind, and your customer understands the shipping costs at the time of purchase.

Always consider and the **costs of packaging** of your goods for delivery or shipping.

It's important to **fill out the customs forms correctly** so the shipment doesn't get returned to you after circling the world due to an error on the customs form. If your product is fragile, make sure you package it to minimize the chances of damage during the voyage. If your product is perishable (like food), make sure it's sealed and secure so that it makes it to the destination without breaking open and spoiling.



SECTION 7:

COMPLYING WITH LAWS & REGULATIONS.



Selling your products online requires you to comply with all the national commercial laws, commercial contracts, and employment requirements. Here are some of the necessary precautions and good practices when doing business online:

- Make sure you have a business licence to operate in Samoa.
- Separate your personal and business finances by opening a business banking account with your local bank.
- Keep accurate financial records and understand all the taxes and reporting requirements for Samoa.
- Start a new domain name and email that you only use for business purposes. Will increase confidence in your business and your e-mails.
- Always post truthful and accurate product descriptions and pricing.
- Maintain clear sales records and keep all customer data collected in a safe, secure, and private place.
- Always treat customers with respect and professionalism. Online shoppers almost always look for customer reviews to know if a product is worth purchasing or if it's safe to do business with you.
- Ensure to have a clear Terms & Conditions document that can be always accessed by your customers.
- Ensure to have a Privacy Policy that clearly outlines the information that you may collect about your customers and how this information will be used and if this information will be provided to third parties and for what purpose. Samoa doesn't have updated legislation for Online Privacy, but it is good practice to align with legislation from New Zealand and Australia because Samoa usually adopts a version of these legislations.
- Ensure to comply with international standards for handling Credit Card information. Payment Card Industry Data Security Standard (PCI DSS) apply to any business handling credit cards. Any business which fails to comply with PCI DSS runs the risks of a data breach which in turn will have a truly devastating impact on your business leading to huge fines and penalties, reputational damages leading to a loss of customers and even worse the risk of your business closing down.
- To avoid having to be PCI compliant, a business can use a 3rd Party Payment Processor or Gateway such as Stripe, PayPal, or Square to name a few.
- Samoa doesn't have a particular legislation that encompasses full protection for Ecommerce and online transactions but there are legislations that together offer adequate level of protection for the current state of online transactions - Electronic Transactions Act 2008, National Payment System Act 2014, Companies Act 2001, Money Laundering Prevention Act 2007, Crimes Act 2013, Copyright Act 1998, and Telecommunications Act 2005, Intellectual Property Act of 2011.

SECTION 8:

FURTHER INFO.

- Samoa Rapid eTrade Readiness Assessment
https://unctad.org/system/files/official-document/d11stict2017d10_en.pdf
- How One Digital Solution Enabling Samoa's Digital Economy
<https://www.unescap.org/blog/how-one-digital-solution-enabling-samoas-digital-economy#>
- Shopify
<https://www.shopify.com/> or Vaoala Vanilla (Shopify Samoa Agent) <https://vaoalavanilla.com/>
- Fiverr
<https://www.fiverr.com/>
- Upwork
<https://www.upwork.com/>
- Thumbtack
<https://www.thumbtack.com/>
- Samoa Market
<https://samoamarket.com/>
- Makeki Online
<https://www.facebook.com/groups/makekionline/>
- The Maua App
<https://www.maua.app/>
- PCI Compliance
<https://www.pcicomplianceguide.org/faq/>
- Stripe
<https://www.stripe.com>
- PayPal
<https://www.paypal.com>
- Square
<https://squareup.com/>



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