



PIFS E-COMMERCE
BUSINESS TOOLKITS

**USING E-COMMERCE
TO BOOST THE HOSPITALITY
& CULTURAL TOURS INDUSTRY
IN MICRONESIA**

A guide to getting more customers online



Pacific
E-commerce
Initiative



PACIFIC ISLANDS FORUM



CONTENTS

FOREWORD FROM PACIFIC ISLANDS FORUM	4
SECTION 1: WHY MOVE ONLINE? WHY NOW?	5
SECTION 2: WHAT ARE THE DIFFERENT OPTIONS TO GO ONLINE?	6
SECTION 3: WHAT COSTS SHOULD YOU CONSIDER TO TAKE YOUR BUSINESS ONLINE?	8
SECTION 4: GETTING NOTICED ONLINE.	9
SECTION 5: GETTING PAID ONLINE.	10
SECTION 6: COMPLYING WITH LAWS & REGULATIONS.	11
SECTION 7: FURTHER INFO.	13
INDUSTRY REFERENCE GROUP MEMBERS	14



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.

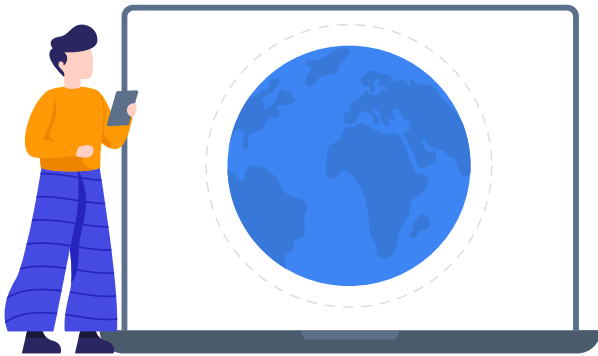
I salute this progressive public-private partnership and wish our small businesses success in their digital journey.

Zarak Khan

Director Programmes and Initiatives
Pacific Islands Forum Secretariat

SECTION 1:

WHY MOVE ONLINE? WHY NOW?



The COVID-19 virus has had major impacts on our local economy and movement of people to and from our islands. It has never been a better time for our tourism and hospitality businesses to get online to be in touch with past and potential customers.

Micronesia's tourism industry has dramatically reduced due to travel restrictions and health concerns from the pandemic. While travel restrictions are out of our control, as tourism and hospitality industry leaders, we can use this time to plan ahead, connect with customers, adapt, and learn to show off our islands by going online more than ever before.

The power to reach a global audience with the internet is incredible. No matter what our budget is, we can benefit from using the internet to build our reputations, share our services and stories, and provide content for potential visitors to research and find us.

CASE STUDY: **Sunset View** **Car Rental** **Pohnpei**



Founded in 1999 on Pohnpei, Sunset View Car Rental is a family owned and operated car rental service that created a fully integrated booking management website using weebly.com website builder. For \$25/month hosting fee, their website is enabling them to accept reservations, process payments, advertise rates, showcase their fleet of vehicles, and assure customers with info and photos that build trust and make it easy to get in touch quickly with any questions or inquiries. Having a website helps them get out in front of the customer before they arrive on-island and has earned them many customers over the years.

SECTION 2:

WHAT ARE THE DIFFERENT OPTIONS TO GO ONLINE?

There are many options to create a presence online in Micronesia. The best options are usually the cheapest and the most direct ways to get to where your customers are spending their time browsing the internet. These might include online forums, blogs, websites, social media sites, or online travel/e-commerce platforms.

Custom Websites are excellent for showcasing a professional-looking and trustworthy business for tours and hospitality.

Website Platform	Pros	Cons
<u>Wix</u>	Best overall. Very versatile. Easy to use template builder.	Monthly fee for ad-free and e-commerce plans. Maybe too many options and tools.
<u>Squarespace</u>	Best prepackaged designs. Clean, professional designs. Looks great on mobile.	Monthly fee. Requires effort to learn how to use the tools, but worth it.
<u>Weebly</u>	Easiest to use. Simple, easy-to-use, DIY website editor. Has a free plan, cheap e-commerce plans.	Less options / customization as other sites like Wix.
<u>WordPress</u>	Best for writers and bloggers. Easy to setup. Affordable, simple.	Takes some time to learn. Fairly limited options.
<u>Shopify</u>	Best for basic e-commerce website store / business. Easy step-by-step setup guides. Lots of support.	Expensive monthly fees. Best for serious e-commerce business with higher sales and inventory management.
<u>AirBnB</u> <u>Expedia</u> <u>Agoda</u>	Easy to set up. Lots of users and traffic. Safe, secure, and clear process.	High fees. Customer disputes out of your control. Customer reviews important.
<u>TripAdvisor</u>	Common reference site for travelers to find accommodations, rentals, and tours. Excellent place for reviews and testimonials. Post great photos, details about your service, and pricing info.	Get featured alongside the competition, so make sure to have quality photos and profile info to satisfy your customers and look good when compared with fellow businesses.

Reference: Cnet Best Website Builder

Social Media platforms provide a free chance to reach billions of people worldwide. Social media, like Facebook, cost less and are easier to update than a website. Let's compare the most common social media sites below.

Social Media Platform	Pros	Cons
Facebook	Stay more connected by encouraging and responding to feedback. Build brand awareness. Expand audience reach and drive business with engaging "calls-to-action". Promote packages, discounts, and sales. Increase customer loyalty. Collect reviews, customer photos, and get messages.	Currently cannot process payments on Facebook directly, but may change in the future. Must stay up-to-date with consistent posting and quickly reply to comments and customer messages. Others may make unwanted comments on your posts.
Instagram	Feature your amazing photos and videos here. Popular with Millennial age people 25-45 years old.	Might not be your target audience. Have to post consistently and regularly check messages.
TikTok	Make fun videos for free, with lots of users and easy-to-use editing. Ideal for targeting younger, Gen Z age people 10-30 years old. Most popular new social media app, and getting more attention and new users than the others.	Might not be your target audience. It usually takes practice and consistent effort to come up with creative and entertaining content.
YouTube	Excellent place to show people who you are and what you have to offer.	Requires creating and posting videos which is more effort, but worthwhile!

Other ideas for tour providers might be to start posting on popular websites where people look for information such as LinkedIn and Reddit. Reach out to popular travel newsletter providers, United Airlines Public Relations department, or travel bloggers who might be willing to feature your business to their audience.

CASE STUDY: Nett Ramen Cafe Restaurant

Nett Ramen is outside of town in Pohnpei, often visited by tourists on the way back from the world famous Nan Madol. Even though it's a far drive, everyone who goes to Pohnpei knows about it because it's ranked the #3 restaurant in Kolonia on their [TripAdvisor](#) listing with thirty-six 4.5 star reviews thanks to customers who post photos of their food, add info about pricing, review the service, and share their experiences.



SECTION 3:



WHAT COSTS SHOULD YOU CONSIDER TO TAKE YOUR BUSINESS ONLINE?

A **smartphone device** is recommended as it can be used to send/receive emails, to take photos and video for your business, to post on social media, and even to accept online payments or manage your bookings/schedule. 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.

Cost: \$100 - \$500 USD

(Buy a refurbished iPhone to save if on a budget).

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

Cost: \$100 - \$500 USD

A **good quality camera** is very helpful for photos and videos. If your phone or computer doesn't have a good camera already, you might consider getting a second camera to have for business use.

Cost: \$100 - \$350 USD

(An action/waterproof camera or DSLR are good options).

Internet access is also an important part to doing business online. Micronesia is making increased access to affordable high-speed internet a priority for the coming years. As of today, there are companies offering home broadband, satellite internet, and some places have home fiber optic and 3G/4G cellular service. Fast and affordable internet service helps with efficiency for common e-commerce activities such as posting photos/videos, downloading documents, and voice or video calls with customers.

Cost: \$35 - \$190 USD/month

(15+ Mbps connection speed is preferable.)

Using **online platforms** can sometimes have costs to be considered. Some platforms charge setup fees, monthly subscription fees, transaction/payment processing fees, commission fees, and extra fees for special features or apps to improve the function of your site. It's best to avoid special features. Transaction fees are usually automatically removed by the platform.

Cost: \$0 - \$100 USD/month

To **maintain your own website**, you will need to pay annual domain hosting fees, and pay to have a custom email address if preferred. It is also necessary to maintain an online bank account in good standing, a valid mailing address, and it's very helpful to have a debit or credit card that works for making online purchases.

Cost: \$20 - \$80 USD/year

SECTION 4:

GETTING NOTICED ONLINE.

Post consistently on popular social media apps and **be active with replies.** Post answers for frequently asked questions on your social media accounts. Post your packages and pricing online so customers can plan their trip expenses accordingly.

Make sure you **have videos, pictures, words, and reviews** of your business. Highlight your unique selling points, such as the nature, the service, the experience, and the feeling that you can provide to your customers.

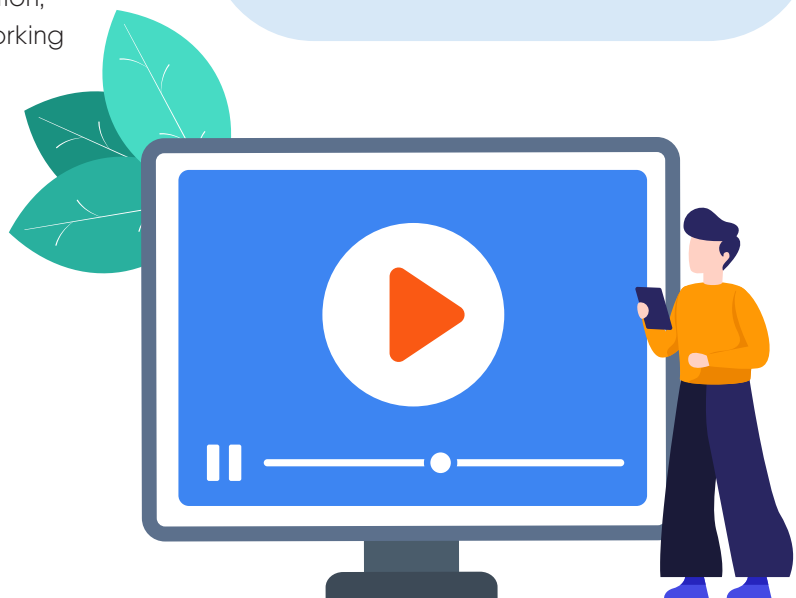
Make it easy for your customers to contact you through multiple avenues such as email, voice, text, message, etc. Consider creating QR codes to direct customers to your company video on YouTube, or to an online questionnaire to collect their contact information.

Become a member of the **PATA Micronesia Chapter**, the Pacific Asia Travel Association, that has over 100 members, great networking and partnership opportunities among the travel industry representatives in our region. PATA's mission is to assist in the development of our region. Becoming a member will get you lot of benefits, including being featured on their website, **MicronesiaTour.com**.



CASE STUDY: Kosrae Nautilus Resort

Kosrae Nautilus Resort is one of the oldest resorts in Micronesia, famously raffled off by the original owners in 2016 to winner Josh Ptaszyk of Australia, who continues to operate and enjoy the 18 room dive resort on Kosrae to this day. They have partnered with PATA and gained many great reviews on TripAdvisor and other booking sites over the years. They also provide catering and conference services to the government/business travelers to help their income when dive tourism is slow in the off-season.



SECTION 5:

GETTING PAID ONLINE.



The payment methods you accept will depend on the **option you choose to go online.**

If you use a **social media platform** you will typically collecting payments directly from your customers. Customers often prefer to use [PayPal](#), [Venmo](#), [CashApp](#), [ApplePay](#), or [GooglePay](#). You can create profiles on any of these services and follow the steps to link your profile to your **business bank account.**

If you create **your own website** you will typically require a **payment gateway** and a **merchant account.** A payment gateway and merchant account will enable you to securely process credit card payments through your website. An example that works in Micronesia is to set up accounts with [Authorize.net](#), [WorldPay](#), and [Bank of Guam](#). You'll be able to select a payment gateway, create a merchant account, and activate the service on your e-commerce platform once you complete all of the documents they require to verify your business. It's best to spend time comparing payment gateway services offered by your web host platform, including details of setup, transaction and other fees.

Travel website platforms are often very popular for tourism e-commerce. Third party websites like [Travelocity](#), [Expedia](#), [Agoda](#), and [AirBnB](#) will securely collect customer payments from the customer, handle any disputes or settlements necessary on your behalf, and deposit the funds to your linked bank account, minus any fees that they charge, ranging from 3% up to 25% of the transaction.

It's best to offer as many payment options as possible to **make it easy** for your customer to complete the checkout process with their preferred way to pay.

CASE STUDY: Pohnpei Surf Club

The Pohnpei Surf Club is world famous for providing the best logistics and service for surfing, diving, fishing & more experiences in Pohnpei.

They feature stunning photos on their website, TripAdvisor, and Instagram with an audience of 15k+ followers. They have 86 reviews on TripAdvisor, ranked the #1 of 11 things to do in Pohnpei, and reply to every customer review with a personal touch, creating a very positive interaction with their customers both on-island and online.



SECTION 6:

COMPLYING WITH LAWS & REGULATIONS.

The most important thing is to make sure your customers have a good experience. Give your customer clear expectations of what they're signing up for and deliver on those expectations. Customers love being pleasantly surprised by little extras, making them feel special, showing that you appreciate their business and want them to have a good experience on your island.

Post your **terms and conditions**. You can make this as detailed or simplified as necessary for your business. There are free templates and guides available online at websites such as www.friendlyplanet.com/terms/index.html. Terms and conditions are important to create clear expectations for your customers to understand your business operations. Topics your terms and conditions might include:



1. Payment methods, requirements, cancellations, changes, refunds, credits

2. Booking changes, customizations, extensions, extra fees, cancellations by you, cancellations by customer, 3rd party bookings

3. Included services, upgrades, options

4. Travel insurance, liability waivers, acceptance of risk

5. Itineraries, tour packages, weather cancellations

6. Covid-19 health & safety requirements, emergency medical treatment

7. Age requirements, license requirements

8. Travelers with disabilities or difficulties, special assistance, transport

9. Baggage & personal effects

10. Passports, visas & entry requirements

11. Entry & exit fees

12. Required information, privacy policy, images & marketing Policy

13. Legally binding terms, enforceability, mediation, jurisdiction, changes, deniability, etc.

Post answers to **frequently asked questions** online so you can prepare your customers for what to expect prior to their experience with you. Post pricing, and info such as pickup times, check in/out times, operating hours, and amenities.

Make sure you have **business licenses** to operate in your local area.

Separate your personal and business finances by opening a **business bank account** with your local bank.

Keep accurate **financial records** and understand all of the taxes and reporting requirements for your municipality, state, and national authorities.

Create a **new email address** that you only use for business purposes. Having a unique email address for your business helps to make you look more professional to both customers and authorities. It helps establish a separation between your personal life and your professional life, which can be helpful in case of any liability issues, as well as any audits by state or national authorities such as the FSM Customs & Tax.

Post truthful and accurate **product descriptions and pricing** to avoid complaints and lawsuits.

Maintain clear **sales records** and keep all customer data collected in a safe, secure, and private place to comply with your privacy policy.

Treat customers with respect and **professionalism**. Online shoppers always look for customer reviews to know if a product is worth purchasing or if it's safe to do business with you. Maintaining proper communication with customers and authorities will help to avoid 99% of potential problems.

SECTION 7:

FURTHER INFO.

It's a good practice to keep an updated business plan, which can really help to summarize all the important things that you might need to post online. A business plan can help to define your company's purpose, philosophy, and unique selling points. Knowing your scope of business, operational plan, and general expenses will help you to decide important things such as your needs for equipment, facilities, staff, vehicles, and supplies. Once you have written this down, it becomes much easier to determine good pricing for your services, and it will help you to secure a loan if necessary.



INDUSTRY REFERENCE GROUP MEMBERS:

Vital Petro-Corp

Pacific Treelodge Resort

Nautilus Resort

FSM Department of Resources & Development

SBDC Kosrae

SBDC Chuuk

SBDC Yap

SBDC Pohnpei