



PIFS E-COMMERCE
BUSINESS TOOLKITS

USING E-COMMERCE TO HELP THE BUSINESS SERVICES INDUSTRY IN VANUATU 2024

A guide to getting more customers online





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FOREWORD FROM THE PACIFIC ISLANDS FORUM SECRETARIAT

Over the past few years, E-commerce has become a focus for the Pacific Islands Forum Secretariat. We are working hard in this space because we believe that E-commerce has the potential to help Pacific businesses overcome their structural challenges and gain a competitive advantage over 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 [Pacific Regional E-commerce Strategy and Roadmap](#). This aligns with the Technology and Connectivity thematic area of the [2050 Strategy](#) and its implementation plan.

As a regional organisation, our role is to help our Forum Members work together to achieve their objectives as working together can help us save time, money, and achieve better results. The Pacific Regional E-commerce Strategy and Roadmap notes the need to work together to develop E-commerce skills for our small businesses. The preparation of E-commerce business toolkits is a practical way to do this.

The Vanuatu Business Services Toolkit was one of the first that we published back in 2022. The PIFS E-commerce Business Toolkits are now a well known series in the region and continue to support Pacific businesses in their online journey. It is now time to update the toolkits to capture the progress occurring in Vanuatu's digital ecosystem.

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

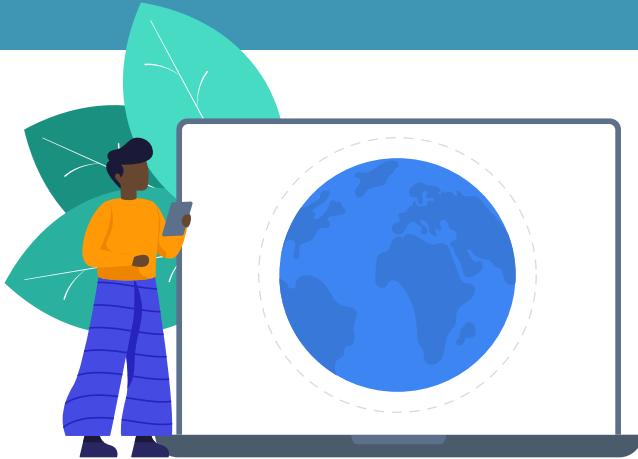
I commend this progressive public-private partnership and wish our small business every success in their digital journey.

Zarak Khan

Director Programmes and Initiatives
Pacific Islands Forum Secretariat

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WHY MOVE ONLINE, WHY NOW?



Worldwide, E-commerce sales grew by 60% from 2016 to 2022. This growth creates many new opportunities for businesses in both domestic and international markets.

In Vanuatu, E-commerce sales have fluctuated, growing when supported and decreasing when not. However, the environment for E-commerce in Vanuatu is

supportive and dynamic. The government has endorsed a [National E-commerce Strategy](#) and established a National E-commerce Committee in 2022.

Every year, a national E-commerce Symposium is held to promote digital trade. Digital service providers are emerging, and the Vanuatu Chamber of Commerce and Industry, along with the Vanuatu Innovation and Digital Economy Association, are delivering digital training. E-commerce projects are also supported by the Telecommunications Radiocommunications and Broadcasting Regulator and awareness is raised by groups such as Van IGF and Smart Sistas. Additionally, Yumiwork provides digital hub services to businesses such as business coaches, business trainers, film makers, and recruiters.

In 2024, the Pacific Islands Forum Secretariat (PIFS) delivered E-commerce training to 30 micro, small and medium enterprises (MSMEs) in Vanuatu. This series of three half-day workshops, led by E-commerce experts and national digital service providers, motivated entrepreneurs to advance their digital efforts. Grants for E-commerce projects and specialised coaching are also available.

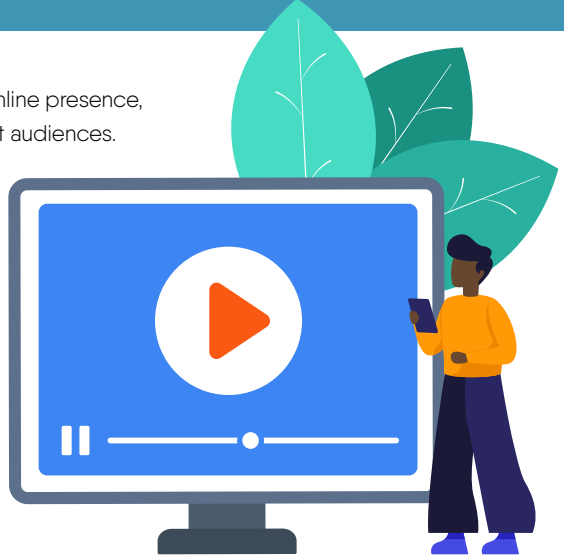
This toolkit focuses on business services, which are experiencing a growth in Vanuatu. In recent years, many companies have emerged in areas such as financial management, graphic design services, business consulting, IT management, and delivery services.

Now is a great time to invest in the digital transformation and start selling your services online!

WHAT ARE THE DIFFERENT OPTIONS TO GO ONLINE?

There are three main ways to establish an online presence, each with distinct models, costs, and target audiences.

- 1. Social media** platforms such as [Facebook](#) and [Instagram](#) offer access to vast audiences – respectively, 3 and 2 billion people globally. Users spend more than 2.5 hours daily on social media as of 2024. There are 110,000 Facebook users in Vanuatu. [Vodafone's Facebook page](#) has 44,000 followers, providing an easy way to stay connected with clients and prospects. Narara Consulting provides financial training and advice; the owner communicates daily with her [21,000 Facebook followers](#). [LinkedIn](#) is another powerful social media to promote your services. Setting up a business page is free and straightforward, making it an accessible entry point for businesses. However, these platforms do not provide integrated payment solutions in our country.
- 2. Own websites** can be built by individual businesses, offering greater control over how you present your business and products online. In Vanuatu, an increasing number of companies are developing their own websites, usually with the help of agencies or freelancers. For example, [GeoGas Vanuatu Limited](#) offers its products and services on its own website such as selling of new gas bottles and replacements, and delivery/pick-up services.
- 3. Marketplaces** provide a low-cost way to start selling your services online. Some platforms are specialised, as illustrated in the case study below on online job boards. Platforms such as [Business Link Pacific](#) can be useful as well to promote your services. Besides, you can try local marketplaces such as [Salem Nomo](#) and the [Maua App Vanuatu](#), even though they are mostly used to sell products at this stage.



Your presence on the Google search engine is important as well: business description, business location, and rating by users.

Lastly, a functional email address is essential for managing your business online. It allows you to communicate with customers and register for tools such as Meta Business Suite, marketplaces, and other business solutions.

Pros and cons of the available channels:

	Main pros	Main cons
Social Media	<ul style="list-style-type: none"> - Built-in user base is vast and diverse. - Cost-effective marketing. - Affordable and simple setup, requiring minimal expenses and little technical knowledge. - Quick interaction with customers. - Drives traffic to your website. 	<ul style="list-style-type: none"> - Dependent on platform algorithms. - Content may get lost in feeds (Facebook). - Offers only basic features with few advanced options. - Payment processing is not available through social media platforms in Vanuatu.
Marketplaces	<ul style="list-style-type: none"> - Built-in user base is vast and diverse. - Reach a broad audience with relatively low financial commitment. - Include built-in payment options for smooth and easy transactions. 	<ul style="list-style-type: none"> - Restricted ability to customise branding, customer experience, and product presentation.
Own website	<ul style="list-style-type: none"> - May be connected to your bank account in Vanuatu to easily receive payments. - Full control over design, content, user experience, and branding, allowing for a customised online presence. 	<ul style="list-style-type: none"> - Does not have a built-in user base. - Requires significant investment for both initial setup and ongoing maintenance. - Demands considerable time and effort to establish and manage. - Not easy to integrate with other platforms, which can complicate operations.

CASE STUDY: ONLINE JOB BOARDS

Online job boards are an effective solution for employers, as they attract a specific and large audience. Your job offer is likely to gain much wider visibility on these portals than on your own website or social media channels.



Wokikik, for instance, has over 10,000 email subscribers, 28,000 Facebook followers, and nearly 10,000 jobs posted to date.



Vanuatuwok, an alternative offered by Youth Challenge Vanuatu, features job listings starting at VUV 4,000. Its 23,000 Facebook followers present a valuable audience for employers.



Employment Vanuatu, a government platform, also enables job seekers and employers to connect with a broad audience.

WHAT COSTS SHOULD YOU CONSIDER TO TAKE YOUR BUSINESS ONLINE?

Common costs for all channels/options:

- First, remember that the E-commerce journey is **time consuming**. Whatever the channel, time will be required for description and updates about your services, upload of new banners, order management, answering customers' requests, and analysis of online customer behaviour.
- **Internet connection:** A reliable internet connection is essential. With speeds below 1 Mbps, basic activities such as sending emails or uploading photos can become very slow, affecting communication with customers. Internet providers such as [3 Links](#), [Digicel](#), [Vodafone](#), and [WanTok](#) offer internet packages, and prices have decreased in recent years – 1 GB of data can now cost less than VUV 100.
- **Devices:** A smartphone with a good camera and ample storage capacity is recommended. Basic smartphones are sometimes priced under VUV 10,000. For managing multiple channels and using various software, a laptop or tablet is also very useful.

Promotion costs specific to social media:

- You may need to allocate a budget for advertising, particularly on platforms such as Facebook, Instagram, or TikTok, to effectively reach and engage your target audience. You should start with a VUV 120 budget per campaign, to understand how it works.

Promotion costs specific to marketplaces:

- Posting your ad on [SalemNomo](#) or [MauaApp](#) is free. There is no cost to join the [Business Link Pacific](#) network. Job boards are paid solutions (cost per posting period).

Costs specific to your own website:



When requesting detailed quotations from potential suppliers, consider the following key components.

- **Technical development:** This includes the creation of the website according to agreed specifications, such as key functionalities and language support.
- **Content production:** Costs for creating photos, videos, and translations.
- **Digital marketing:** Expenses for search engine optimisation (SEO) and online advertising.
- **Maintenance costs:** These include costs for licences, hosting, domain registration, additional plugins, and security certificates.

Quotations you may get in Vanuatu to develop your own website:

	Basic	Advanced
Setup	VUV 200,000	VUV 800,000
Monthly maintenance	VUV 4,000	VUV 50,000

Example of basic ICT needs:

<p><u>Vodafone</u> offers business bundle access starting at under VUV 10,000 per month.</p>	<ul style="list-style-type: none"> • Fibre unlimited, 5Mbps. • Fixed voice: Unlimited to Vodafone & 5 hours of calls to other networks. • MiFi: 3GB of data.
<p><u>Digicel</u> offers affordable smartphones, such as the Alcatel A1 and Energizer U505S, priced around VUV 7,000.</p>	 <p>Key features</p> <ul style="list-style-type: none"> • 5.0MP/2.0MP Main Camera / Selfie Camera • 5" Screen Size • 480 x 960 Screen Resolution • Android v8.1 Operating System • 1.3GHz Quad-core CPU • 2000mAh Battery
<p><u>WanTok</u> offers website hosting services starting at VUV 1,000 per month.</p>	 <ul style="list-style-type: none"> • 2GB space. • 2 mailboxes.

Once you are online, it is important to get noticed and attract attention. Marketing efforts are important for attracting people and generating online sales.

- **Email signature:** Create an email signature that includes links to your social media profiles and your personal website, if available.
- **Social networks:** Worldwide, over half of all website traffic comes from social networks. Focus on the quality of your posts by using high-quality photos, relevant tags, hashtags, and emojis. Even a modest boost of VUV 120 on social media can effectively increase your audience and provide a good return on investment.
- **Direct marketing:** Use tools such as [Mailchimp](#) to send targeted emails to your clients. Effective direct marketing involves well-designed flyers, segmented campaigns, and automated emails (such as welcome messages or birthday offers).
- **Search Engine Optimisation (SEO):** SEO influences your ranking in search engine results. It depends on factors such as keywords, content quality, and internal links.
- You can improve your visibility with [Google Ads](#).
- **Analytic solutions:** Use analytics solutions across your online channels to track and improve your audience acquisition and conversion rates (how many sales were generated by traffic on your website). Monitor which campaigns drive traffic, identify where customers drop off, and address issues such as shopping cart abandonment, since two-thirds of online carts are abandoned.





CASE STUDY: **RUN PACIFIC ENERGY SERIES**

The Run Pacific Energy Series organises trail races in Vanuatu, highlighting its sponsors, including Pacific Energy, Titan FX, AJC, Pacific Private Bank, and 83 Islands Distillery. The project team engages the audience through Instagram, Facebook, and LinkedIn, with each race having its own dedicated page. These posts successfully capture the interest of runners, driving them to <https://letrailpacific.com>, where they can register for races. Participants are encouraged to pay online via bank transfer, and their email addresses are collected for future direct marketing efforts. This allows the team to send race reminders, share results or photos, and promote upcoming events. These simple digital operations were effective in facilitating the organisation of a race with 600 participants in July 2024.

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GETTING PAID ONLINE.

- In Vanuatu, domestic and small transactions are often still settled in cash. In E-commerce, this method of payment is known as **cash on delivery**.
- Most online orders are confirmed with an order request that requires payment, typically via **bank transfers**. A transfer is easy and can be done via bank apps, although transfers between different banks can incur fees of around VUV 500 per transaction.
- **Mobile payments** services allow payments using smartphones. Mobile payment options are provided by Vodafone ([M-Vatu](#)), Digicel ([MyCash](#)), Vanuatu Post Office ([KwikPay](#)), [KlickEx](#) and [WanTok](#). It is affordable (transaction cost may even be free), and useful for paying some bills (UNELCO, for water and electricity, and VNPF for contributions for instance). However, these payment solutions have limited integration capabilities and do not link with order management systems, client databases, or inventory.
- Using **QR codes** for payments is an interesting option. You can create a QR code to facilitate bank transfers or mobile payments, allowing customers to scan the code, enter the amount, and complete the transaction. As of 2024, approximately 40 companies use M-Vatu's QR code feature.
- **Payment gateways** are offered by BRED and ANZ Banks in Vanuatu. You can integrate these two payment gateways to your own website to facilitate the transfer of funds into your Vanuatu bank account. This service is offered at a cost of up to 4% commission of the transaction amount. However, these gateways may not be compatible with all e-shop solutions (e.g., Wix). Verify compatibility before developing your e-shop.
- Currently, popular payment solutions such as PayPal and Shopify cannot be linked to business bank accounts in Vanuatu.





CASE STUDY: BRED BANK PAYMENT GATEWAY

BRED Bank launched its payment gateway nearly a decade ago, allowing e-shops to integrate directly with BRED Bank accounts in Vanuatu. This solution is now used by over 40 companies. It is compatible with most E-commerce platforms and provides features such as multi-currency support and automated payments. Customers can use local BRED smart cards as well as all major credit and debit cards.

If you do not yet have an e-shop, you can still embark on your E-commerce journey by promoting your products on social media and using alternative payment methods. These include bank transfers, QR codes via the BRED app, or Payzen payment links.

Available payment options in Vanuatu:

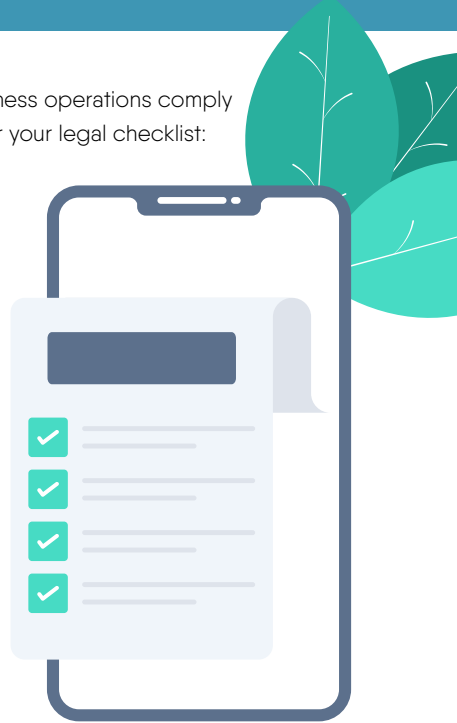
Payment option	Main pros	Main cons
Cash on delivery (COD)	<ul style="list-style-type: none">- There are no additional fees for you as the seller.	<ul style="list-style-type: none">- Payment depends on the customer's effective arrival and willingness to pay, which can lead to potential issues.
Bank transfer	<ul style="list-style-type: none">- Easily accessible with all local banks.- Simple to use.	<ul style="list-style-type: none">- Does not integrate with websites or apps for streamlined operations.- Typically incurs a fee of about VUV 500 for transfers between two local banks.
Mobile payment	<ul style="list-style-type: none">- Affordable.- Easy for customers in Vanuatu to use.	<ul style="list-style-type: none">- Does not connect with other systems.- Hardly used by customers overseas.
Payment gateway	<ul style="list-style-type: none">- Clients can complete their payment without leaving your e-shop.	<ul style="list-style-type: none">- In Vanuatu, only available through BRED and ANZ Banks.- Commission up to 4% of the transaction amount.

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COMPLYING WITH LAWS AND REGULATIONS.

Starting an online business involves ensuring that your business operations comply with national laws and regulations. Here are key elements for your legal checklist:

- **Company registration:** The registration fee for a company in Vanuatu starts at VUV 30,000, with an annual renewal fee also starting at VUV 30,000. However, if you prefer a simpler business structure, you can operate as a sole proprietorship or a partnership. To establish this type of entity, you only need to register the business name with the Registrar of Business Names at the VFSC. The fee for registering a business name is VUV 10,000, with an annual renewal fee of VUV 5,000. [Link](#).
- **Business licensing:** The Department of Customs and Inland Revenue issues business licences for businesses operating within the municipal areas in Port-Vila, Luganville, and Lenakel. Provincial Governments are the licensing authority for issuing licences for businesses operating outside municipal areas. Cost starts at VUV 10,000. [Link](#).
- **Tax registration:** To register and obtain a Tax Identification Number, you can complete the relevant application form and provide the required documents to the Department of Customs and Inland Revenue. [Link](#).
- **Data protection:** With new data protection and privacy rules coming soon (depending on the upcoming vote on the Bill on Data Protection and Privacy), it is important to ensure transparency and compliance. You will soon need to get permission before collecting anyone's personal information. Make sure to clearly explain your privacy policy online by answering these questions: What information are you collecting? Why are you collecting this information? How can consumers see and change their information?
- **Terms and conditions:** Customisable templates are available on the internet, for example [here](#).
- **Intellectual property:** [VanIPO](#) protects trademarks and intellectual property rights in Vanuatu, and connects with the [Global Brand Database](#) (GBD, worldwide).



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SECURITY TIPS.

Security tips: protecting your business online

As you venture into E-commerce, it's crucial to protect yourself from the increasing risk of online scams and cyber threats. Security breaches can lead to major disruptions, including lost sales, compromised customer data, and damage to your business reputation - costs that can be avoided by taking preventive measures.

Security tip	Action	Reason
Upsize your passwords	Use strong, unique passwords with at least 12 characters, including letters, numbers, and symbols. Avoid easily guessable information. You can use a service such as LastPass or 1Password to upsize your password.	Longer and more complex passwords are harder to crack, providing an essential layer of security.
Upgrade to two-factor authentication	Enable two-factor authentication on all important accounts, involving a code sent to your phone or email.	Adds an extra step, making it significantly harder for unauthorised users to access your accounts, even if they have your password.
Update your apps regularly	Keep software, apps, and operating systems up to date. Enable automatic updates if possible.	Updates often include security patches for newly discovered vulnerabilities, protecting your systems from attacks.
Uphold your privacy	Be mindful of the information shared online. Adjust privacy settings on social media to limit access to sensitive data.	Reduce the risk of your information being exploited for scams or unauthorised access.
Upscale your data and systems backup	Regularly back up your data using both local and cloud storage solutions. Test your backups to ensure they work.	Ensure you can recover from data loss due to cyberattacks, system failures, or accidental deletion, allowing business operations to continue with minimal disruption.

For more information: <https://pacson.org/cyber-smart-pacific/cyber-smart-pacific-2023>



Business Link Pacific

about.businesslinkpacific.com/business-advisors-vanuatu



LinkedIn

[linkedin.com](https://www.linkedin.com)



Vanuatu Innovation and Digital Economy Association (IDEA)

vanuatu-idea.com



Pacific E-commerce Initiative

Pacific E-commerce portal

pacificcommerce.org



Vanuatu Intellectual Property Office

vanipo.gov.vu



Department of Customs, Inland Revenue and VAT

customsinlandrevenue.gov.vu



Vanuatu Financial Services Commission

vfsc.vu



Vanuatu Chamber of Commerce and Industry

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WITH MANY THANKS FOR THEIR CONTRIBUTIONS:

[Bred Bank Vanuatu](#)

[Lionfish Design studios](#)

[OGCIO](#)

[Pacific Digital Transformation Consulting](#)

[Polinet - Love at first site](#)

[Vanuatu Innovation and Digital Economy Association](#)

[Worth It Agency](#)

THANK YOU FOR THE TECHNICAL SUPPORT:

Vashti Maharaj – Advisor, Digital Trade Policy Commonwealth Connectivity Agenda



