

Harnessing the Facebook for Online Marketing in PNG: How does it Transpire?

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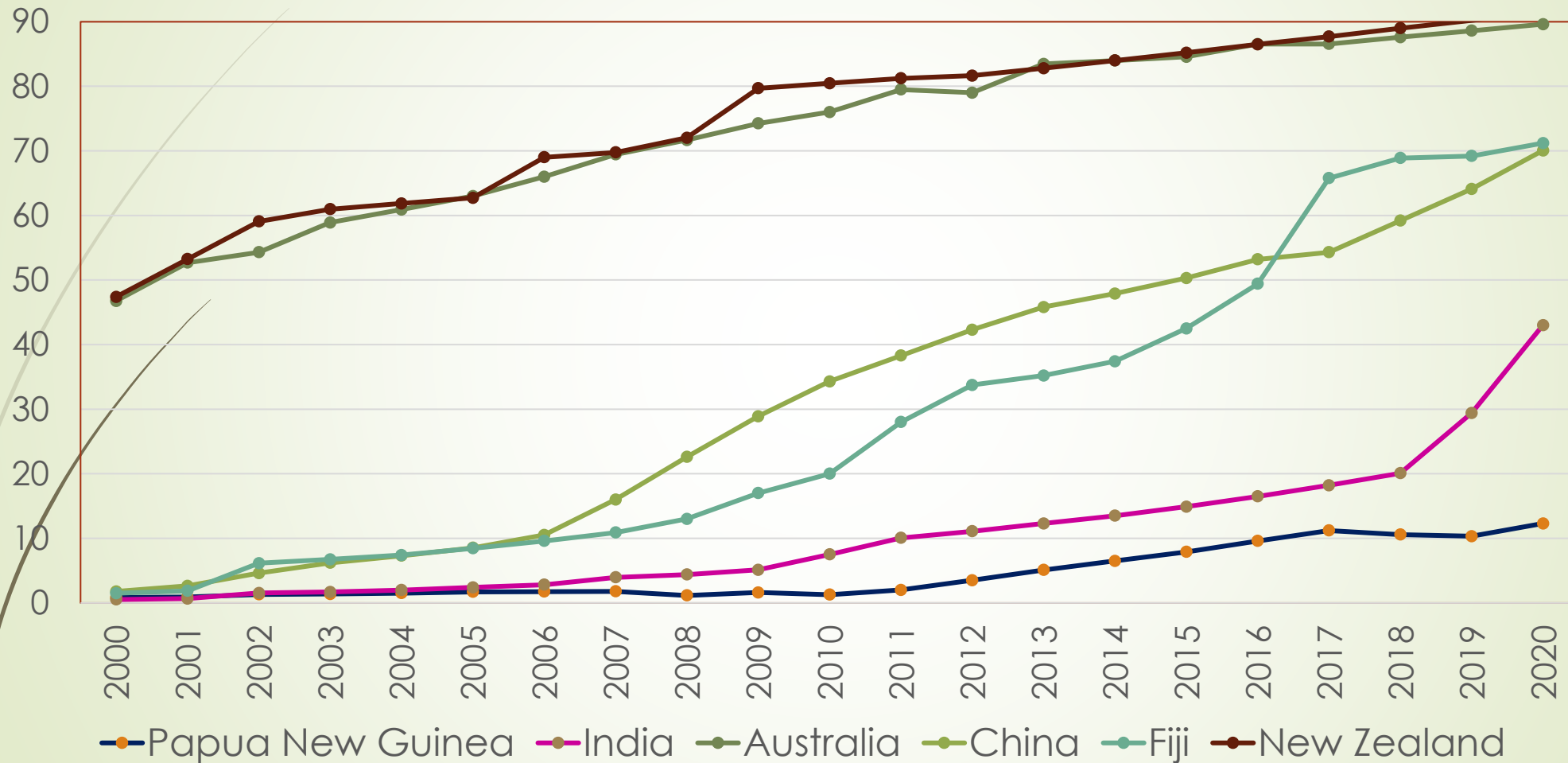
Overview

- Setting the Context
- What is E-commerce / digital marketing ?
- Is E-commerce happening in PNG other than Port Moresby, NCD?
- S-commerce is the possibility
- Is it the same S-commerce operating elsewhere works out for PNG?
- Why it could not work? & thus does not work?
- How digital market works in PNG? Facebook is the Silverline

Internet & Mobile Penetration in Oceania

- In Oceania, mobile / internet use has now exceeded 30%, but growth in use has been slower than in other tropical regions.
- Subscriber penetration rates range from a high of 84% in Fiji to a low of just 30% in Papua New Guinea - the most populous country in the region; (GSMA, 2019)
- PNG is the Pacific region's largest poorly developed telecom market, with only around 22% of its people connected to the internet.

Internet Penetration Rate (in %)



source: Bases on ITU, downloaded as on 17.09.2022

Mobile Connectivity Index(MCI) in the Pacific

- ▶ Papua New Guinea and the Solomon Islands are classified as emerging (countries with a score over 35), while the other four countries are all transitioning (scores over 50).
- ▶ All the six countries -shown significant improvement in their scores over the last three years, with an average improvement in the index score for the region of 10 points.
- ▶ Driven by growth in the infrastructure score, reflecting the progress in mobile broadband network deployments across the region.

Infrastructure	Sub-components
	Network Coverage
	Network performance
	Other enabling infrastructure
	Spectrum
Affordability	Sub-components
	Mobile tariffs
	Handset price
	Taxation
	inequality
Consumer Readiness	Sub-components
	Mobile ownership
	Basic Skills
	Gender Equality
Content & Services	Sub-components
	Local Relevance
	Availability
	Online Security



2018

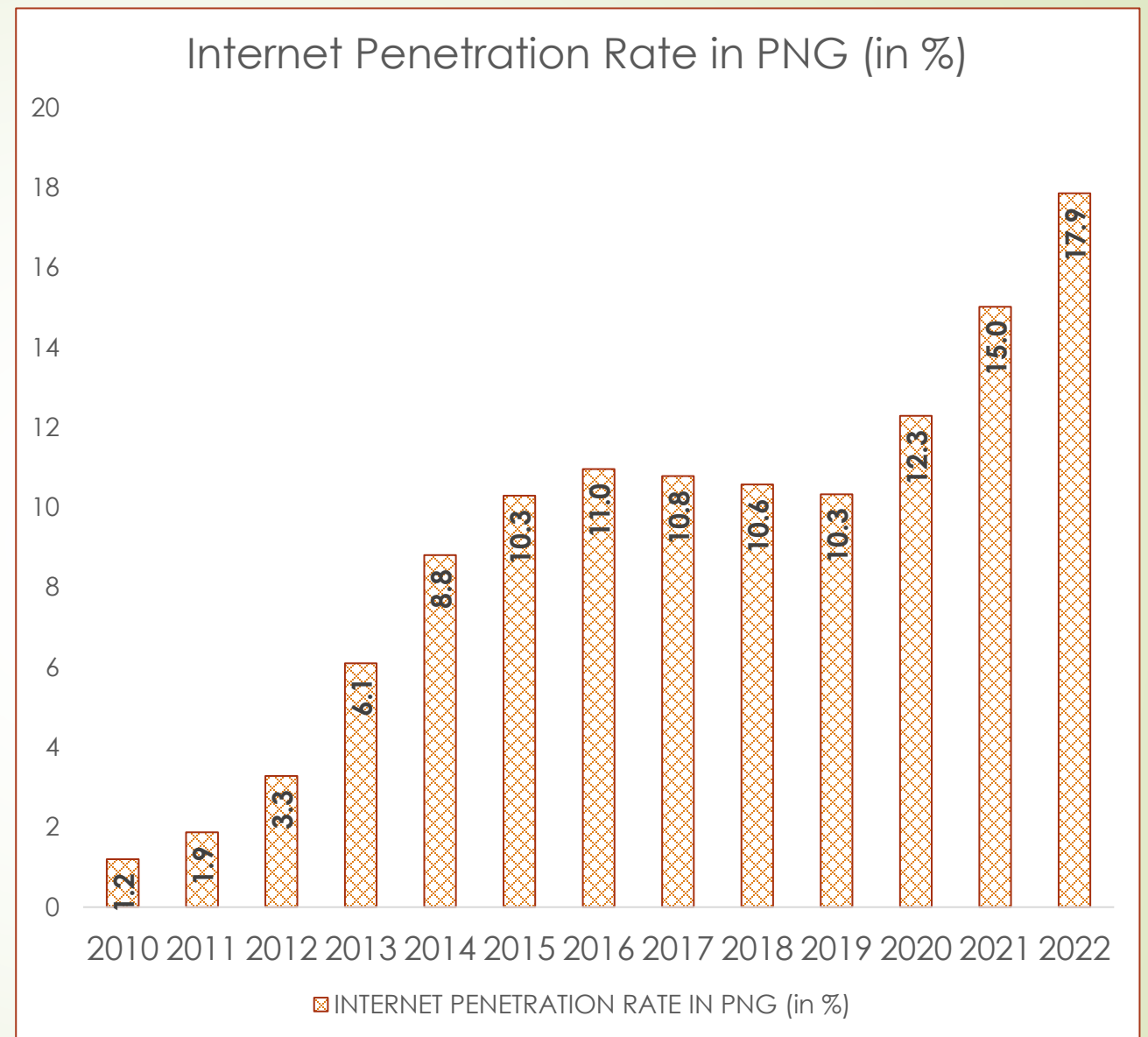
	Mobile Connectivity index	Infrastructure	Affordability	Consumer readiness	Content	Mobile internet penetration	Unconnected populations (000s)
Fiji	60.1	59.7	66.6	78.3	42.0	60%	366
Papua New Guinea	46.0	27.4	62.4	51.3	51.2	12%	7,482
Samoa	63.8	62.4	58.8	75.3	59.9	22%	155
Solomon Islands	45.9	33.6	56.3	63.7	36.9	21%	497
Tonga	57.8	44.1	66.5	80.8	47.0	17%	90
Vanuatu	55.4	47.5	60.1	62.8	52.5	22%	221

Source: GSMA (2020)

Mobile Connectivity Index in PNG in 2018 and 2021

		2018	2021
	Index Score	46.0	51.1
Infrastructure		27.4	59.1
	Network Coverage		64.1
	Network performance		60.4
	Other enabling infrastructure		49.3
	Spectrum		59.4
Affordability		62.4	53.6
	Mobile tariffs		32.9
	Handset price		52.4
	Taxation		100
	inequality		40.3
Consumer Readiness		51.3	46.4
	Mobile ownership		38.2
	Basic Skills		39.3
	Gender Equality		57.6
Content & Services		51.2	46.2
	Local Relevance		26.4
	Availability		76.0
	Online Security		26.3

8	INTERNET PENETRATION RATE IN PNG (in %)	% of Social media users among the internet users (in %)
YEAR		
2010	1.20	--
2011	1.87	--
2012	3.28	--
2013	6.10	--
2014	8.81	--
2015	10.30	--
2016	10.96	--
2017	10.78	68.13
2018	10.57	80.22
2019	10.33	86.03
2020	12.29	69.09
2021	15.02	67.88
2022	17.86	62.05



What is E-commerce / digital marketing?

- ▶ E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet.
- ▶ These business transactions occur either as
 - ▶ business-to-business (B2B),
 - ▶ business-to-consumer (B2C),
 - ▶ consumer-to-consumer (C2C)
 - ▶ consumer-to-business (C2B)

Is E-commerce available in PNG other than Port Moresby?

- Ecommerce, also known as electronic commerce or internet commerce, refers to **the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions**
- **Enabling Technology**
- **Payment Gateways**
- **Regulatory Framework**

- (i) Jungle: PNG's one stop superstore. It is an OL store providing a wide variety of goods and services to all the regions of PNG.
- (ii) Shopsmart is a digital inclusiveness platform that makes it possible for SMEs and informal markets to connect to a wider market nationwide and globally, country's first OL marketplace.
- (iii) GoFood (PNG) – Mobile App
- (iv) DoorDash – Mobile App

GoFood PNG



Customers can pay immediately via the app. The delivery service is affiliated with over 28 major restaurants and popular eateries in Port Moresby.

Currently the business is providing the service only within Port Moresby and is looking at branching out to other major centers in the near future.

The GoFood (PNG) mobile app is available on the App Store and Play Store with fee charges based on the delivery location within Port Moresby.

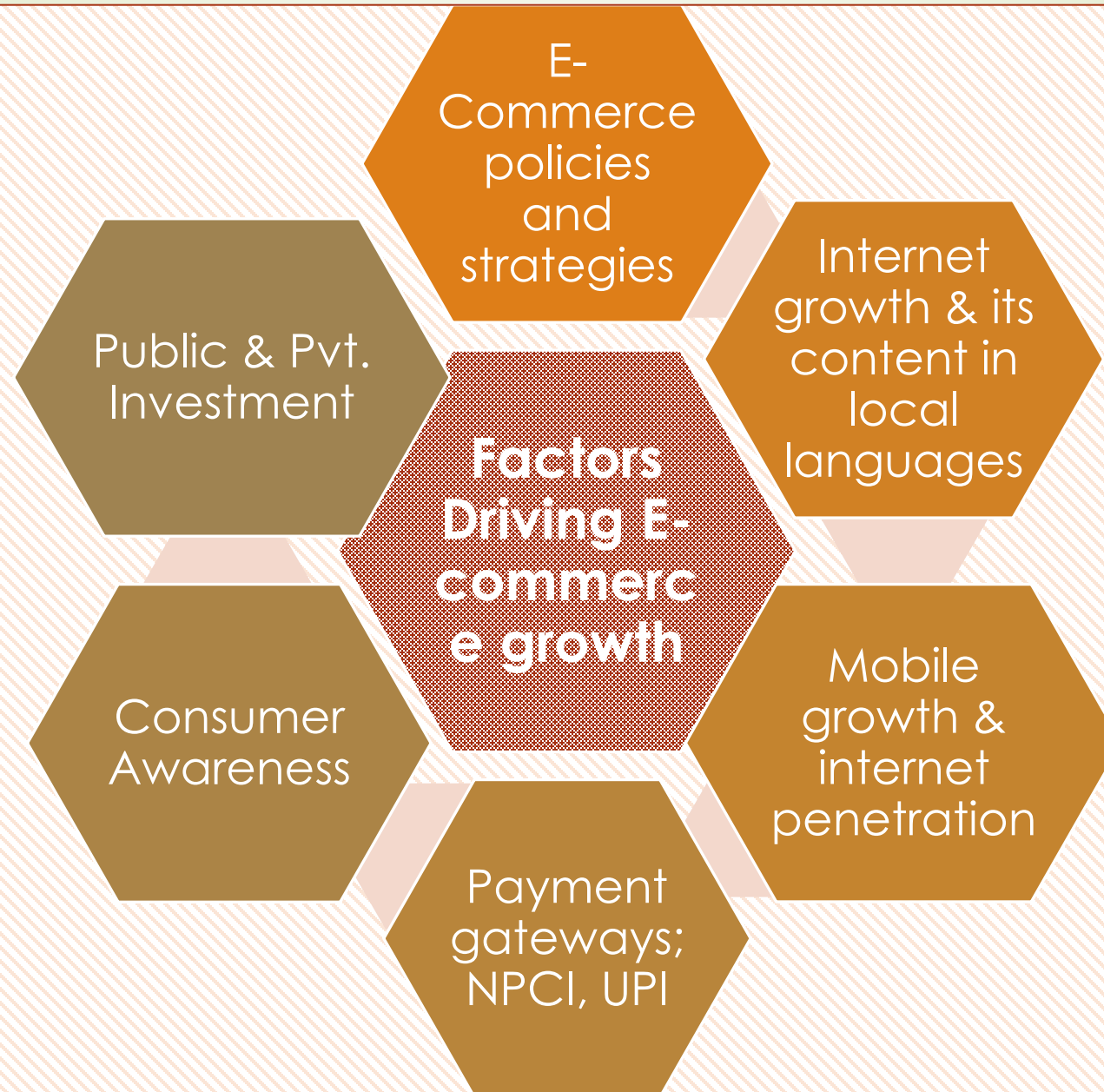
The app allows customers to create an account, set up a profile, and offer a wallet to store money value using the BSP payment services, that can be used to transfer funds to the wallet securely and conveniently with BSP Pay electronic funds transfer, as well as using your Visa or MasterCard.

<https://postcourier.com.pg/introducing-bsp-e-commerce-app/>

<https://www.businessadvantagepng.com/papua-new-guineas-ecommerce-boom/>

UNCTAD's
methodology

Indian Context



What is Social Commerce?

- ▶ Liang and Turban (2012) define social commerce as the delivery of business activities and transactions via social media environment, and mostly using Web 2.0 applications.
- ▶ However, s-commerce focus is not only shopping and trading volume, which is oriented from the pursuit of real-time transactions to sustained profitability, from shopping to social networking or entertainment.
- ▶ S-commerce is also oriented toward two-way communication that allows customers express themselves & share their information with other customers as well as with businesses, & communication between groups form crowdsourcing.

E-commerce and S-Commerce

- E-commerce transactions where buyers and sellers interact social media platform with each other before concluding a purchase is called as 'social commerce'.
- In conventional e-commerce, buyers browse through a digital catalogue, whereas in social commerce, buyers and sellers complete their transactions/purchases through their social media accounts by interacting on various social media platforms (such as Instagram, Facebook and Pinterest).
- Social commerce is evolving as a new communication channel and transaction model for small and mid-sized companies, as it allows efficient online product discovery and easier conversation with brands.
- Offering a direct line of communication to customers and a niche market to every retailer because of India's large consumer base.

E-commerce via S-Commerce in PNG

- Social commerce is a subset of electronic commerce;
- Drivers of social commerce acceptance include utility, simplicity, intrinsic, social and infrastructural.
- The most significant among these driving force was the infrastructural driver which entails availability of hardware, software and support systems.
- Key SMEs are leveraging social commerce to expand in PNG and focusing on creating new business opportunities.
- In addition, various features on social media platforms—such as Instagram's photo sharing, video calls and hosting polls—help sellers gain valuable insights on consumer preferences to boost sales and plan business strategies.

S-Commerce: *Evolving business models such as reselling & group buying in PNG*

- In addition to social media-led product discovery, business models such as reselling and group buying have also evolved in this space.
- Social commerce in PNG is witnessing two-sided value creation—from seamless customer social media shopping experience to the overall development of social commerce players.
- The social commerce industry is enabling users to shop with user-generated content and creating employment opportunities.
- The number of active social media users in PNG is expected to grow; this in turn is expected to boost social commerce in the country.
- Moreover, growth in social e-commerce would also drive allied industries such as logistics & warehouse, supply chain, etc.

Face Book Users in PNG

YEARS	MONTH	% FB in Internet	% of Women	% of Men	FB users in Total Pop (%)
2018	December	85.52	40.00	59.50	8.50
2019	January	83.92	41.10	58.90	8.40
2019	December	85.09	40.60	59.40	8.40
2020	January	76.79	40.70	59.30	8.40
2020	December	84.00	39.60	60.40	10.10
2021	January	75.87	40.10	59.90	10.30
2021	December	79.90	40.00	60.00	12.00
2022	January	70.53	39.70	60.30	11.70
2022	August	70.46	39.40	60.60	12.80

Source: Facebook users in PNG, NapoleonCat| Stats,
napoleoncat.com/stats/facebook-users-in-papua_new_guinea

PNG ONLINE MARKET-BUY, SELL, SWAP

Public group · 128.3K members

Join group

About this group

Make it the biggest Online Market in PNG. Report Scam/Spam or

Email or phone

Password



PNG ONLINE MARKET-BUY, SELL, SWAP

Join group

Anyone can find this group.



Port Moresby, Papua New Guinea



General



History

Group created on June 2, 2015. Name last changed on May 5, 2018. [See more](#)

Members · 128.3K

10-08-2023

PNG ONLINE MARKET-BUY, SELL, SWAP

 Public group · 128.3K members

Join group



About

Buy and Sell

Discussion

Topics

Media

Events

10-08-2023



Group rules from the admins: PNG Online Market buy, Sell, Swap

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- **1. Be Kind and Courteous:** We're all in this together to create a welcoming environment. Let's treat everyone with respect. Healthy debates are natural, but kindness is required.
- **2. No hate speech or bullying:** Make sure everyone feels safe. Bullying of any kind isn't allowed, and degrading comments about things such as race, religion, culture, sexual orientation, gender or identity will not be tolerated.
- **3. No promotions or scams:** Give more to this group than you take. Self-promotion, spam and irrelevant links aren't allowed.
- **4. Respect everyone's privacy:** Being part of this group requires mutual trust. Authentic, expressive discussions make groups great, but may also be sensitive and private. What's shared in the group should stay in the group.
- **5. Stolen goods:** No selling of fake, contraband or stolen goods
- Source: <https://www.facebook.com/groups/973406119347316/about>



- distance to major markets,
- high trade costs
- lack of economies of scale
- cost of shipping domestically
- cost-effective solutions to be explored, viz., partner with trade corridors, PNG Post, etc
- Regulatory Frameworks
- Payment gateways
- Access to affordable and regular Internet
- Security and cyber security

How Online Marketplace occurs in PNG? Does it Happen?

- In PNG the buying and selling that occurs online is nothing compared to how well-established OL Marketplaces like Amazona or eBay operates.
- The most or frequently used social networking sites by a larger share of population both in rural and urban areas is Facebook.
- On Facebook, larger industries & organizations like Coco Cola, Paradise Food Limited, Telikom PNG, Digicel, etc, created their FB page where they engage directly with their customers.
- On these pages, these well-established companies did activities like:
 - Advertising of their products ; Posting updates on products or sales; News of the company and Answering to customers questions or requires (Comments)

How Online Marketplace occurs in PNG? Does it Happen?

- Mentioned above are activities that happens on the FB pages of those companies.
- They don't do sales like how it happens on Amazon for-example where customers place orders and follow the process until items are received.
- On these companies' pages they only interact with their customers based on the topics mention above replying to comments.
- Customers will ask questions and raises concerns were other customers will or can reply to these questions and raise their own also.
- But no sales of products are done.
- Those companies don't have a portal where customers place orders and get their items deliver to them.

Sampling methodology

- Somewhat a Snowballing Method
- Facebook online sellers are identified during the period from April-May, 2022
- This serves as our Sample Frame
- Facebook social media identified in PNG during April-May, 2022 was 242.

Province	Freq.	Percent
NCD	149	62.1
Morobe	48	20.0
EHP	15	6.3
ESP	9	3.8
WHP	5	2.1
Madang	4	1.7
Others	10	4.2
Total	240	100

Characteristics of Sample

Province	FB followers	Percent
NCD	1477288	83.21
Morobe	202534	11.41
EHP	49116	2.77
ESP	26968	1.52
Madang	6935	0.39
WHP	4076	0.23
Simbu	2419	0.14
Oro	2174	0.12
Milnebay	1595	0.09
ENBP	1191	0.07
New Ireland	527	0.03
Unknown	457	0.03
Total	1775280	100

Type	Primary	Secondary	Tertiary	Total
Fresh	45.1	38.3	16.6	175
Used	13.6	74.2	12.1	66
Total (in %)	58.8	112.5	28.7	--
Total (nos)	88	116	37	241

Social Media	Freq.	Percent
Facebook	125	61.3
FB&WhatsApp	51	25.0
any other combinations	10	4.9
FB&Instagram	7	3.4
Others	5	2.5
FB&Linked-in	4	2.0
FB, WhatsApp&Linked-in	2	1.0

Sample Data Collected

- ▶ Among this explored population, we made an effort to cover almost 64 % of them in the sample covering 155 sample using Facebook as a medium of online commerce.
- ▶ Indeed, we followed up with almost all the 242 identified Facebook sellers and serviced the questionnaire depending on their willingness to respond the questionnaire.

Main Obstacles

- Low level of financial inclusion with only 37% population having a bank account and
- Poor legal & regulatory framework – more specifically for consumer protection and data privacy & data protection.
- Besides low level of financial inclusion, PNG suffers from proper access to finance.
- Around 70% of PNG's population borrow money from their relatives and *wantoks* and moneylenders.
- Moreover, only 5% of PNG's inhabitants resort to formal institutions.
- Micro-finance is also not being exploited (PIF, 2020).

Key barriers to digital adoption and use

- Mobile broadband availability and network quality
- Affordability of devices and services besides the cost of data
- Limited digital literacy skills and awareness
- Vandalism of infrastructure, such as mobile phone towers, is a costly ongoing challenge for telecommunications providers (see 'The complexity of covering rural PNG').
- It is "PNG the one place we can think about where we have no roads, no main power grid across the country, yet we have a (Digicel) 4G network across the country."
- Operating expenditure costs to run the network are extremely high because the use of helicopters, sites and the cost of connecting rural PNG.
<https://tech.pngfacts.com/2019/08/over-300-digicel-towers-in-rural-png-do.html>

Challenges!!!

- ▶ Telecommunications must go hand in hand with roads, electricity, security, etc; Roads, power and security are the keys to significantly lowering internet prices in the medium-to-long term;
- ▶ Out of its 1050 transmission Digicel tower sites covering 80 per cent of the Papua New Guinea's population, more than 300 do not make a single toea for the company.
- ▶ Around 200 towers among the total 1050 towers are serviced via helicopters, besides subsidizing over 300 towers.
- ▶ With no national grid, 80 per cent of Digicel sites run on diesel generators.
- ▶ With no national road network, Digicel delivers fuel to their sites bi-weekly on foot, by boat and helicopter.
- ▶ With limited security outside of Port Moresby, security of sites, fuel and employees.
- ▶ All these contribute to one of the highest operating expense costs per site, globally.

Way forward: What needs to be done?

- Where are we and how far we have come?
- Telecommunication Infrastructure in PNG
- Journey of Technological Generations from 1G to 4G....
- Payment Gateways: E-payment Systems not yet in Place
- Effective supply chain logistics

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