

Accelerating E-Commerce Regulatory Adoption

Accelerating implementation of
e-commerce regulation in Cambodia
and Myanmar.

SELLING TRANSPORTATION & TRAVEL ONLINE IN CAMBODIA



**GOOD
PRACTICE
GUIDE
CAMBODIA**



Foreword



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The Ministry of Commerce is pleased to join forces in assisting MSMEs with a rapid transition to e-commerce provision of goods and services, as a response to the COVID-19 pandemic. Accelerating e-commerce adoption by both merchants and consumers in Cambodia presents numerous benefits, such as increased formalization of businesses, better digital financial inclusions and digitization of businesses. It will also play an important role in our economic recovery, and growth into the future. The four Good Practice Guidelines (GPG) will help MSMEs across priority sectors to plan and execute transition to provision of goods and services using e-commerce methods, in line with Government regulations and good industry practices. These GPGs benefited from the leading industry players in Cambodia. They are an essential tool of the Royal Government of Cambodia's strong resolve to transition to a digital economy. We are grateful to the Australian Government for the support provided to accelerate adoption of e-commerce in Cambodia.

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NOW IS THE TIME TO HELP 'MOVE' CAMBODIA ONLINE!

The COVID-19 virus has had a major impact on the way we buy and sell products and services.

Along with the challenges, the virus also presents new opportunities for drivers and deliverers. The movement of goods is one important opportunity.

Cambodians along with the rest of the world have turned online to buy basic goods, from hot food to groceries to hand sanitizer and masks. All of these products need to get to their consumers quickly and safely. The need for delivery of goods from one place to another is growing fast, in line with the growth in electronic commerce and smartphone usage. In fact,

there are now 128 smartphone subscriptions for every 100 people in Cambodia! Now that the virus has made people much more comfortable buying their household and consumer goods online, it's likely that online purchasing will continue to grow even once the virus is gone.

The movement of people between and within cities is another area of opportunity. The internet is also leading an evolution of the transport industry – making it safer, cleaner and more efficient. Emerging online platforms have an endless need for experienced drivers to move passengers (and products) from one place to another.

So there has never been a better time to find your opportunity to 'move' online. This Good Practice Guide will set out the key options for you to consider how you take your business online, and lots of practical tips to help you succeed.

CASE STUDY

RAMEN JOINS A RIDE-HAILING APP

Ramen has been working in the hospitality industry in Phnom Penh for more than a decade. His job was front desk receptionist at a well-known boutique hotel. Over the many years he had worked there, he had seen significant rises in his salary that enabled him to buy a house and car. Ramen loved meeting new customers from around the world and giving them tips and insights on what to do and see in Phnom Penh and across Cambodia as he is very proud of his heritage.

Ramen is also a family man and as well as being a happy husband to Sopheak, he is the proud father of three young girls. His experiences in the hospitality sector taught him the importance of learning other languages, so he has ensured that he has invested in his daughters' education and that they are learning English and Chinese at school so that they can have a bright future.

Because of the Coronavirus situation, the tourism industry collapsed and Ramen lost his job due to the hotel where he was working closing.

His younger brother suggested that he could use his car to bring in revenue while the hospitality crisis is ongoing. With his good grasp of English and his in-depth knowledge of the city, this seemed like an ideal alternative till he could return to hotel work. With his brother's help, he successfully prepared all the information required to register with a ride-hailing application and submitted his application to become a taxi driver.

HOW TO PLAN FOR THE TRANSITION FROM OFFLINE TO ONLINE

If you have decided to take your business online, there are two basic choices:

The COVID-19 pandemic has had a major impact on the tourism and travel industry, leaving many drivers of Rickshaws, Khmer Tuk tuks, Cars and other vehicles with reduced incomes. If you're an experienced driver, with access to a registered vehicle and an entrepreneurial spirit, it makes sense to explore new sources of income.

An increasingly common type of internet business engaging drivers is the 'ride-hailing' app, where passengers are matched to drivers to complete trips usually within a city. These businesses are now branching out into other areas such as food and grocery delivery. There are also electronic commerce companies solely focused on selling and delivering food, groceries, consumer goods and other products online. Many of these businesses rely on networks of delivery drivers. Joining these 'delivery platforms' may be a great opportunity to earn additional income.



CASE
STUDY

SREYKA BRINGS THE GROCERIES

Sreyka is a driver for a tour company in Siem Reap Province, bringing female tour groups to the temples. Three years ago, the family purchased their own minivan, which allowed Sreyka to increase revenue while still making sure her children got to their school safely every day.

Because of the coronavirus situation, foreign tourist numbers have fallen dramatically. The tour company no longer needs her to work.

Her husband, Chanthorn, was working at a fruit and vegetable store and advised her to register with a local grocery delivery company selling mainly to schools and companies in the area. With his help, she gathered all the necessary information to get started.

HOW TO SELECT AND JOIN A TRANSPORTATION/DELIVERY PLATFORM

If you are looking to join an online transportation or delivery platform, you can compare the options by focusing on these key questions:

- 📍 Which delivery platforms are available in my local area?
- 🔑 What type of vehicle and experience does the platform need from its drivers?
- ⚙️ What are the set up costs with each platform?
- ☰ How efficiently can the platform support me getting online? Who else can help me?
- 📞 What are payment terms?
- ☁️ How and how quickly will I get paid?

But beware – these businesses need drivers who are trained, disciplined and willing to learn new procedures involving technology and customers. It will take real commitment.

Registering with an online transportation & delivery platform

The process for registering as a transportation partner with ride hailing/delivery apps is fortunately quite similar for every player, as it requires the same information about you and your vehicle to create a complete partner profile.





The basic process usually involves:

Step 1

Install the partner application on your smartphone. There are often dedicated 'driver' apps, or links in the customer app for contacting the company to join as a transportation partner. In some cases, you will need to submit important documents via the online platform, before installing the app.

Step 2

Depending on the requirements of your ride hailing/delivery platform you will need to provide initial information such as:

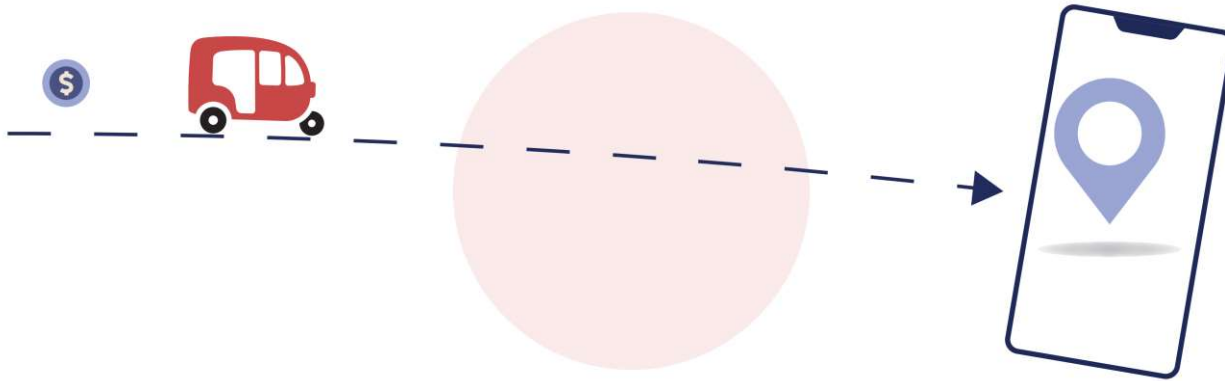
- Name
- Photo (Take a Selfie with your phone)
- Phone number
- Email (optional)
- Driving License Number
- Vehicle Type (Rickshaw, Khmer Tuk tuk, Car, SUV, Minivan)
- Vehicle Model / Color /Year of production /Photo
- Vehicle Plate Number / Vehicle ID
- Number of passenger seats
- Photo of Driving licenses (Front and Back)
- Special information (AC, Pets allowed, person with disabilities, extra luggage space, Smoking allowed, child seats, etc.)

Step 3

Receive, review, and accept the provided service level agreement contract. Pay close attention to:

- Registration fees (Ride hailing companies do not charge registration fee. However most companies require drivers to deposit some balance in their driver app wallets in order to drive).
- Commission rates (also called take rate) and fixed booking rates.
- Payment terms & payment methods
- Terms for ride cancellation
- Terms for cancellation of the agreement
- Earnings structure for day and night time (flag down, minimal cost, per kilometer, per minute)
- Service standard requirements, which will differ considerably between platforms – depending on what type of transportation or delivery you are providing
- Security and Compliance checks, to ensure you and your vehicle and safe and secure providers of transportation services
- Requirements for insurance





Step 4 (for ride hailing only)

Review your online profile as published by the ride-hailing platform. Make sure all the details are correct.

Step 5

request physical or phone training if needed. In some cases, training materials (including video links) will be sent to you once you have been confirmed as a driver.

Step 6

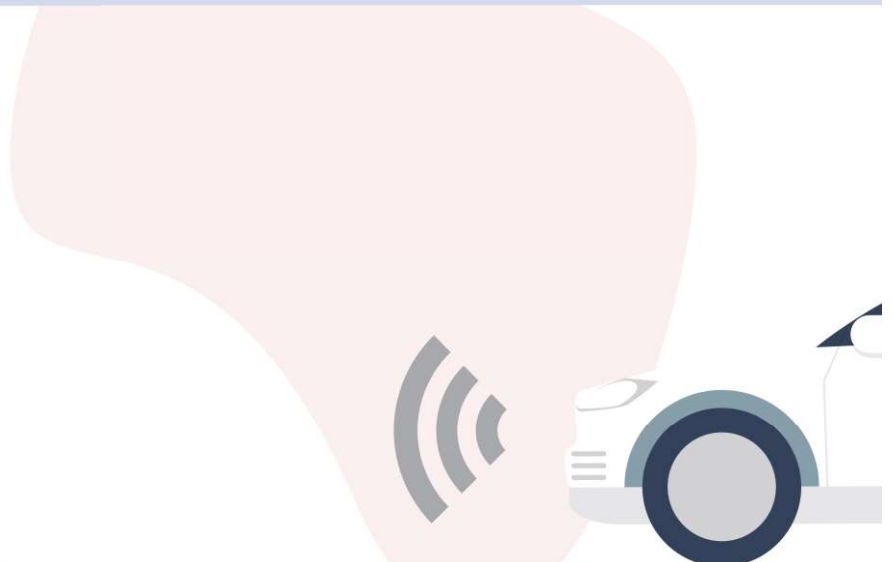
Start working increasing your revenue!

CASE STUDY

RAMEN GETS BUSY QUICKLY!

Ramen successfully registered with two ride-hailing mobile applications in less than a week. After completing the security and safety checks, he finds his first day moving around Phnom Penh very busy. He receives booking notifications on his smartphone with details of the pick up / drop off and itinerary. The ride hailing business now helps him to gain daily income with his car.

As he understands that customers feel more comfortable booking a taxi driver from their phones, he is now planning to register with more ride-hailing applications in order to increase his opportunities for booking and revenue. He has enjoyed practicing his English when expat passengers get in his car.



WORKING WITH TRANSPORT AND DELIVERY APPS

Transport and delivery apps typically work by allocating jobs to available drivers available in a particular area

All of the job allocation is done through the smartphone app, so you will need to become familiar with the functions of the app. They're designed to be very easy to use. Key functions include:



Online/Offline mode

this feature helps you manage your availability on the app. If you are waiting for a job, just keep your status as being online and available.

Accept/Refuse booking

after a booking becomes available, the application will require you to accept the booking in order to get started and receive booking information. You will have to be quick to get the best jobs!

Booking confirmation

once you accept a job, you will receive information such as:

- The place to pick up your customer
- The place to drop off the customer (although not mandatory)
- Payment method (i.e. cash or bank card)
- Price for the ride
- Time of the ride

Itinerary

This gives you the shortest way to complete the ride so you don't get lost and make sure you do not use too much petrol/gas for the job. Your customer can also see the suggested route on their app.

Scheduled bookings

allows you to receive bookings in advance, which will help you forecast your revenues for the week or the month. While this function is available in most apps, passengers seldom use it. You may also consider joining taxi-sharing Facebook groups that show commission-free bookings.

Heat Map

a smart function that shows you where there is the greatest customer demand. This information is 'live' so you can move around and book the most jobs.

Bookings and Transaction history

Access the history of your bookings to help you calculate your total daily or monthly revenues with the app. The app should also show how much the platform owes you for work performed.



Safety, Security and Reliability are the keys to success

In the transportation business, safety, security and reliability are the keys to customer satisfaction. Drivers who do not respect professional standards of driving and customers service do not last long on the platforms. They can be removed by the platforms for breaches of service level, and can be reported by customers through reviews and 'flagging' unsafe driving or security concerns.

In addition to obeying road rules, some basic professional standards will be required:



- Respect the speed limit and road signals
- Keep sufficient distance between vehicles
- Make sure your seatbelts are working properly
- Take a rest before you feel tired (minimum every 2hours)
- Do not use your mobile phone while driving – the platforms suggest phone 'cradles' which will comply with road laws
- Do not drink alcohol
- Check your eyesight regularly (every three months is advisable).
- Do not take medicine that could affect your capability to drive.
- Maintain your vehicle regularly to avoid accidents (wheels, tyres, brakes, oil, etc.)
- Keep your vehicle tidy

Pro tip: as a vehicle driver, you will spend most of your time on the road. Consider making extra money by offering your vehicle as a 'mobile billboard' to advertise businesses. You can let businesses know about this service on your Facebook page or when you transport goods or products to businesses.

CASE STUDY

RAMEN GOES INTER-CITY

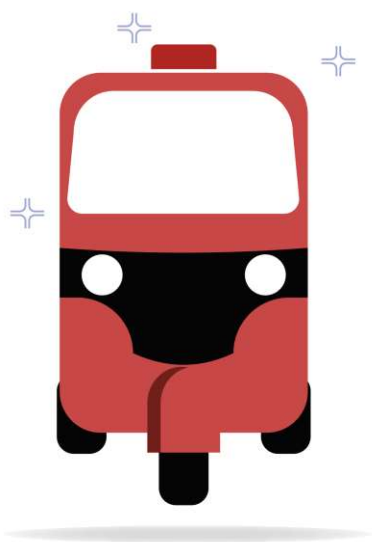
One of Ramen's passengers in Phnom Penh left a review about how professional Ramen had been on a short city ride. Ramen has decided to set up a Facebook Page to advertise inter-city trips. Seeing Ramen's success as a safe and reliable driver, he is now receiving enquiries to transport small groups of people between Phnom Penh and Siem Reap.

When Ramen completes a trip booked via Facebook, he gets to keep 100% of the fare as the booking was not made through the ride-hailing app. For a round trip, he can earn between \$150 and \$200. The professional standards required by the ride-hailing apps have really raised the prospects for Ramen's future earnings – both within and outside the app.

ADAPTING TO E-COMMERCE DURING THE PANDEMIC

The COVID-19 pandemic has focused attention on the risks of everyday physical contact.

During the pandemic it is important to adapt the normal method of transportation and delivery, including:



Personal hygiene

continuously maintain and monitor your health. If you have even the most mild respiratory symptoms, such as a runny nose or cough, do not go to work. While working, make sure you wash your hands regularly and wear a protective mask.

Car hygiene

sanitize your vehicle with anti-bacterial cleaning products between every customer. Provide masks for any customers who does not have one.

Contactless delivery

for delivery work, ask your platform to see if they offer 'contactless' delivery to reduce the risk of virus transfer. This typically involves ensuring the customer receives the order, but not handing it to them directly.

Go cashless

another reason to move to online payment is that handling of cash can increase the risk of transferring the virus. Your platforms should offer cashless payment solutions.

Show you care

Talk about your health and safety measures to customers. If you have a social media page, let your visitors and customers know how you are responding to the COVID-19 pandemic.

CASE STUDY

SREYKA STARTS 'CONTACTLESS' DELIVERIES

Sreyka knows that customers are nervous about physical contact and the risk of transmitting the virus. She is already known for her professional standards, but has now gone a step further by offering 'contactless' delivery.

The new delivery protocol involves Sreyka bringing groceries to the front door of the delivery address, then moving back and calling the customer. She also includes a small brochure on how to wash groceries before cooking or eating. Taking Sreyka's lead, the delivery platform has now required this of all drivers.

COMPLYING WITH LAWS

Becoming a delivery or passenger driver for an online platform will require compliance with all of the normal **civil and criminal laws**, such as obeying road rules, entering into commercial contracts (including settlement of disputes) and liability for negligence. The new **Cambodian Consumer Protection Law** will also apply. This means you must be accurate in providing information to your customers, including things like the identity of the company, terms and conditions for payment, cancellation and refunds. An online delivery platform will be able to give you advice on this.

There are also some **laws specifically** for companies selling online. Registration for e-commerce participants will be required under the new Cambodian e-commerce law, and all of the normal laws of business taxation will apply to businesses selling online. The new law also requires you to protect the data and information you receive about customers. If you join a delivery platform, ask how they can help you protect this data, and comply with the law.

There are some legal issues specific to delivery or transport drivers that are evolving in countries around the world. For example, most delivery or transport apps will not consider you an **'employee'** and will not pay the normal employment payments. Also, what liability does the delivery or transport app have in the case of an accident? Can they be partially liable if you are injured during work? These legal issues are being hotly debated around the world, and will change over time.

GETTING PAID

If you join a delivery or transport platform, it is likely that they will offer a facility to accept payment online. This is usually where your customer pays through the app using their credit card / debit card and the delivery platform collects the money and sends what it owes directly to your bank account.

For transport of passengers, the booking confirmation through the app should specify whether the customer intends to pay online or by cash. There are attempts by the major companies and the Government to move these transactions online. Payment online will also avoid the risk of transferring the COVID-19 virus through handling notes and coins.

If you decide to go online by yourself, you should first speak to your bank about what type of merchant facilities they offer. This may involve setting up a **'merchant account'** (to accept payments as a business) and a **'payment gateway'** (connecting your store and the merchant account).

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The following companies have contributed to the formulation of this GPG and may be contacted for additional information on selling goods and services online.



Disclaimer

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