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**AN EXPLORATORY STUDY OF HOW TO NAVIGATE BRAND
MANAGEMENT AND IMPROVE SALES PERFORMANCE THROUGH
CONTROL POLICIES**

PAVUTH SRIARANYAKUL

SINGAPORE MANAGEMENT UNIVERSITY

2018

**An Exploratory Study of How to Navigate Brand Management and Improve
Sales Performance through Control Policies**

by

Pavuth Sriaranyakul

Submitted to Lee Kong Chian School of Business in partial fulfilment of the
requirements for the Degree of Doctor of Philosophy in Business
(General Management)

Dissertation Committee:

Philip Charles Zerrillo Ph.D. (Supervisor/Chair)
Professor of Marketing (Practice)
Singapore Management University

Anne-Valerie Ohlsson-Corboz Ph.D.
Assistant Professor of Strategic Management
Singapore Management University

Rajendra Srivastava Ph.D.
Professor of Marketing Strategy and Innovation
Indian School of Business

Singapore Management University

2018

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Declaration Page

I hereby declare that this PhD dissertation is my original work and it has been written by me in its entirety.

I have duly acknowledged all the sources of information which have been used in this dissertation.

This PhD dissertation has also not been submitted for any degree in any university previously.



Pavuth Sriaranyakul

19 December 2018

ABSTRACT

An Exploratory Study of How to Navigate Brand Management and Improve Sales Performance through Control Policies

Pavuth Sriaranyakul

The aim of this study was to examine the effects of alcohol and tobacco control policies on sales performance when two central elements of marketing, communication and promotion programs, are significantly restricted. The study took place in Thailand, which has some of the strongest tobacco control regulations in the world, along with moderately strong alcohol control regulations. Under these regulations, tobacco firms operate in a dark market, with near-total regulatory prohibition on advertising, promotion, and even the display of their products. Alcohol firms operate in a less restrictive or “grey” market, as they face restrictions on advertising and promotion content, as well as restrictions on the sale of their products.

This research used a stakeholder perspective that addressed alcohol and tobacco distributors and on-premise customers, which were selected because most past research had surveyed only consumer or regulatory perspectives, leading to a lack of knowledge about the actual marketing practices undertaken in dark markets. The study employed a theoretical base including social learning theory, the brand resonance network, and brand value chains, which were used to establish a working model of marketing in the target markets. These theories proposed that in the absence of pull strategies (advertising and promotion), firms would turn to push strategies (trade marketing, relationship marketing, events and digital marketing).

The study was designed as an exploratory qualitative study, conducting interviews with international and domestic alcohol and tobacco distributors (n = 18) and on-premises retailers in five segments (n = 18) providing data. The evidence showed that increased emphasis on

trade marketing and innovative use of trade marketing was the most important substitution strategy for the blocked advertising and promotion strategies. Although events and digital marketing were used by alcohol distributors and retailers, tobacco firms, which operated in a much stricter environment, could not use them. The implication of this study was that creation of a dark market through regulation can completely change the marketing environment and strategies in use.

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Chapter 1: Introduction

This research investigates the practice of marketing in a highly controlled consumer environment. It has become a growing trend among policy makers as they manage the welfare of their populations. Thailand's controlled markets for alcohol and tobacco is the environment of the study conducted. This chapter introduces the background and rationale of the study. It then presents the research aims, objectives, and questions of this inquiry, and defines the scope of this undertaking. The significance of the study and the structure of the research are then discussed.

1.1 Research Background

Governments have become increasingly involved in the health and welfare of their populations as many of the consumption decisions of their individual citizens create a social cost for their entire populations (Greer & Lilvis, 2014). For many years alcohol and tobacco have been held up as the poster children for unhealthy products that present a drag on the general health and health care systems of nations. With the efforts of advocates from civil society, business, and government, these firms have faced greater taxation, restrictions, and regulation intended to limit, or in some cases, prohibit the consumption of these products. Today, policy makers and consumer watch dog groups have begun to look at industries such as high fructose corn syrup, carbonated beverages, high energy drinks, and saturated fats as potential culprits of diabetes, obesity, hypertension and the co-morbid rising healthcare costs that are associated with it, although these policies have not been immediately successful (Bødker, et al., 2015; Nixon, et al., 2015; Swinburn, et al., 2013).

While restrictive policies are being crafted and launched, little work has been done on either the efficacy of these policies, or the proper management response for firms engaged in the manufacturing, distribution and sale of such products. What work has been done has generally been at the very macro level wherein, a policy was initiated and the effect on consumption was observed (Hagenaars, et al., 2017; Shanahan, et al., 2011; Swinburn, et al., 2013; Thomas, et al., 2008). Few studies were conducted to look at the actual efficacy, potential impact and management response of firms in these industries. The intent of this study is to begin to look at the management responses that have taken place in some of the dark industries and the efficacy of these strategies for the firms involved.

1.1.1 The Industry

Alcohol and tobacco products are among the most popular fast-moving consumer goods (FMCG) categories in Thailand, but are also among the most legally constrained in terms of marketing and sales. The alcohol market in Thailand reached US\$5,318 million in 2018, and is expected to grow 2.1% per annum between 2018 and 2021 (Statista, 2018a). This amounted to per capita sales of US\$76.55 (2,484 baht) per annum in 2018, an increase of 1.8% year-on-year (Statista, 2018a). Tobacco sales accounted for US\$4,833 million in 2018, with expected market growth of 0.3% per annum to 2021 (Statista, 2018b). Per capita sales of US\$69.56 (2,257 baht) were a decrease of 0.4% year-on-year (Statista, 2018b).

In Thailand, both alcohol and tobacco industries are what can be called *dark markets*, or markets where advertising is constrained by legal regulation, typically because of public health concerns or public decency rules (Dewhirst, 2012). Typically, this advertising regulation is not absolute, but instead exists at different levels. Some bans could be termed *light bans*, in which there are some constraints on the marketing of products such as energy drinks or junk food (e.g. not targeting children with advertising, or restriction of where product can be sold)

(Goldfarb & Tucker, 2011). *Partial bans* (or grey markets) impose stricter controls, such as controlling marketing channels or topics for goods like alcohol (Nelson, 2010). The strictest controls, *total bans* (or dark markets) completely ban any form of advertising, and may require plain packaging or hiding of the products from view for products such as tobacco (World Health Organization, 2013). In many cases, advertising and marketing bans may become increasingly strict due to changes in the perceived effect of the product on individuals or on society (Nelson, 2010).

Thailand has a marketing and advertising control environment for both alcohol and tobacco products, although control of tobacco marketing is stricter than that of alcohol marketing. Thailand's Thai Anti-Smoking Campaign Project (TASCP) seeks to reduce smoking rates in Thailand through a combination of laws and restrictions on the sale of tobacco products, tax increases, and required health warnings (Center for Global Development, 2018). Part 4 of The Tobacco Products Control Act of A.D. 2017 (Articles 26 to 40) addresses the control of packaging, labelling, and the use of advertising, promotion, and sponsorship. These controls include restrictions on age and ID, buying and selling, sales channels, display of advertisements and sponsorship, in-store display of products, and strict labelling requirements. Part 5 (Articles 41 to 46) controls tobacco use, such as designation of smoking and non-smoking areas. The total control of advertising and strict control of sales classifies tobacco as a dark market in Thailand, representing a de facto total ban on advertising. Alcohol marketing is also controlled in Thailand under the Alcoholic Beverage Control Act, BE 2551 (2008). This Act imposes age and ID restrictions on sales, specific requirements for packaging and labelling of alcohol products, sales procedures, limits on consumption sites, and limits on what kinds of advertising could be used. For example, Section 32 states that "No person shall advertise or display names or trademarks of alcoholic beverage deemed to exaggerate their qualifications or induce people to drink such alcoholic beverage either directly or indirectly." However,

unlike tobacco marketing, the alcohol marketing environment does not completely constrain the use of marketing or advertising. Thus, this can be considered a grey market or partial ban.

1.1.2 Distribution Channel

In Thailand, there are three main types of distribution channels for both the alcohol and tobacco industries, all of which include a combination of local producers or importers distributors, the Modern Trade (M/T) channel, the Traditional Trade (T/T), retailers in the On-Premise (O/T) channel and end consumers as shown in Figure 1.

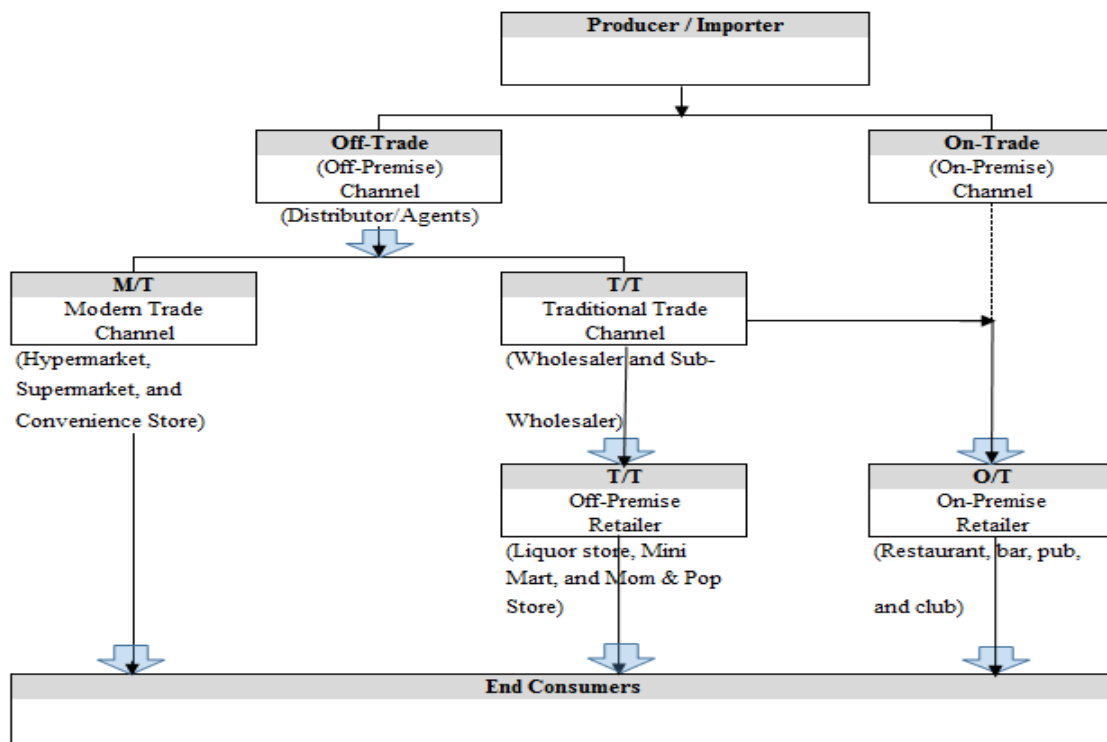


Figure 1 The three-tier distribution channel

The first channel is one where the distributor, producer, or importer sells directly to a retailer in the M/T channel who sells alcoholic beverages or cigarettes to the end consumer. The customers in the M/T channel include hyper markets (for example Tesco, Big C, and

Makro), super markets (for example Top, Gourmet, Max Value, Villa Market, and Foodland), and convenience stores (for example 7-eleven, Family Mart, and Lawson). The M/T channel has grown significantly during the last decade especially convenience stores.

The second channel is one where the producer or importer sells directly to a distributor or agents in the T/T channel who later sells the product to wholesalers or sub-wholesalers. The customers in T/T channel are large wholesalers, bar suppliers, and traditional retailers (mom and pop shops) and minimart stores. The first and second type of channel are often called ‘Off-premise’ or ‘Off-trade’. The off-premise channel is important for alcohol and tobacco companies in term of sales volumes and values, especially the economy and standard product category as shown in Figure 2.

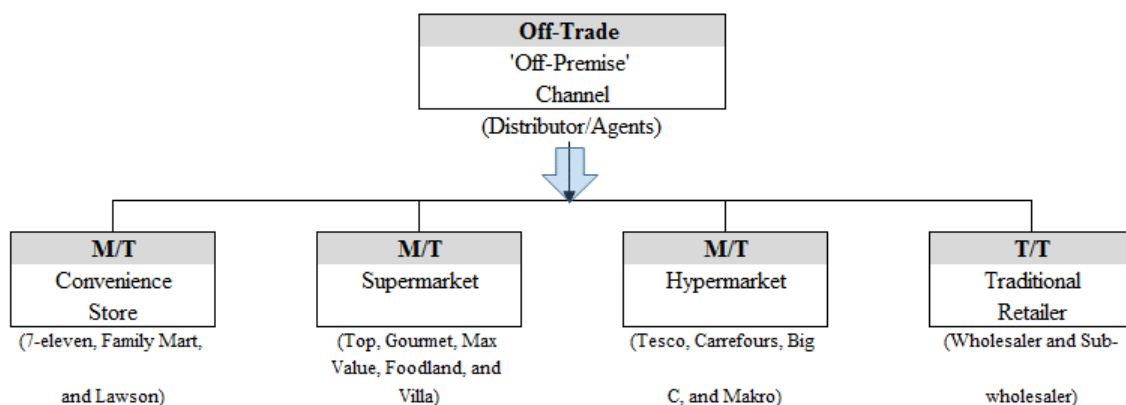


Figure 2 The off-trade (off-premise) channel

The third and final channel is the longest route because it includes all four actors: producers or importers, distributors (agents), wholesalers, retailers and end consumers. The alcohol and tobacco industry are good examples of this long distribution channel. In both industries, they operate in the three-tier system, the producers or importers first sell their products to distributors who then sell to wholesalers or sub-wholesalers. The wholesalers distribute products to off-premise and on-premise retailers. The retailers finally sell the

products to the end consumers. The on-premise retailers are considered as a point-of-consumption where consumers purchased and consumed products at the premise. In contrast, the off-premise retailers are considered as point-of-sales where consumers only purchased products without consumption.

This final channel is commonly referred to as ‘On-premise’ or the ‘On-trade’ channel, or sometimes as the night-time economy, the evening leisure industry, or the experience economy as illustrated in Figure 3. The customers in the on-premise channel include restaurants, bars, cafés, pubs, and clubs. In Thailand, the on-premise outlets rarely purchase directly from producers or importers; they normally buy from wholesalers or bar suppliers in small quantities with frequent deliveries. The on-premise channel is essential for international spirit companies in terms of sales volumes, values, loyalty, and brand building, especially the premium and deluxe categories. Beer and cigarette companies also rely heavily on the on-premise channel to seed new products and build brand equity. The on-premise channel is more complex and dynamic than the off-premise channel for various reasons. Under many restrictions, this channel is becoming an important platform to generate sales volumes, build brand popularity, and grow the product category. It is still the only channel that is allowed to interact and communicate with end consumers in order to create brand engagement and experience.

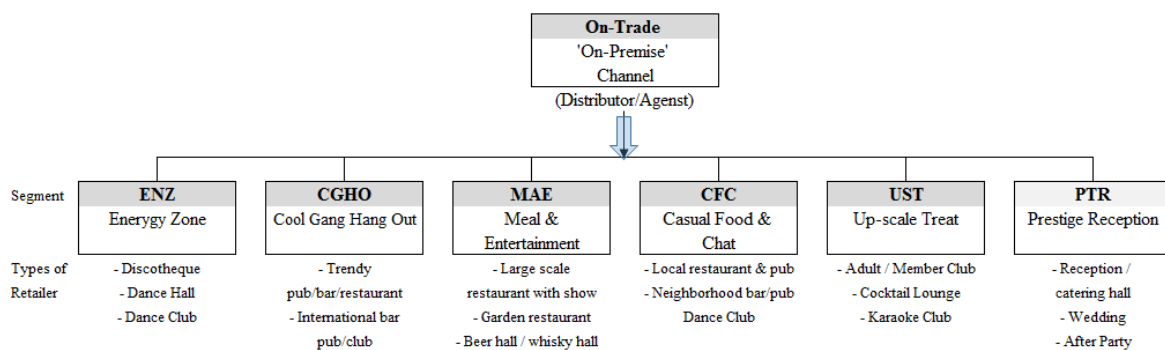


Figure 3 The on-trade (on-premise) channel

1.1.3 Market Segmentation

This study followed the new market segmentation concept often used by alcohol and tobacco companies. This concept was the research-based process of dividing a broad consumer into sub-groups of consumers (known as segments) based on consumer profiles, lifestyles, life-stages, motivations, and status classes. One alcohol company referred to this market segmentation technique as CDOS (Consumer Driven Outlet Segmentation in Figure 4).

CDOS was a consumer research tool used to provide market segmentation for on-premise outlets, taking into account consumer motivations which were believed to offer sufficient differentiation to most customers. It also allowed for a consumer-focus in marketing to be translated through different drinking occasions. Given the rapid changes in consumer lifestyles, the on-trade environment has grown and changed significantly since then, becoming more sophisticated and fragmented with numerous new outlets opened and old ones closed or renovated.

In addition, with the increasing rate of urbanization in Thailand, the consumer motivations and needs for drinking and socialization are rapidly evolving. They are adapting to new trends easily while re-defining the present. As a result, the on-trade environment is quickly changing to reach a new tipping point (creating new experiences and category). Given all these changes and growth of the consumers and outlets, this research realized the need to understand these changes and their effects on business directions and their implications for the on-trade channel and marketing strategies. The on-premise channel plays the vital role of providing social space (outlet) for end consumers (social network and gathering) through social products (alcoholic beverages and cigarettes), and its impact on the dynamics of on-trade occasions and sales, as well as key attributes to brand building.

1.1.4 The On-Premise Outlets

In Thailand, there are five main segments in on-premise channel based upon CDOS process (Figure 4); Energy zone (ENZ), Cool Gang Hang Out (CGHO), Meal & Entertainment (MAE), Casual Food and Chat (CFC), and Up-scale Treat (UST). Prestige Reception (PTR) is not considered as an on-premise outlet and not included in this study, because it is normally a social event or one-time activity. This study investigated the on-premise outlets in these five market segments. Normally, fashion and trends are first formed through on-premise consumption. Because of this reason, alcohol and tobacco companies rely significantly on this channel to compete with other brands and allocate enormous resources to promote their brands and drive sales in restaurants, bars, and clubs. Thus, on-premise marketing is perhaps more essential for alcoholic beverages than non-alcoholic beverages because the on-premise outlets are de facto sampling booths under the marketing restrictions. Moreover, there was a close relationship between alcohol studies and night-time economy studies (Jayne et al., 2008; Nicholls, 2009). Night-time economy studies normally included the alcohol and leisure industry as the opportunity to ‘double’ the city’s economy, by doubling the productive period of time at night (Bianchini, 1995). Finally, night-time economy created the affective atmosphere of the night-time city center (Shaw, 2014).

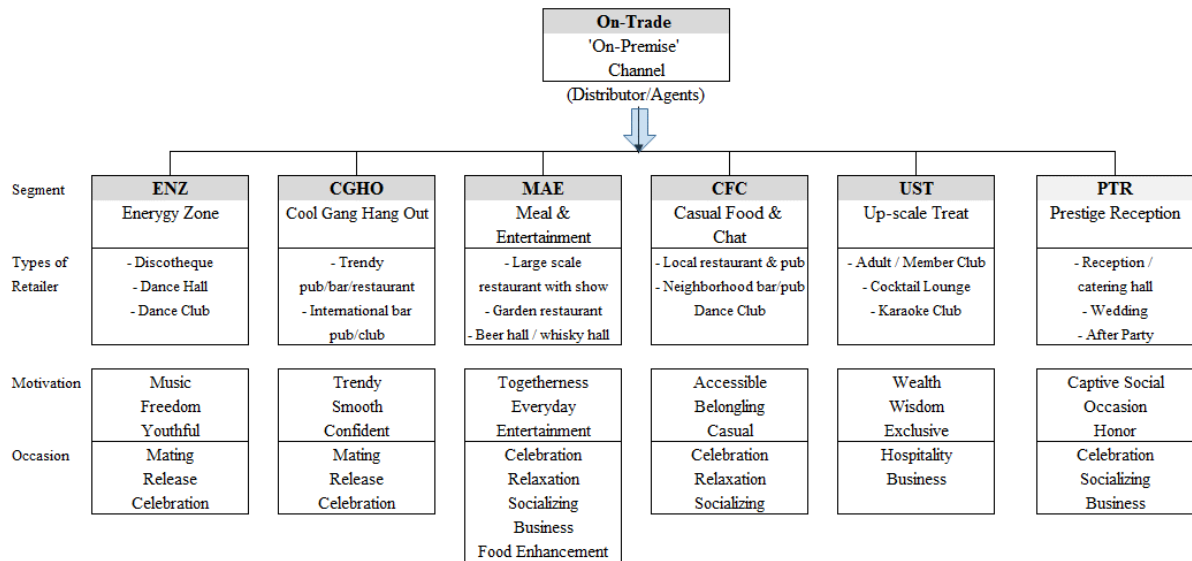


Figure 4 An example of consumer-driven outlet segmentation (CDOS).

Energy zone (ENZ) refers to a place where young consumers come to release themselves and to reflect their self-image such as a discotheque, dance hall or dance club. These places are full of people with high energy, and they expect to have all night fun with their existing and new friends. The atmosphere is normally dark with good sound and lighting systems to stimulate their emotional responses. The outlet is often crowded and surrounded by people who usually share drinks with friends. The types of consumers are university students, first jobbers, nightshift people, active youngsters and foreigners who work late at night, full of energy, and yet have needs to socialize and party. They are the main stream consumers who strive to stand out among their peers and have limited spending power and exposure of lifestyle. Alcoholic beverages play a supporting role of the popular young adult lifestyle of which the choice of drink becomes a group symbolic status and a tool for social affiliation. Their motivations are to let loose, release, socialize and party.

Cool Gang Hang Out (CGHO) refers to a trendy place where *good looking* or socially desirable people like to meet, such as trendy restaurants, bars, and pubs. The main target groups

are university students, young urban adults, and trend followers who love the city lifestyle and aspire to become popular and wealthy. They are social climbers who are willing to spend to belong (social influence and social approval). They believe that being seen with the hip and cool group is the way to express their desired social status. They are expressing self-identity through fashion and style with the brands they consume, blending and being in a “cool” group of people, and looking to make new friends. The outlet is expected to play in-trend music in modern design environment, and serves a variety of drinks and special cocktails. It is mostly found in the prime location near lifestyle and hip areas. Alcoholic beverages play a supporting role of IT guys’ and gals’ party lifestyle of which the choice of drink becomes a group symbolic status and a tool for social affiliation. Partying, socializing, check rating and mating are the main motivations for CGHO segment.

Meal & Entertainment (MAE) refers to a special and large restaurant that normally serves a great variety of foods and drinks combined with live-entertainment on the stage. The main attractions are foods and entertainment. The facility often includes indoor and outdoor patios with many seating and table setups, and well suited for all ages and family. These restaurants can be seen in office areas or suburban locations where big scale outlets with scenery are located around commercial and high residential areas. The target group for MAE is generally city people who are white collar, middle income earners. Their lives focus on two things: work and family. To socialize, they need a place that has an acceptable atmosphere to dine and relax (with a reasonable price) and hang out with their close ones. Patrons often come in big groups, prefer long dining experiences, talking with friends and family, and enjoy having a good time with a variety of shows. Alcoholic beverages play a supporting role of bonding moments of which the choice of drink depends on the taste profile and preference of the drinker. The motivations for MAE are togetherness, bonding, and entertainment.

Casual Food and Chat (CFC) refers to an informal place or restaurant where people come to eat and socialize. This kind of outlet is commonly found to be part of a house, located not too far from office or home. These outlets usually are not located in prime areas, and most of them can be found in the middle to outer part of the city which also reflect the type and status of consumers. The restaurant is good for everyday occasions with reasonable food and pricing. It is usually packed during lunch and after-work hours. The atmosphere is bright and warm with light music to create comfortable surroundings and a relaxed feeling. It is suitable for those who seek a casual ambiance with low tempo music, where they can relax and bond with their companions. Alcoholic beverages play a supporting role in a low bonding moment of which choice of drink depends on the taste profile and preference of the drinker (lower tier). Accessible, belonging, and casual are the motivators for CFC.

Up-scale Treat (UST) refers to an adult or member club where both Thai and foreigners come to seek a girlfriend experience, hospitality, pampering, and exclusivity. This type of a gentlemen's club can mostly be seen in the prime location near commercial or tourist areas. The main target customers are those who have relatively high incomes and willingness to spend to impress clients and outlet's staff. Each place has its own concept in terms of decoration, but all of them share the same elements which are entertainment or stage performance, clubbing, and private zones. Alcoholic beverages play a catalyst role of the relationship between the consumers and the partners (girls). To a certain extent, the choice of alcohol is an expression of social status and hence, a tool for consumers to attract and gain popularity among partners. Hospitality, business, and exclusiveness are the motivator for UST.

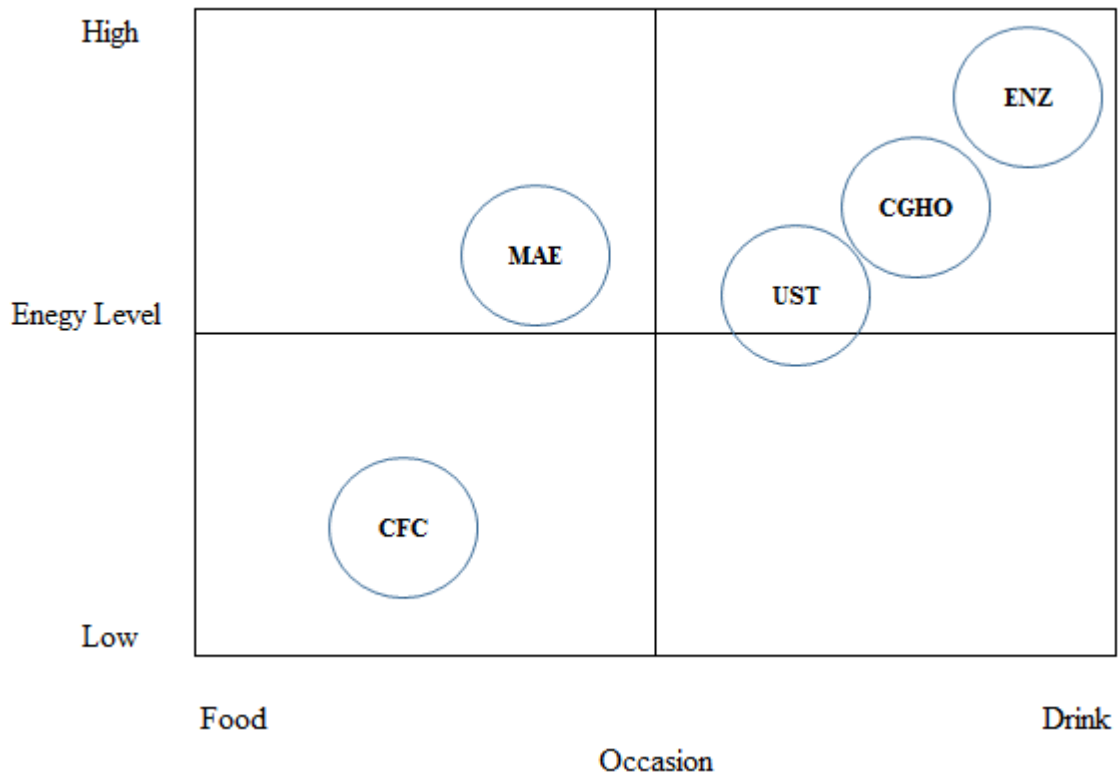


Figure 5 Matrix of occasion and energy level

In general, this study defines ‘occasion’ as the opportunity to generate sales volumes. Food occasion refers to the opportunity for an on-premise outlet to generate food revenues or the majority of revenues that come from food sales. Drink occasion refers to the opportunity for an on-premise outlet to generate drink revenues or the majority of revenues coming from drink sales. In this research, ENZ, CGHO, and UST are considered mainly drink occasions with high energy levels, whereas MAE and CFC are classified as food occasions with lower energy levels as shown in Figure 5. Normally, drink-occasion outlets have higher energy levels than those of food-occasion outlets. The energy level inside the on-premise outlet is driven by the type of music and consumer profiles that create the right atmosphere.

1.2 Research Rationale

The problem of marketing consumer goods with partial or full advertising bans in place is critical for alcohol and tobacco firms, which currently have the strictest marketing controls imposed in many markets and where marketing controls have changed over time (Goldfarb & Tucker, 2011; Nelson, 2010). To a lesser extent, other consumer goods categories, such as junk food and energy drink, also have to deal with these changing (typically tightening) constraints on marketing and advertising (Goldfarb & Tucker, 2011). These regulatory controls undoubtedly have an effect on market demand, as indicated by the successful movement to reduce tobacco use in Thailand, which has resulted in a 31% reduction in the number of smokers since 1991 (Center for Global Development, 2018). However, there has been surprisingly little research into the effect of such limitations on the on-premise sales channel for restricted goods or on marketing strategies that can be used to support and adapt to environments with strict marketing controls. Also little work has been conducted on the competitive dynamics of firms operating in these darkening markets. This is part of a general limitation on the academic literature on on-premise sales, as much of the current research is oriented, for example, toward online marketing and social media marketing (Freeman, 2012; Goldfarb & Tucker, 2011; Gallopel-Morvan & Moodie, 2017). Thus, there is little practical knowledge on how to manage an effective marketing strategy to support on-premise sales in a legally constrained marketing environment. The reason for conducting this research is to develop business-relevant knowledge for firms that operate under marketing and advertising controls on how they can navigate these controls to develop effective marketing strategies. Although this research focuses on a specific set of firms in two markets (tobacco and alcohol), the findings are also potentially relevant to other controlled advertising areas. Thus, this research is concerned with understanding the appropriate firm actions that may be undertaken, and their potential efficacy in increasingly controlled markets. It is hoped that the results will

serve as a guide for both businesses and policy makers approaching markets other than those studied in this research.

1.3 Research Aim, Objectives and Questions

1.3.1 Research Aim

The aim of this study was to examine the effects of alcohol and tobacco control policies on sales performance when two central elements of marketing, communication, and promotion programs are significantly restricted.

1.3.2 Research Objectives

This exploratory study was designed to reveal the strategy implications of marketing techniques, activities, processes, and the best practices of firms to:

- (1) Examine different effects of advertising and promotion restrictions on sales performance;
- (2) Analyse management routines and how firms respond to various aspects of control policies;
- (3) Explore effective marketing strategies and budget allocation techniques to navigate through a dark market;
- (4) Explicate retail marketing and relationship marketing in building channel equity to ensure greater channel success; and
- (5) Examine how activities such as event marketing and digital marketing can create consumer experience and community

1.3.3 Research Questions

- RQ1: Why does a dark market matter?
- RQ2: How do firms respond and navigate through a dark market?
- RQ3: What kinds of marketing strategies and activities drive and improve relative sales performance under various restrictions?

1.4 Scope of the Study

This study was a cross-sectional study. The level of analysis for the study was at the firm-level and applied to the industry level for two specific regulated industries. The study focused on alcohol and tobacco sales in Thailand, which allowed for a comparison of partial (alcohol industry) and full (tobacco industry) marketing bans. The dependent variable that was assumed to be the focus is sales performance in on-premise sales channels. The reason the on-premise channel was chosen is that it is the main interaction channel for customers, as well as the point at which the majority of marketing effort is expended for both product categories. Thailand was selected because of its restrictive retail marketing environment for alcohol and tobacco products, and the access to key decision makers in the industry. The study was an exploratory study, with data collected using in-depth interviews (n = 36) to construct multiple case studies. This scope does impose several limitations. For example, using only Thailand does impose some limitations because there is only a single legal regime, however comparing responses across markets would also be difficult if the legal environment imposes different restrictions. The study also investigated a specific point in time, which means that if this legal changes this may not be reflected in the study. Methodological limitations are discussed in Chapter 3.

1.5 Significance of the Study

This study intends to examine how firms adjust their marketing strategies to cope with increasing restriction levels. For example, moving from a market that has light bans, to one that has partial or even full bans on advertising. The study provides insights into channel-brand strategies in which brand managers and their brands must cope with such evolving bans, including both routinely used strategies and novel strategies. The strategies and tactics of evolving marketing strategies in dark markets are poorly understood by academics and marketing managers, which is a critical gap in knowledge. This gap is especially concerning since these types of marketing restrictions are becoming increasingly more common in many markets and product categories. This research provides conceptual models and tools for marketing managers and academics to understand the challenge of marketing in existing dark markets. It also provides tools for marketing managers to adapt marketing strategies in markets that may face increasingly constrained marketing regulations. Thus, this research provides both academic and professional insight into a marketing practice that, although increasingly common, has not received a lot of systematic attention, which can be used to adapt to new and changing demands within the market.

1.6 Research Structure

The study is organised into six chapters, each of which examines a specific aspect of the research. This chapter has introduced the background of the study and explained why it was conducted. In the next chapter (Literature Review), the theoretical background and existing studies on the topic of control policies and marketing, especially in Thailand, are investigated. This allows for the statement of a theoretical and conceptual framework for the study. The qualitative research approach is outlined in Chapter 3 (Methodology). The results of the study

are presented in Chapter 4 (Findings). These results are then investigated and compared to the literature review in Chapter 5 (Discussion). The final chapter of the study (Conclusion) draws together these findings to provide a final response to the research objectives. Supplementary data and information is included in the Appendices.

Chapter 2: Literature Review

This chapter presents the literature review that was conducted for this research. A literature review is an organised review and critique of the existing academic and practice-oriented research on the theoretical and empirical basis for the study (Galvan & Galvan, 2017). The literature review for this study drew mainly on academic sources, including peer-reviewed journals and academic books. However, the sparseness of information on dark marketing and the effect of control policies, along with the practical orientation of this study, meant that including what is sometimes called grey literature (Juricek, 2009) was appropriate. Such literature, for example books and white papers, is intended for practical application and often includes practitioner experience and suggestions for best practices, but may not be peer-reviewed (Juricek, 2009). Despite this weakness, such literature can be very useful in establishing a grounded theory, especially when considering specific contexts such as this study. The literature review begins with an overview of the theoretical background of the study, including stakeholder analysis, social learning theory, brand resonance networks, and brand value chains. Next, control policies for advertising and promotion in Thailand generally are then reviewed, along with an assessment of the impact of these control strategies. This follows with a discussion and summary of what is known about marketing strategies for dark markets. The chapter concludes with the conceptual and theoretical frameworks that direct the rest of the study.

2.1 Theoretical Background

2.1.1 Stakeholder Theory

The core of this research is stakeholder theory, particularly stakeholder salience. Stakeholder theory was initially developed in the 1980s as a response to emerging shareholder theory as a statement of the responsibilities of the firm (Freeman, 1984; Freeman, et al., 2010). This model argues that firms have a responsibility to more than just the financial owners of the firm in their actions. The stakeholder theory would eventually be extended from corporate strategy to areas including non-profit, public management and policymaking, as a tool to balance conflicting interests and needs (Freeman, et al., 2010). However, the central concept of the stakeholder remains confused, with a plethora of different definitions and scopes (Miles, 2012). For example, one comprehensive review of definitions found that in 493 articles reviewed, 435 different definitions of stakeholder were supplied (Miles, 2011). Miles (2012) goes so far as to argue that the concept of the stakeholder is essentially contested; that is, the nature of the stakeholder is so conflicted that it will probably never be resolved and therefore cannot be defined. While this is a sound theoretical position, this research still relies on stakeholder theory because of its role in balancing interests and voices and identifying interests (Magness, 2008). A working definition of the stakeholder for this research is that it is an individual, group, institution or other entity with an interest in the firm (Freeman, et al., 2010).

The rather vague definition offered by Freeman, et al. (2010) requires additional theoretical support to understand who may be considered a stakeholder. The stakeholder salience model (Figure 6) provides an evaluative tool for understanding stakeholders and their interests (Mitchell, et al., 1997). Mitchell, et al.'s (1997) typology of stakeholders argues that potential stakeholders have one or more of three characteristics, which are:

- Power: “the extent it has or can gain access through coercive, utilitarian, or normative means, to impose its will in the relationship (Mitchell, et al., 1997, p. 865)”;
- Legitimacy: The degree to which a potential stakeholder is perceived to have a legitimate role in a decision, including normative legitimacy, or “those stakeholders to whom the organization has a moral obligation, an obligation of stakeholder fairness, over and above that due other social actors (Phillips, 2003, p. 30)” and derivative legitimacy, or “those groups whose actions and claims must be accounted for by managers due to their potential effects upon the organization and its normative stakeholders (Phillips, 2003, p. 31)”;
- Urgency: Stakeholders whose claims are imperative, under conditions including time sensitivity and criticality (Mitchell, et al., 1997).

For the stakeholder salience model, possessing one of these three attributes does not necessarily signify an active stakeholder position (Mitchell, et al., 1997). Instead, it is in the overlapping of two or more attributes that the most important stakeholders of the decision lie, with the definitive stakeholder (with all three attributes) at the centre of the circle (Mitchell, et al., 1997). This model is a dynamic model, with stakeholders shifting from one category to another as their circumstances and the context changes (Magness, 2008). For example, a discretionary stakeholder developing urgency would become a dependent stakeholder. Furthermore, stakeholder definitions are made by the viewer, rather than objectively (Magness, 2008). The degree of expression of these attributes can also change the extent to which a stakeholder is viewed as relevant within the decision (Neville, et al., 2011). Stakeholders in alcohol and tobacco marketing include product users and the public along with firms (manufacturers, distributors, on-premise retailers etc.), but the extent to which firm and user/public interests are balanced differs in policymaking in this area (Casswell, 2013). This research is primarily concerned with the stakeholders involved in the commercialization and marketing of tobacco

and alcohol products, rather than the civil society, consumer, or policy perspective addressed in most other studies. This perspective has been under-examined in the literature, and there was relatively little evidence found in this research for the perspective of manufacturers, distributors, or marketers of such products and their challenges and motivations faced in the process of marketing products demanded by consumers. Thus, this study seeks to add an additional stakeholder perspective to the understanding of alcohol and tobacco marketing.

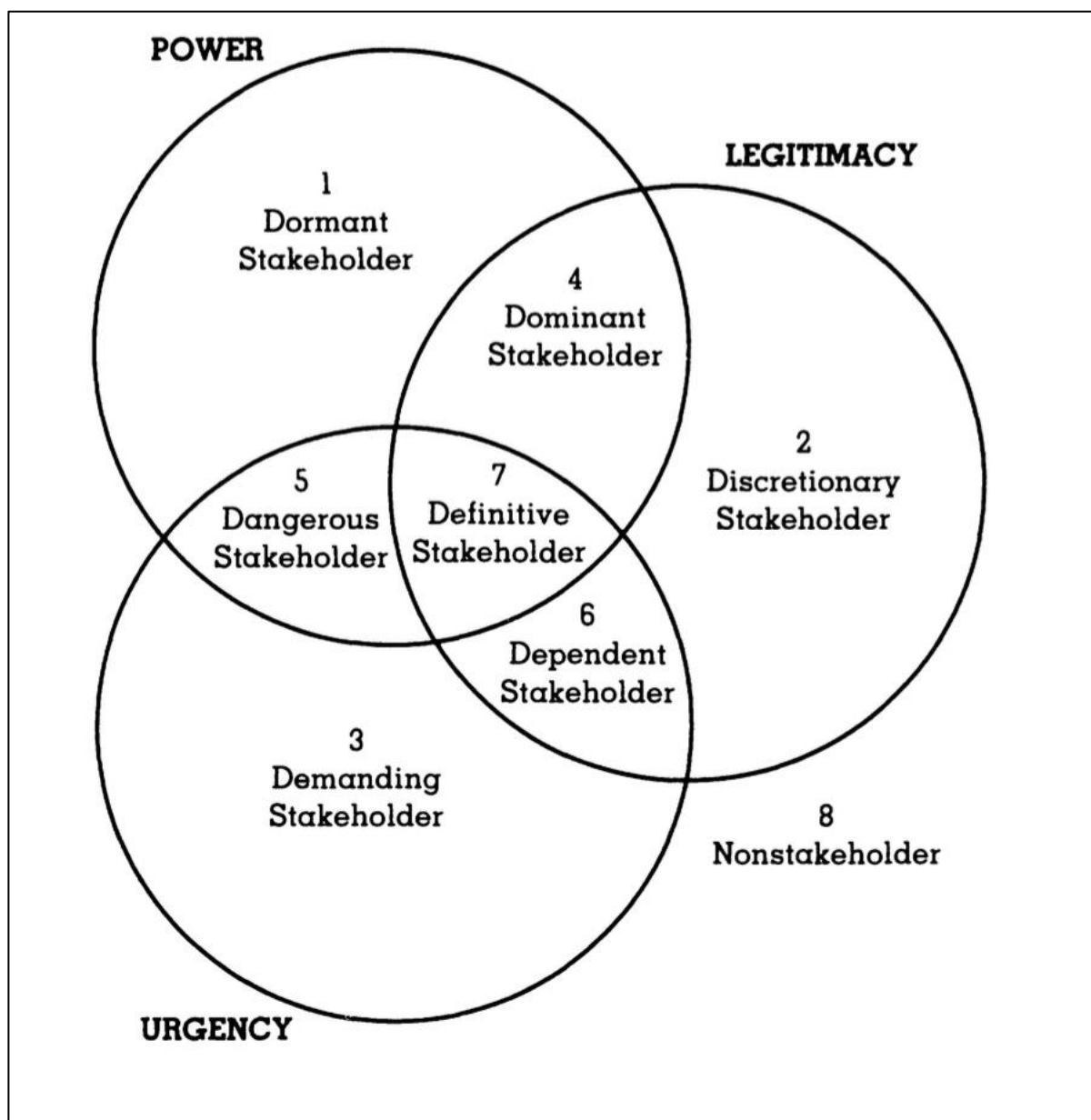


Figure 6 The stakeholder salience model

(Source: Mitchell, et al., 1997, p. 874)

2.1.2 Social Learning Theory

The second theory of interest in this research is the social learning theory, which is an explanatory model for the development and persistence of behaviours. Social learning theory (Figure 7) argues that human behaviour is determined by the combination of cognitive, behavioural, and environmental factors (Bandura, 1965; Bandura, 1977; Bandura, 1986). The cognitive and behavioural determinants of behaviour are derived from theories of classical and operant conditioning. However, social learning theory adds an environmental or social component to the learning process, which is called observational learning. Observational learning refers to learning through observation of models, or socially accepted others who model approved behaviours (Bandura, 1977; Bandura, 1986). For example, for children, parents, teachers, peers and older children act as models from whom social norms and skills can be learned. Children absorb or encode this behaviour, and then imitate or repeat it at a future time. The process of imitation invokes a conditioning reinforcement loop, in which positive or negative feedback encourages the child to repeat or avoid the behaviour in future (Bandura, 1977; Bandura, 1986). There are also other factors that can influence learning; for example, learning can occur indirectly by watching the reinforcement received by others, and contextual information (such as gender cues) are also absorbed. Thus, children gradually learn expected social norms and behaviours through a process of observational learning, imitation, and feedback and reinforcement, and through observation of the external environment (Bandura, 1977; Bandura, 1986). Bandura (1977, 1986) also proposes that cognitive processes mediate the relationships between observation, imitation and feedback. Simply, humans are not mindlessly imitating what they have seen, but instead are thinking about the behaviour and

how it may apply. Processes of attention, retention, reproduction, and motivation therefore influence the gradual process of learning.

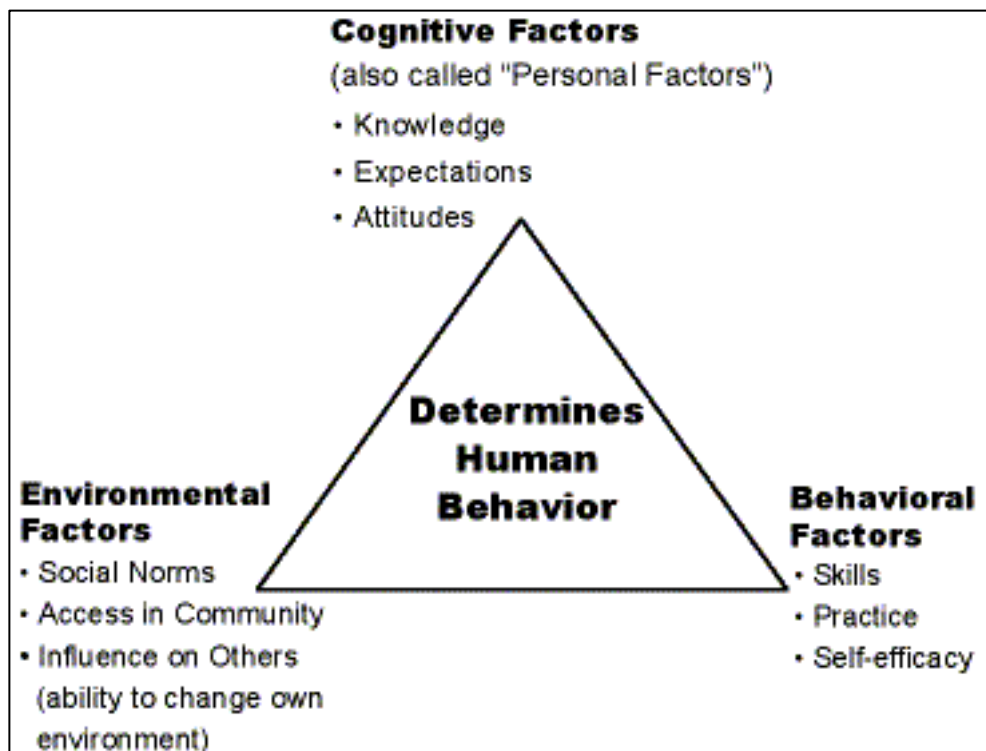


Figure 7 Social Learning Theory

(Source: Adapted from Bandura, 1986)

While Bandura's (1977, 1986) statement of social learning is mainly situated in childhood learning, the current research applies the theory to consumer behaviours, especially those that occur in adulthood. It is a basic observation that social learning theory applies to so-called consumer socialization, or the process by which young people learn and refine their consumption habits and behaviours (Moschis & Churchill, 1978). The implication of this process is that many consumers have their consumer preferences established at an early age, and that they learn these consumption preferences from those around them (Moschis & Churchill, 1978). However, consumer socialization does not stop in early childhood; instead, peer communication about consumption preferences and practices continues into adulthood (Wang, et al., 2012). Wang, et al. (2012) studied peer communication via social media about

products and brands. They found that peer communication could directly and indirectly influence consumer behaviour, by influencing both purchase decisions and product involvement (Wang, et al., 2012). Therefore, consumer socialization is a social learning process that changes consumer behaviour and continues into adulthood.

Studies have demonstrated the role of social learning in consumer behaviour toward both tobacco and alcohol. For example, studies have demonstrated that advertisements that model smoking or alcohol consumption positively can increase adolescent smoking and drinking (Freeman, et al., 2009; Manuel Sancho, et al., 2011). At the same time, negative peer pressure toward smoking and alcohol can combat these positive images, with negative feedback leading to avoidance of these behaviours (Yang, et al., 2013). Evidence on the role of social learning in adult consumer decisions is weaker, with most studies focusing on young adults rather than older adults, but these studies demonstrate the same social mechanisms influencing consumer choices (Dix, et al., 2010; Opoku, 2012). Thus, social learning theory is a robust model for understanding the social role on consumer decisions.

A special concern for this study is how positive social learning can be established. Social and cultural events, such as musical events, sporting matches, or other cultural events may be a way to invoke the positive behavioural reinforcement loop that leads to social learning. In other contexts, such events have been shown to be positive learning spaces for knowledge such as pro-environmental knowledge, with positive social reinforcement supporting lasting behavioural changes (Mair, 2014). These learning effects occur because of the positive emotions created within the event, combined with positive modelling of behaviours (such as recycling) and reward for reproduction of these positive behaviours (Mair, 2014). A study from Australia demonstrates that young music event attendees are highly social and often base their attendance and activities at music events on their social peer groups (Gill, et al., 2015). This study also demonstrated that alcohol consumption at such events resulted from

social modelling, imitation and reinforcement (i.e. peer pressure) (Gill, et al., 2015). Thus, the extension of social learning to the area of music events and similar cultural festivals is potentially valid, even though it has not been explored specifically. Although this may not seem like an obvious factor in alcohol and tobacco marketing, in fact it is highly relevant, because sponsorship of or presence at music events and similar events is one of the few promotional avenues remaining for alcohol companies (although it is no longer available to tobacco companies), and have been used as marketing tools previously (MacKenzie, et al., 2007). Tobacco and alcohol companies are also routine sponsors of such cultural events globally, although their access to this promotional avenue varies depending on the local advertising environment (Astuti, et al., 2018; Harper, 2001; MacKenzie, et al., 2007; McDaniel & Mason, 1999; O'Brien, 2013; Rowley & Williams, 2008). Thus, it is expected that the event will serve as one of the marketing tools that is relevant to the current study.

To summarize, it appears that in these darkening markets, the ability to present vivid advertisements that portray social perceptions that are positive and serve as a social learning for the potential consumer is greatly limited. It appears that events and special gatherings have been an approach that has been utilized by managers and commercial firms to enhance or change people's social perceptions. In this research we wanted to understand if this was indeed the case, if the firm's brands had experienced positive results and to gather their managerial wisdom and insights. This leads to the following hypotheses.

H1A: Firms in dark markets will employ event marketing as a way to attract attention and interest of their brands.

H1B: Firms that engage in event marketing will attempt to use events to drive social learning among their customers.

H1C: Firms that are trying to develop premium brands will be the most likely to embrace event marketing strategies.

2.1.3 Brand Resonance Networks

The third relevant theory is that of the brand resonance network, which is a marketing communications framework that recommends specific marketing choices based on the relationships of customers, consumers, and the company (Keller, 2009). The brand resonance network is based on the concept of brand resonance, which is derived from the theory of consumer-based brand equity (CBBE) (Keller, 2001). Within the CBBE model, brand identity is constructed via a four-stage process. Brand salience identifies the brand's basic identity, while its performance and imagery relate to what the brand means and what its associations are. Consumer judgments and feelings represent the consumer's perceptions of the brand and their response to it. Finally, consumer brand resonance refers to the relationship of the consumer and the brand, which is built on all the previous steps in the CBBE pyramid (Figure 8) depicts the CBBE pyramid and the sequential process). The specific dimensions of brand resonance include loyalty, attachment, community, and engagement. Thus, this dimension relates to the extent to which the consumer is behaviourally loyal to the brand (habitual repurchase), feels an attitudinal attachment to the brand (e.g. a strong positive emotional response), and social dimensions of feeling a sense of community with other consumers of the brand and being actively engaged and invested in the brand (Keller, 2001).

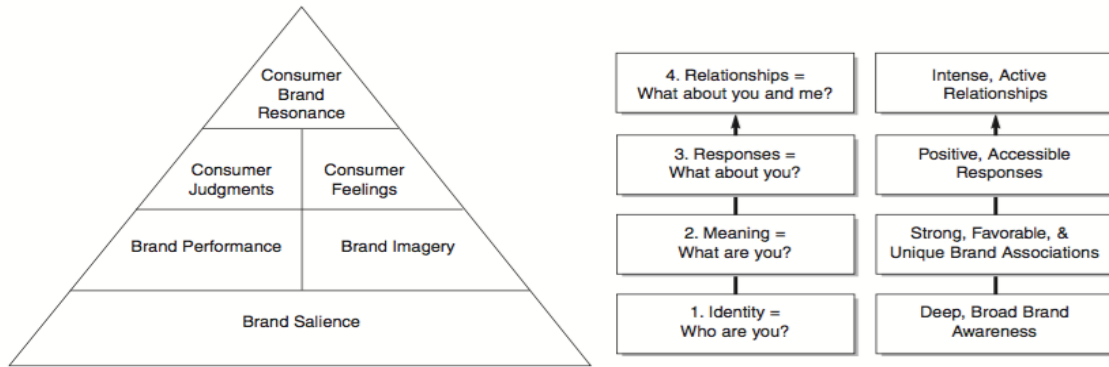


Figure 8 The customer-based brand equity pyramid

(Source: Keller, 2001, p. 7)

Keller (2009) proposed the brand resonance network as an operational tool for marketing communications to manage brands effectively in a changing marketing environment. In particular, the model is designed to deal with a marketing environment where consumers have increasing levels of choice and control over the information they see, but at the same time are exposed to so much advertising information that they may tune out new information. The brand resonance pyramid proposes four different types of relationships between the company, consumers, and brands, including: (1) the consumer-company relationship; (2) the consumer-consumer relationship; (3) the company-brand relationship; and (4) the consumer-brand relationship (Keller, 2009). The consumer-company relationship relates to how consumers feel about the brand itself and its relation to customers. The consumer-consumer relationship relates to the level of interaction between customers, which provides a social model for loyalty (e.g. brand recommendations or similar). The company-brand relationship relates to how well “the brand lives up to its promise, delivers on consumer expectations and exhibits the right brand values in the marketplace (Keller, 2009, p. 153).” Finally, the consumer-brand relationship addresses the traditional aspects of brand resonance, such as consumer loyalty and attachment. Keller (2009, 2018) argues that different kinds of communication tools can influence the relationships within the brand resonance network by

creating a foundation for resonance and optimizing resonance dimensions. For example, brands can encourage consumer-brand relationships and consumer-consumer relationships by establishing online communities of brand users (Keller, 2018). Sometimes these relationships develop spontaneously, as in the case of young consumers' choice of social media communities centred around a brand (Raut, 2015), but in other cases advertisers may play a role in creating these communities or in encouraging social sharing (Keller, 2018).

The brand resonance networking theory is a potentially effective approach to marketing communications under a complex environment. However, it has been little studied in the academic literature, and the concept has not been applied widely, with only a few authors such as Raut (2015) applying the model. Thus, this research offers an opportunity to test and evaluate the brand resonance network. However, it cannot be applied directly, because of the nature of advertising restrictions. Legal advertising restrictions or bans typically create legal penalties for using some or all consumer-oriented marketing communication channels or constrain what types of information can be provided within marketing communications from the company (Pardun, 2014). The exact nature of advertising restrictions can vary, depending on the nature of the goods and the company. It can also be the case that customers, not just the company or brand itself, can be constrained, for example not allowed to offer promotions or deals or design in-store sales areas (Pardun, 2014). Thus, the adapted model of the brand resonance network used in this research (Figure 9) addresses the advertising and promotion restrictions in place in Thailand's alcohol and tobacco markets (as discussed below). As this indicates, only the consumer-consumer relationship (or relationship (2) in the brand resonance network) can have a direct influence on consumer choices. Other relationships, including company-brand relationships and company-customer relationships, are therefore emphasized, while company-consumer relationships and customer-consumer relationships are constrained by marketing restrictions.

In summary, previously (and for many other categories today) the primary route to brand resonance has been through the use of consumer-based pull strategies such as advertising and other promotions. However, with the communication restrictions in place it would appear that firms have begun to shift their expenditures to push strategies. In this research, we wanted to find out if the managers had done this with the intent of trying to replicate the brand resonance impact of pull strategies, and whether or not it had been successful. It is also hypothesized that firms which are developing a brand or a “premium” for their goods will more enthusiastically embrace such strategies. This leads to the following hypothesis:

H2A: Firms facing darkening communication routes or bans will enhance their expenditures on pull strategies.

H2B: Firms that face darkening markets which augment their pull strategies will find that they are still able to develop brand resonance in the absence of advertising and direct consumer promotions.

H2C: Firms that are attempting to develop premium positions will be most likely to embrace pull strategies.

H2D: The effect of customer-consumer relationships will be limited in comparison, because of the advertising constraints.

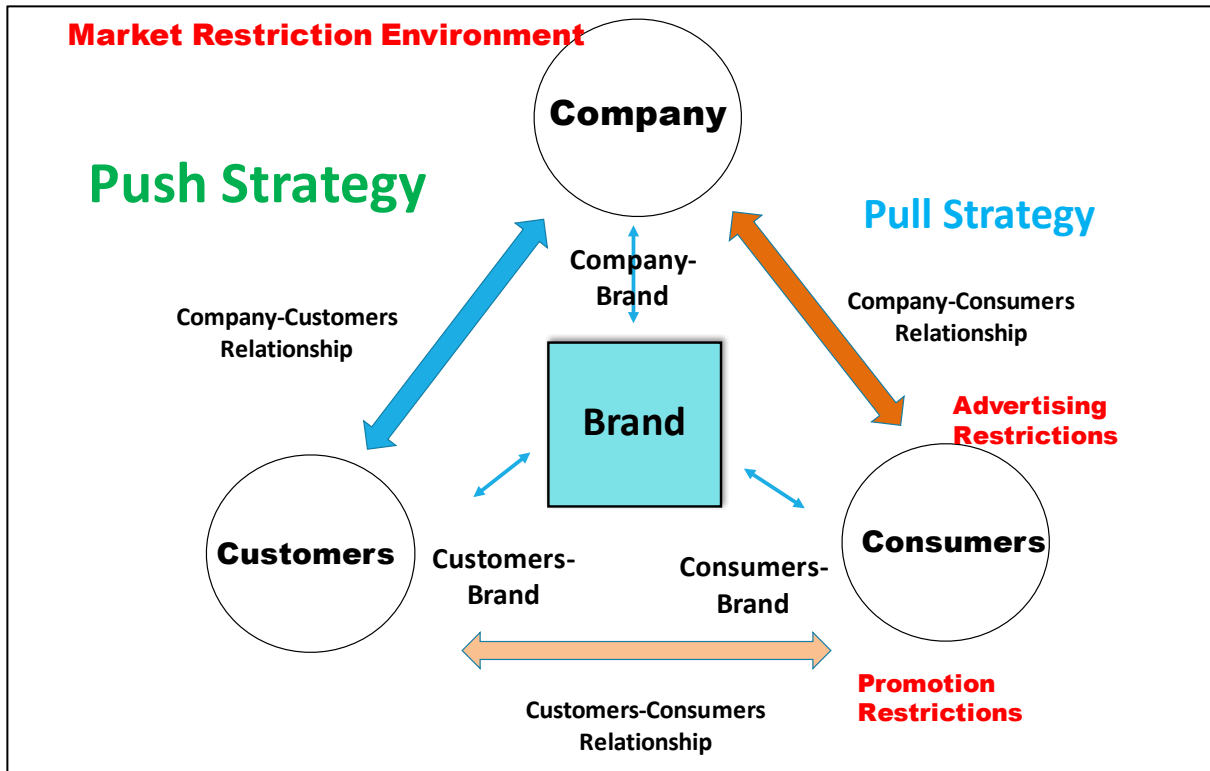


Figure 9 Brand resonance network and operations under dark market regulations

(Source: Adapted from Keller, 2009)

2.1.4 Brand Value Chain

The final theoretical basis in this research is the brand value chain. The brand value chain (Figure 10) is a process model of how investment in marketing translates to shareholder value for the firm (Keller & Lehmann, 2003). The brand value chain is a staged process model. The first stage is the Marketing Program Investment, in which the company invests in product development, communications, trade relationships, and human capital (employees) to establish and execute products and marketing strategies. This stage influences stage two, which is the formation of customer mind-set toward the brand (which includes brand awareness and associations, brand attitudes, brand attachment, and brand activity). Marketing program quality influences the relationship between the marketing program investment and the customer mind-

set. The customer mind-set then leads to stage three, which is brand performance. Brand performance is indicated by financial indicators such as market share, cost structures and profitability, but also by demand factors such as price premiums, price elasticity and brand expansion. The demand factors relate to how customers view the brand and how involved they are in the brand. Marketplace conditions, including competitors, customer base and characteristics, and channel support, influence the relationship of customer mind-set and brand performance. The final stage is the formation of shareholder value, in which the brand performance leads to changes in stock price and other stock indicators. This may be influenced by investor sentiment factors as well (Keller & Lehmann, 2003). Measurement of brand value can be conducted at several stages, including the customer mind-set stage (with customer mind-set metrics) and at the market value stage (with metrics such as revenue premiums, which identify how much additional revenue can be gained based on the brand) (Huang & Sarigollu, 2014). Huang and Sarigollu (2014) state that market value metrics like revenue premiums are more effective than customer mind-set measures because they measure financial outcomes.

The brand value chain represents the *appropriable* value of the brand, or in other words the financial value that can be passed on to investors (Raggio & Leone, 2009). This is distinct from customer brand equity, which incorporates intangible elements such as brand engagement (Raggio & Leone, 2009). It can also be viewed as an interactional model of the stakeholder processes that creates the financial value of the brand (Jones, 2005). For example, the model incorporates interactions between the firm and its managers, employees, supplier and distribution partners; consumers; competitors; media; and public stakeholders including non-governmental organizations (NGOs), governments, and public opinion in the formation of long-term financial value (Jones, 2005). However, it should be noted that within this network of stakeholders there are some potential conflicts, particularly for products that may not be in

the best interests of society generally. Thus, there are some potential conflicts for stakeholders within the brand value chain for the products investigated in this study.

Previous studies have demonstrated the utility of the brand value chain in evaluating consumer responses and market performance of firms, but have also called into question whether the model applies in all instances. For example, one such study investigated the Swedish market for fast-moving consumer goods (FMCG), using 2007-2010 data (Anselmsson & Bondesson, 2015). These authors showed that customer mind-set metrics had an inconsistent relationship to market performance, with different firms showing different outcomes (Anselmsson & Bondesson, 2015). Another study showed that the effect of program quality (as operationalized as integrated marketing communication (IMC) capability) had a significant effect on the overall market and shareholder performance (Luxton, et al., 2015). These authors demonstrated that companies with stronger IMC capabilities had significantly more positive customer mind-sets, market performance, and shareholder value outcomes than firms with weak IMC capabilities (Luxton, et al., 2015). Thus, there is some evidence for the empirical relationships between the components of the brand value chain, which also emphasizes the role of the program quality in generating market performance and eventually shareholder value.

This research is primarily concerned with stages one through three of the brand value chain, focusing on the interaction between marketing program investment, customer mind-set, and brand performance along with influences of program quality and marketplace conditions. Thus, the scope of the study does not incorporate the last stage of the model.

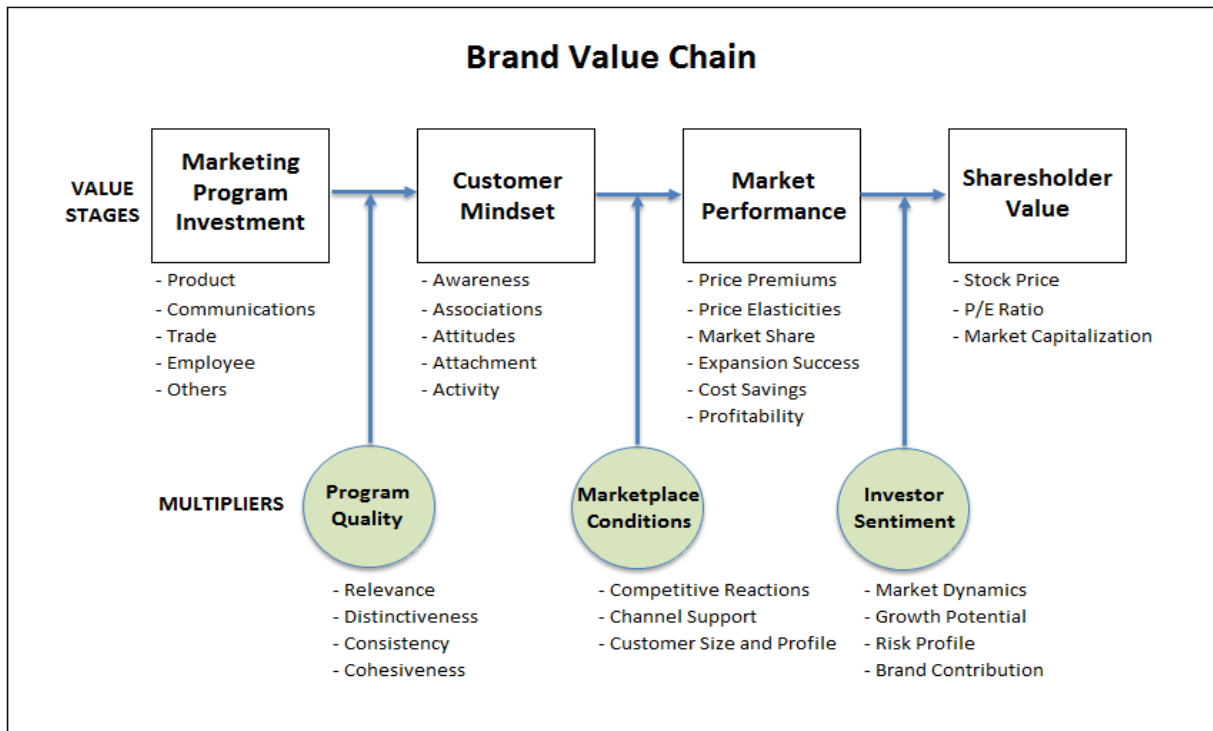


Figure 10 The brand value chain

(Source: Keller and Lehmann, 2003, p. 29)

2.2 The Context of the Thai Market

In Thailand, both alcohol and tobacco industries are what can be called *dark markets*, or markets where advertising is constrained by legal regulation, generally these are initiated because of public health concerns or public decency rules (Dewhirst, 2012). Typically, this advertising regulation is not absolute, but instead exists at different levels. Some bans could be termed *light bans*, in which there are some constraints on the marketing of products such as energy drinks or junk food (e.g. not targeting children with advertising) (Goldfarb & Tucker, 2011). *Partial bans* (or grey markets) impose stricter controls, such as controlling marketing channels or topics for goods like alcohol (Nelson, 2010). The strictest controls, *total bans* (or dark markets) completely ban any form of advertising and may require plain packaging or

hiding of the products from view as is the case for products such as tobacco (World Health Organization, 2013). In many instances, advertising and marketing bans may become increasingly strict due to changes in the perceived effect of the product on individuals or on society (Nelson, 2010).

Thailand has a marketing and advertising control environment for both alcohol and tobacco products, although control of tobacco marketing is stricter than that of alcohol marketing. Thailand's "Thai Anti-Smoking Campaign Project" (TASCP) seeks to reduce smoking rates in Thailand through a combination of laws and restrictions on the sale of tobacco products, tax increases, and required health warnings (Center for Global Development, 2018). This program, which was established in 1986, moved from initial objectives of consumer education to advocating for legal action against tobacco manufacturers. The TASCP campaign has been effective at introducing strict legal controls for tobacco sales in Thailand. The Tobacco Product Control Act B.E. 2535 (1992) and amendments introduced in the Tobacco Product Control Act B.E. 2560 (2017) have created an increasingly tight set of regulations for tobacco. In the 2017 Act, Part 4 (Articles 26 to 40) addresses the control of packaging, labelling, and the use of advertising, promotion, and sponsorship. These controls include restrictions on age and ID buying and selling, sales channels, display of advertisements and sponsorship, in-store display of products, and strict labelling requirements. Part 5 (Articles 41 to 46) controls tobacco use, such as designation of smoking and non-smoking area. The total control of advertising and strict control of sales classifies tobacco as a dark market in Thailand, representing a de facto total ban on advertising.

Alcohol marketing is also controlled in Thailand under the "Alcoholic Beverage Control Act," BE 2551 (2008). This Act imposes age and ID restrictions on sales, specific requirements for packaging and labelling of alcohol products, sales procedures, limits on consumption sites, and limits on what kinds of advertising could be used. For example, Section

32 states that “No person shall advertise or display names or trademarks of alcoholic beverage deemed to exaggerate their qualifications or induce people to drink such alcoholic beverage either directly or indirectly.” However, unlike tobacco marketing, the alcohol marketing environment does not completely constrain the use of marketing or advertising. Thus, for our purposes, this can be considered a grey market or partial ban.

2.3 Control Policies over Dark Markets in Thailand

Marketing control policies are government laws and regulations that limit the use of marketing and promotional tools for the restricted product categories (Mavrot, 2017). These policies can be applied at the local, national, or even international levels, and control policies may move from one sphere to another (for example, international control standards being implemented at the local level) (Mavrot, 2017). There are two primary types of control policies used for dark market products (cigarettes and alcohol) in Thailand: advertising restrictions and promotion restrictions. Though other restrictions such as hours of sale, places for consumption, channels through which the product can be sold may also be considered restrictive.

2.3.1 Advertising Restrictions

Advertising restrictions are regulations and laws that control advertising of products to consumers (Crown, et al., 2010). Advertising restrictions can ban advertising to consumers entirely, can limit the use of specific advertising channels, and can mandate specific information that is included on advertising and packaging (Crown, et al., 2010). Thailand has advertising restrictions for both tobacco and alcohol products.

Tobacco product advertising restrictions. Tobacco advertising restrictions are imposed in the Tobacco Product Control Act B.E. 2560 (2017). These restrictions have emerged over time through the action of the Thai Anti-Smoking Campaign Project (TASCP), which has worked on increasing advertising controls since the 1980s (Center for Global Development , 2018). Part 4 of this Act is the Part that imposes specific controls on the sale and advertising of tobacco products. Article 30 of the Tobacco Product Control Act states outright that “No person shall advertise or convey any marketing message for tobacco products.” Article 31 imposes additional restrictions, stating that “No person shall display as an advertisement the name or symbol of a tobacco product, the name or symbol of a tobacco product manufacturer, or any mark or other thing to cause the public to understand that such name or symbol is the name of a tobacco product or tobacco manufacturer producer or importer.” These prohibitions extend to printed materials, entertainment halls and entertainment tools, and any other location. They also extend to the printing of tobacco brand names and symbols on other products (Article 33) or selling products that represent or simulate smoking or tobacco products (Article 34). Furthermore, tobacco products cannot be placed on display in retail premises (Article 36). In effect, this represents an outright ban on tobacco advertising in Thailand, although there is a gap in that online communities are not mentioned.

Alcohol product advertising restrictions. Unlike tobacco advertising, there has not been a concerted effort to control alcohol product advertising restrictions, but there are still some restrictions in place in the Alcoholic Beverage Control Act BE 2551 (2008). Section 32 of this Act establishes the advertising restrictions placed on alcoholic products. This Section states that advertising that induces people to drink or exaggerates the effect of alcohol is not allowed. Furthermore, advertisement from alcoholic beverage manufacturers must be “only for the purposes of giving information or creative knowledge without displaying pictures of the products or packages, except for the display of symbol of such alcoholic beverage or the

symbol of the company manufacturing the alcoholic beverage.” Finally, Section 32 of the Alcoholic Beverage Control Act explicitly states that it “shall not apply to the advertisement outside of the Kingdom.” Thus, these controls can be characterized as a light or partial constraint on advertising of alcohol. It does not disallow advertising and does allow display of brand signifiers such as names and symbols, unlike the total ban on tobacco marketing. Perhaps most surprisingly, the alcohol restrictions only apply to domestically originating advertisements, leaving a significant loophole for international alcohol firms. These alcohol constraints are far weaker than those applied to tobacco advertising.

2.3.2 Promotion Restrictions

Promotional restrictions are restrictions that apply to practices that incentivize consumers to purchase or try products (Crown, et al., 2010). For example, promotions can include purchase premiums (such as buy one get one), product or gift premiums, sweepstakes, promotional pricing, samples, or the use of sponsorships and endorsements (Crown, et al., 2010).

Tobacco product promotion restrictions. The Tobacco Product Control Act BE 2560, Part 4, also imposes strict constraints on the promotion of tobacco products. Article 27(8) prohibits retail sellers from practices such as contests and promotional giveaways for performances and events, participation in games, or other benefits as a means of promoting tobacco sales. Retail sellers are also not allowed to display tobacco prices to induce customers to buy products from them (Article 27(9)) or to offer gift premiums, buy one get one premiums or sale price premiums (Article 27). Other promotional activities that are disallowed include distributing samples of tobacco products (Article 28), promotion of tobacco brands in recorded media or performances (Article 31), and supporting promotion of tobacco products (Article

35). In fact, under this Act, retail sellers of tobacco products are not even allowed to display the tobacco products in the retail establishment, and display of product names and prices of products that are sold must strictly conform to established regulations (Article 36). As is the case with advertising restrictions, this constitutes a stringent ban on the promotion of tobacco products, either through in-store displays, price promotions, or other promotions such as contests and giveaways. Thus, the tobacco product market in Thailand can be considered as a dark market, with few traditional avenues remaining for product marketing owing to the extent of advertising and promotion restrictions (although so-called below the line marketing may still be used) (Carter, 2003). There is also the possibility for online marketing, although this is not established in the Tobacco Product Control Act.

Alcohol product promotion restrictions. As with advertising restrictions, alcohol product promotion restrictions under the Alcoholic Product Control Act BE 2551 (2008) are somewhat weaker than those imposed on tobacco. Section 30 of the Act outlines several restrictions on the promotion of alcoholic beverages, including a prohibition on promotional discounts (Section 30(3)), offering of competition or performance attendances or other rewards or privileges (Section 30(4)), or distributing gifts or samples (Section 30(5)). Thus, many of the common promotional avenues, such as gift premiums and price promotions, are not allowed. Unlike the advertising constraints identified in Section 32, there is no exception in this case for international sellers, meaning that all promotions in this market are assessed under the same rules. However, sponsorship of events and display of alcohol brands, products and prices, which are constrained for tobacco products, are not disallowed. Thus, this is a partial but not total restriction of the promotion of alcohol products. Thus, advertising and promotion of alcohol in Thailand could be characterized as a grey market (Carter, 2003). This means that there are more avenues available for promotion, but there is no guarantee that the constraints on advertising will not become stronger over time (Carter, 2003).

2.3.3 Additional Constraints on Sale of Alcohol and Tobacco in Thailand

In addition to advertising and promotional constraints, alcohol and tobacco control laws impose several other constraints on product sales. The Tobacco Product Control Act imposes constraints including an age limit of 20 years for sale of products (Article 26), strict limitations to on-premise, in-person sales (Article 27), restriction of certain premises from sale of tobacco products, including temples and other religious sites, health care establishments and educational institutions, public parks, and other public places (Article 29). The Alcoholic Beverage Control Act has similar constraints. Specifically, packaging, materials and warning labels must comply with established rules (Section 26); alcoholic products cannot be sold in temples and religious sites, healthcare establishments, official places, dormitories and educational institutions, petrol service stations, parks, and other places (Section 27); there are limitations on day and time of sale of alcohol products (Section 28); age limits (under 20) and restrictions on the sale of drunk people (Section 29); and limitations on sale of alcohol in vending machines or by hawkers (Section 30). Thus, once again tobacco limitations are somewhat stricter than alcohol restrictions, but these rules are closer than the advertising and promotion restrictions.

2.3.4 Alcohol and Tobacco Control Policies in Thailand in Global Perspective

One important question to ask is: How do Thailand's alcohol and tobacco control policies compare to those enacted in other countries. Thailand is routinely cited as one of the most stringently regulated tobacco markets in the world, with an early introduction of anti-smoking policies and tobacco control policies in the early 1990s placing it in front of many

other Asian countries (Chantornvong & McCargo, 2001; Levy, et al., 2008; Sangthorn, et al., 2011). These policies have been effective at reducing smoking rates by 20% to 25%, decreasing consumption in Thailand substantially from a high of 60.1% of adult smokers when the initial tobacco control policies were enacted, although effects had levelled out by the early 2010s (Levy, et al., 2008; Sangthorn, et al., 2011). Thus, in terms of global tobacco control Thailand is in the leading ranks of performance, both in terms of stringency of restrictions and effect on demand for tobacco products. Thailand has also been in the vanguard of alcohol control policies, for example introducing a proposal to the World Trade Organization (WTO) for graphic warnings on alcohol labels (which has not been accepted by other countries) (O'Brien, 2013). However, regulatory constraints in Thailand are only considered to be in the middle of other countries on the global scale, according to a review of 18 different countries and their alcohol control policies (Babor & Winstanley, 2008). This study notes that alcohol distributors in Thailand play a significant role in limiting the effects of alcohol control policies, especially through political influence (Babor & Winstanley, 2008). This is consistent with the overall internal state of regulations, which show that tobacco is regulated much more strictly than alcohol in Thailand.

2.4 Impact of Control Policies on Sales Performance of Tobacco and Alcohol Products

There is limited evidence of the impact of advertising and promotional control policies on the sales performance of tobacco and alcohol control policies from a marketing or sales management perspective. However, there have been several studies that have evaluated the impact of such control policies on sales of restricted products from a consumer demand

perspective. In this section, evidence for the impact of control policies on sales performance in a global scale and in Thailand is assessed.

2.4.1 Global Evidence

There are various ways that control policies could change, which could affect sales conditions. Table 1 summarizes studies that have investigated the effects of control policies on alcohol and tobacco sales globally, either in individual countries or across countries. Many of these studies also investigated public health outcomes, such as alcohol and tobacco-related illnesses and death and smoking and alcohol consumption rates. However, since the goal of this study is to investigate sales effects, attention is placed on this factor here.

These studies generally show that changes in some alcohol and tobacco controls were associated with changes in sales: tighter restrictions lowered sales, while looser restrictions increased sales. However, there are some problems with these findings. One of these problems is that it is possible that state estimates of consumption, which many such studies are based on, are inaccurate (Nelson, et al., 2009). Another concern with some of these studies, such as that of Duffy (1996), is that the underlying data is from before widespread advertising and promotional bans came into effect in some markets. Another issue is that in the case of an incomplete control regime (for example, one in which high taxes are used to increase price but promotional deals are allowed), the effects can be muddled (Loomis, et al., 2006). Thus, these sales estimates cannot be accepted as fully accurate, particularly given that it is known that the underlying data and execution may not be accurate.

Although this study is concerned with the effect of on-premise sales, this has rarely been a concern for authors that have investigated this area. One exception studied the effect of a tax increase in New York City, finding that on-premise sales fell as individuals turned to

other sales channels (Frieden, et al., 2005). A few other studies have also shown that changes to sales channels away from on-premise sales and toward less expensive (though potentially illegal) channels is a common consumer response to tobacco price and tax increases (Rheaume, 2015; Shelley, et al., 2007). However, this effect may be exaggerated in the United States, where regulatory fragmentation means that it is relatively easy to seek out alternative channels by travelling to a different jurisdiction (Rheaume, 2015). Since advertising restrictions showed little effect in general (Duffy, 1996; Wilcox, et al., 2015), it is not certain what effects this would have on sales.

Authors	Description of the Study	Findings
Duffy (1996)	Critical survey of econometric studies on the relationship between advertising restrictions and cigarette demand.	Studies included US, UK, and cross-country studies. The author showed that in general, advertising restrictions and bans had little effect on cigarette demand in the aggregate.
Elder, et al. (2010)	Quantitative meta-analysis of 72 papers that examined the effect of tax policy interventions on alcohol consumption in different countries.	The study found that there was an almost universal finding of an inverse relationship between tax or price of alcohol and alcohol consumption. Higher prices and taxes reduced consumption and overall sales.
Frieden, et al. (2005)	Studying the effect of a tobacco tax increase in New York (2002-2003).	Authors found that overall smoking prevalence fell by 11%. They also found that sales outside New York City more than doubled, and that alternative sales channels (including unofficial or illicit channels) became more common.
Loomis, et al. (2006)	Investigation of joint effects of point of purchase promotions and excise tax increases on cigarette sales in the US (1994-2003).	Authors found that unit sales were mostly stable, but the unit volume of point of purchase promotions grew substantially in the period following price increases.
Mäkelä and Österberg (2009)	Investigation of weakening controls, specifically reduction of an alcohol tax in Finland in 2004.	Authors found an increase of 10% in alcohol consumption in 2004, which was significantly above the average annual growth rate for the period.

Nelson and Young (2001)	Comparison of outcomes for alcohol restrictions in OECD countries (1977-1995).	Authors found no significant differences in per capita consumption in countries with and without alcohol advertising bans.
Rheaume (2015)	Studying the history of cigarette excise taxes and other regulations in the United States.	Increased cigarette taxes had some negative effects, but this was offset by consumers seeking out alternative channels. Other regulations such as advertising constraints had little effect on sales.
Shelley, et al. (2007)	Investigating the effect of cigarette tax increases in New York City (2002).	Authors found that consumers turned to informal sales channels and away from on-premise, licensed sales in response to increased prices.
Stockwell, et al. (2009)	Examination of alcohol sales effects of partial privatization of alcohol sales in British Columbia, Canada.	Authors found that increasing the number of sales sites and outlet density of sales sites for alcohol (including private and government-controlled retail outlets and bars and restaurants) increased the per capita sales of ethanol.
Wagenaar, et al. (2009)	Quantitative meta-analysis of consumption effects of price and tax changes on drinking.	Authors found significant negative demand elasticities for all three categories and in total (aggregate-level $r = -0.17$ (beer) -0.30 (wine); -0.29 (spirits); -0.44 (total alcohol demand)). Thus, increasing taxes and price levels results in significantly lowered demand.
Wilcox, et al. (2015)	Studying the effect of advertising spending in alcohol categories on sales in the United States (1971-2012).	Authors showed that advertising spending rose 400% during this period, but per capita consumption barely changed. Authors suggested (but did not test) that this could imply that advertising bans have little real effect.

Table 1 Summary of studies on the impact of control policies on sales of alcohol and tobacco products globally

(Source: Summary by author)

2.4.2 Evidence from Thailand

Since this research is mainly concerned with Thailand, studies from this market were sought out, although they are relatively difficult to find. Statistics from Statista (2018a) show that alcohol use is expected to grow by 2.1% (2018-2021). Tobacco use is expected to grow by

only 0.3% (Statista, 2018b). Thus, these markets are relatively slow-growing. However, these growth statistics do not tell the full story of the effect of control policies. Studies that have directly addressed this question are summarized in Table 2. One of the notable features of the literature in this area is that most of the evidence is from the tobacco market, with its total ban, rather than alcohol (Blecher, 2008; Levy, et al., 2008; Sangthorn, et al., 2011; Shang, et al., 2015; Vateesatokit, 2003). In contrast, only a few studies were found that applied to alcohol marketing restrictions and their effects on sales (Cook, et al., 2014; Jiang, et al., 2017).

This lack of research is understandable since, as discussed above, Thailand was one of the world leaders in regulation of tobacco companies, but its regulation of alcohol has been far weaker. However, another concern is that there is significant political involvement in the alcohol industry in Thailand, which often leads to weak regulation (Casswell, 2013). However, there are also other explanations for this situation. For example, a study of low and middle income countries (including Thailand) showed that while policies that controlled physical availability, such as limitation and licensing of premises and sales hours, did have a negative effect on sales, simple advertising restrictions did not (Cook, et al., 2014). This means that there is a gap in the literature on understanding the effects of weaker advertising controls in Thailand's alcohol market. However, it is also not clear that even stricter advertising bans as used in the tobacco industry have a direct effect, given the global evidence. This relatively limited and confused literature makes it difficult to assess the likely effect of advertising and promotion controls or bans on tobacco and alcohol sales, although it is likely that these controls or bans will have such an effect.

Authors	Description of the Study	Findings
Blecher (2008)	Studying effect of tobacco advertising bans in developing markets.	Both limited and comprehensive bans had a negative effect on tobacco consumption in the panel of countries, which included Thailand.
Cook, et al. (2014)	Investigation of the effect of alcohol policies on sales in developing markets.	Authors found that policies that physically restricted sales had an effect on sales, but advertising regulations typically did not.
Jiang, et al. (2017)	Examination of alcohol marketing in Asia.	Marketing bans did slightly negatively affect youth drinking, but with multiple ways to avoid bans this was not a significant effect.
Levy, et al. (2008)	Investigating the effects of control policies on smoking rates and deaths in Thailand.	A reduction in smoking prevalence of 25% (1991-2006) could be attributed to control policies.
Sangthorn, et al. (2011)	Examining smoking control policies in Thailand.	Authors estimated a 20% reduction in the smoking rate to 2011.
Shang, et al. (2015)	Study of point-of-sale tobacco promotion and youth experimental smoking in the Global Youth Tobacco Survey (including Thailand).	Authors found that point-of-sale promotional bans reduced youth experimental smoking. However, it did not necessarily have an effect on established smokers.
Vateesatokit (2003)	Investigating tobacco control efforts in Thailand.	Authors argued that even though an advertising ban was in place, effects were limited because advertisers found their way around such a ban.

Table 2 Summary of studies on the impact of control policies on sales of alcohol and tobacco products in Thailand

(Source: Summary by author)

2.5 Marketing and Promotion Strategies for Dark Market Products

Identifying effective marketing strategies for dark market products like tobacco and alcohol is a special challenge because these marketing strategies are typically reported on negatively. As the discussion of the brand resonance network (Section 2.1.3) showed, marketing strategies for these products are also constrained, with many of the most popular

types of marketing communications channels such as mass advertising or in-store promotions not feasible under Thailand's tobacco control regime and somewhat limited by its alcohol control regime. However, there are four strategies that could be potentially effective in marketing of the target products. These include trade marketing, relationship marketing, event marketing, and digital marketing.

2.5.1 Trade Marketing

Consumer-oriented marketing is constrained by alcohol and tobacco control policies in Thailand. Alternatively, brand-customer relationships, which are B2B relationships between suppliers and retail sellers (Keller, 2009), are not constrained. This means that marketing strategies that leverage the brand-customer relationship present a key marketing strategy opportunity for differentiation. One such strategy is trade marketing, a push strategy in which the manufacturer or brand owner seeks to increase orders from customers (such as on-premise retail channels in the case of this research) without directly connecting to the end consumer (Fomari & Grandi, 2012). Trade marketing is marketing that is directed between partners in the value chain for the product, including suppliers, wholesalers, distributors, and retail partners (Randall, 2000). In some markets including the United States trade marketing may be known as 'partnering' or partnership marketing (Dupuis & Tissier-Desbordes, 1996).

Trade marketing strategies do resemble business-to-business (B2B) marketing strategies, in that they do represent relationships between businesses rather than relationships between businesses and end consumers (Hall, 2017). This means that trade marketing emphasizes factors such as sales figures and personal selling relationships between firms, rather than aspects such as brand experience or brand identity (Hall, 2017; Randall, 2000). At the same time, since the second business in this partnership is an intermediate sales partner

rather than an end consumer as in much B2B marketing (Hall, 2017), there are some significant differences in the required marketing strategy. For example, trade marketing is oriented toward establishing and maintaining close partnerships with retail channels or other sales outlets, rather than engaging in transactional or trial sales (Dupuis & Tissier-Desbordes, 1996). These long-term relationships may come with some form of lock-in or contractual obligation to accept a certain amount of product for sales, and firms engaging in trade marketing need to be able to effectively estimate channel absorption capabilities and growth potential to ensure that the channel sales are optimized (Randall, 2000). Trade marketing also involves an element of power rather than an equal relationship between channel partners (Dupuis & Tissier-Desbordes, 1996). For example, trade promotions and slotting fees influence what products are placed in the retail store (and how) (Bloom, 2001). Finally, the marketing mix of trade marketing is separate from that of retailing or consumer marketing, consisting of elements like logistics, brand management, merchandising and promotion, which in turn influences the marketing mixes of the producer and the retail distributor (Dupuis & Tissier-Desbordes, 1996). Thus, while the practice of trade marketing is superficially similar to the practice of B2B marketing in terms of partners and relationship formation, in fact it is a separate type of marketing strategy with distinct goals.

Evaluation of the process and effects of trade marketing for alcohol and tobacco products is relatively rare in the literature. Evaluation of effects for alcohol markets like beer can be difficult because official statistics and firm financial statements do not typically differentiate between trade marketing and other forms of marketing, and firms rarely openly discuss their trade marketing activities (Tomlinson & Branston, 2014). This makes the value of trade marketing strategies (or their costs) difficult to estimate (Tomlinson & Branston, 2014). However, there are some case studies that have examined the use of such tactics. For example, one case study found that global beer manufacturer Anheuser-Busch engaged in

extensive trade marketing, especially in markets with more restrictive alcohol control regulations (Bovie, et al., 2017). Another case study compared British and Czech beer marketing (Lewis & Vickerstaff, 2001). This study showed that although there were significant differences in the marketing of these two beer industries, extensive trade marketing was used in both cases. Firms were particularly likely to provide branded décor, merchandise, products like t-shirts and beer mats, and other products to retail outlets (Lewis & Vickerstaff, 2001). Trade marketing is also known to be an important strategy for cigarette manufacturers, perhaps even more so than alcohol manufacturers given that tobacco controls are typically stricter (Moodie & Hastings, 2011; Pollay, 2007). For example, Moodie and Hastings (2011) reported that firms like Phillip Morris pushed trade partners and retailers to stock more cigarette packs, which were designed to appeal to specific interests (auto racing). Pollay (2007) showed that another aspect of trade marketing was the development and design of in-store cigarette merchandising, which was often provided to retailers free of charge. Thus, both alcohol and tobacco firms may effectively use trade marketing as a push strategy, both encouraging increased sales and providing merchandising and marketing tools that are then used in the on-premise sales channel. However, it is not clear that this would be consistent with the stringent limitations on tobacco advertising in Thailand, and therefore it may not be used for this market.

2.5.2 Relationship Marketing

The second potential marketing strategy is that of relationship marketing. Relationship marketing is a marketing strategy that focuses on long-term customer relationship value (CRV) rather than short-term transactional sales value (Smith, 2011). The resulting marketing strategy focuses on developing long-term brand relationships with specific customers, rather than engaging in mass advertising to increase general brand awareness or encourage initial product

trial and impulse purchase (Smith, 2011). Typically, relationship marketing contains an element of direct marketing, in which consumers or customers are targeted directly with offers that appeal to them (Smith, 2011). Relationship marketing can also be thought of as a stakeholder-oriented approach, with long-term customers being positioned in a relationship with the firm (or at least, offering the illusion of such a relationship) (Christopher, et al., 2002). Under this model, the firm's products are designed to produce mutual, long-term benefits, rather than one-time benefits or value extraction (Christopher, et al., 2002).

Relationship marketing has historically been described as a niche marketing strategy (Dalgic & Leeuw, 1994). In other words, relationship marketing was not necessarily viewed as an appropriate strategy for all products, but instead only for products that operate under unusual conditions such as small and dispersed markets, specialized demand or marketing and advertising constraints that limit the potential for other types of marketing tools and make customer retention critical (Dalgic & Leeuw, 1994). However, this changed rapidly in the late 1990s with the advent of database and direct marketing, which offered less expensive relationship marketing and the ability to adapt and customize marketing offers to specific customers (O'Malley & Tynan, 2000). Today, relationship marketing is often performed employing artificial intelligence (AI) and big data analytics tools, which provide even more intelligent customization of the direct marketing offer for evolving customer needs (Payne & Frow, 2017). Thus, even though relationship marketing has its origins in niche marketing, it is now broadly applied to consumer goods and services and can be considered a mainstream marketing approach.

Relationship marketing has long been argued to be an effective tool for retaining customers under marketing constraints such as those imposed by alcohol and tobacco controls (Dalgic & Leeuw, 1994; O'Malley & Tynan, 2000). Case studies of alcohol and tobacco companies have also demonstrated the use of relationship marketing strategies in this context.

One such case study investigated the integrated marketing communications (IMC) strategy established by the Player cigarette brand in Canada (Dewhirst & Davis, 2005). These authors showed that the brand sought to build long-term relationships with its customers through direct marketing to carefully targeted customer bases and to reinforce the social acceptability of smoking. This strategy was held consistently over the 30-year period of the study, with the most intensive relationship marketing targeted to 18-to-24 year old smokers. Past this point, as the case explained, marketing efforts could be reduced in intensity because consumer habits were already established (Dewhirst & Davis, 2005). Thus, this case demonstrates the fundamental principle of relationship marketing as it applied to the case of this tobacco firm.

A more recent case study demonstrates how relationship marketing has developed in the wine industry in coordination with online marketing (Thach, 2009). The authors noted that email-based marketing and social media marketing oriented toward the development of customer relationships were increasingly part of the wine marketing practice for American wineries. They also showed that these tools helped to increase customer engagement with the brand, for example by encouraging interaction with social media and customer-customer interaction. The direct marketing component of email-based marketing was also effective, as it allowed firms to meet their regulatory constraints (for example not marketing to consumers below the drinking age) while still providing a compelling marketing message. The French wine industry also makes extensive use of direct marketing to consumers (Gurau & Duquesnois, 2008). These direct marketing channels are used to establish long-term customer relationships by providing varied marketing information and incentives. However, the extent to which wine producers make use of these direct marketing strategies varies, with smaller wine producers often using only email lists with standard offers rather than the heavily customized emails, promotional deals and other incentives such as brand experiences like winery visits that the larger producers offer (Gurau & Duquesnois, 2008).

In summary, relationship marketing is a well-established marketing strategy for tobacco and alcohol firms. Initially, this strategy was an expensive trade-off designed to cope with the enforced constraint on the marketing strategy created by advertising control regulation by maximizing customer retention. However, since relationship marketing is now more widely used and cost-effective, it could become one of the most effective strategic approaches available.

2.5.3 Event-Based Marketing

The third potential marketing strategy for use in dark markets in Thailand is event-based marketing, which refers to the planning and/or sponsorship of events such as music and sporting events (McDonnell & Moir, 2014). In an event sponsorship relationship, the sponsor organization provides funding support for the event (or sometimes operational support such as equipment) in exchange for prominent positioning and even co-branding of the event (McDonnell & Moir, 2014). Event sponsors can also contribute specific services or products, and in the case of a solely sponsored event may pay for exclusivity rights (McDonnell & Moir, 2014).

Event-based marketing and sponsorship of events was one of the first alternative marketing strategies to emerge following the development of tobacco advertising and promotional bans and it rapidly became popular following the passage of the first such bans (Harper, 2001). Event marketing is also a common strategy for alcohol firms, especially those operating under other marketing constraints, although it is more common for tobacco companies (McDaniel & Mason, 1999). Thus, it can be stated to be common for both markets of concern here. However, little investigative work has been done into the efficacy, assumed results or reasoning for these expenditures.

There is some question about how effective event-based marketing and event sponsorship really is. Typically, the goal of event sponsorship is stated to be image transfer, or the association of the sponsor brand with the event in a positive way (Gwinner & Eaton, 1999). However, in many cases firms may engage in event sponsorship with only vague or uncertain planned objectives, or even no objectives at all (Papadimitriou, et al., 2008). This lack of clear-cut objectives can lead to ineffective use of sponsorships (Papadimitriou, et al., 2008). There is also the question of image congruence between the event and its sponsor, or in other words the degree of perceived fit or consistency in imagery (Rifon, et al., 2004). Event-based marketing efforts that are not viewed as congruent may invoke consumer scepticism about sponsor motives, which can prevent consumer associations and image transfer (Rifon, et al., 2004). Thus, even though event sponsorship (or event marketing) is intended to be an effective tool to create value for the brand, it may not be effective.

Despite the uncertain efficacy of event-based marketing or sponsorship strategies, it is widely used for alcohol and tobacco advertising under control regimes, as demonstrated by several case studies. For example, in Australia, Imperial Tobacco rapidly adopted sponsorship of popular events such as fashion awards following the introduction of advertising bans (Harper, 2001). Phillip Morris also adopted an event management approach, in example, sponsoring the Waves music festival. In both cases, this served to place the tobacco brands in front of large audiences of potential customers (especially young customers) (Harper, 2001). Another such case study, which was executed in Thailand, once again featured tobacco company sponsorship of major events (MacKenzie, et al., 2007). In this case, British American Tobacco (BAT) had a long-standing policy of sponsorship of sporting events in place since 1987. This program sponsored football, cricket, snooker and badminton, which shifted to motorbike and rally racing, especially international competitions, to avoid tobacco controls (MacKenzie, et al., 2007).

In some cases, event marketing is also integrated into other marketing strategies. One example is the Indonesian tobacco company HM Sampoerna, which sponsored the 2016 Soundrenaline musical event and which actively engaged in promotion and advertising at the event (Astuti, et al., 2018). These authors showed that the company actively encouraged consumers to engage with the event and integrated its digital marketing into the event through a website and hashtags. However, the authors also cautioned that this event almost certainly was in contravention of Indonesia's tobacco control laws due to the aggressive marketing and promotions, which included giveaways and a promotional limited-edition cigarette pack (Astuti, et al., 2018). Thus, this case study serves both to demonstrate the power of event marketing and to point out that these strategies are not automatically in compliance with laws. Cases of alcohol sponsorship shows that not just events, but specific games and sportspeople may be sponsored by alcohol brands (O'Brien, et al., 2011). However, there are some gaps in the research on sponsorship of events (Rowley & Williams, 2008). Even though alcohol and tobacco brands (as well as other lightly controlled dark market products such as energy drinks and junk food brands) routinely sponsor events like music festivals, there has been very little research into exactly how this sponsorship affects consumer attitudes or behaviour (Rowley & Williams, 2008). Thus, it is not clear that this would actually be an effective marketing strategy from the consumer behaviour perspective.

2.5.4 Digital Marketing

The final marketing strategy identified that is currently in use for tobacco and alcohol marketing is digital marketing. Digital marketing refers to a class of advertising tools or strategies that use new media and social media to communicate with consumers (Ryan, 2016). The oldest forms of digital marketing are direct advertising tools including banner (or pay per

click) advertising, search advertising, and inline advertising, while newer forms of digital marketing include viral marketing and social media marketing (Ryan, 2016).

Each of these strategies offers benefits to marketers, but also poses special challenges that must be overcome. Banner and search advertising can be carefully targeted, but may also be ignored by consumers and may be against advertising rules (Ryan, 2016). Social media marketing uses social media sites, like Facebook and Instagram, to communicate and build brand awareness and brand resonance (Sharma & Verma, 2018). Social media marketing offers advantages to the marketer, including the ability to communicate directly with consumers in a two-way fashion (Ryan, 2016). Social media marketing also provides a critical channel for consumer-consumer communication because it allows consumers to build *brand communities* (Goh, et al., 2013). Viral marketing is another social media-based strategy, which is predicated on the willingness of consumers to share information with other consumers (Kaplan & Haenlein, 2011). While this also supports the consumer-consumer relationship of the brand resonance network (Keller, 2018), it can be difficult to effectively seed viral content because users are often picky about what they will forward (Hinz, et al., 2011; Ho & Dempsey, 2010). In practice, most digital media marketing strategies use multiple approaches to reach different audiences or in response to different advertising regulations. As an example, social media and online marketing is not directly mentioned in either of Thailand's control laws, leaving a potential gap in advertising and promotion controls.

Digital marketing strategies can be carefully targeted to specific consumer groups but there are some groups they can reach more effectively because these groups use social media and digital media more (Ryan, 2016). In particular, younger consumers (Generations X and Y) are much more active users of digital and social media and are therefore easier to reach with digital marketing strategies (Strutton, et al., 2011). In contrast, reaching older consumers with digital marketing is far more difficult.

There is evidence that tobacco firms already make extensive use of digital marketing. For example, a study of tobacco marketing in Asia showed that digital marketing often was not disallowed even in markets where this was not banned, and it was difficult to enforce even when banned (Jiang, et al., 2017). As a result, social media marketing was frequently targeted to consumers, especially younger smokers (Jiang, et al., 2017). Digital marketing by tobacco firms is typically oriented to youth and young consumers, and provides active and engaging material designed for sharing and may be integrated into other strategies (Astuti, et al., 2018). For example, Astuti, et al.'s (2018) case study of alcohol marketing in Indonesia showed that social media and event marketing were used in concern to support marketing of the 'A' Mild brand of cigarettes, with hashtags and other integrative tools used to create interaction between the music event and the social media environment.

This is also the case for alcohol marketing. A study on the digital marketing of alcohol in the United Kingdom revealed that alcohol brands also made extensive use of social media sites such as Facebook and Twitter (Nicholls, 2012). The authors showed that the content from these sites was varied and highly interactive, designed for sharing and engagement of consumers. They also showed that this material was widely shared and often went viral, resulting in widespread presence of alcohol brands on social media (Nicholls, 2012). A more recent review showed that the presence of alcohol marketing on social media and other digital channels continued to make extensive use of these marketing channels (Lobstein, et al., 2017). This study also showed that alcohol marketing was designed to be highly engaging and interactive, and in some cases, was targeted to younger consumers (whether intentionally or not) (Lobstein, et al., 2017).

In summary, if digital marketing can be used it has several advantages for dark markets, including being easily targetable and engaging (leading to brand resonance) and often (though not always) representing a regulatory gap for advertising and promotion. As a result, it is

actively used by firms as part of their marketing strategies. Additionally, social media can integrate into other consumer-oriented marketing strategies such as events to achieve synergies between these marketing strategies.

2.6 Conceptual Framework

The conceptual framework of the study is described in Figure 11. The goal of the conceptual framework is to explain how marketing controls for restricted products, including advertising bans (placed on the brand manufacturer) and promotion bans (placed on the on-premise retail channel), affect the sales performance of the brand. The brand value chain (Keller & Lehmann, 2003) is used as the foundational model for the conceptual framework. As reviewed in Section 2.1.4, brand value results from a causal chain that begins with marketing program investment, which influences customer mind-set, which in turn influences market performance and ultimately shareholder value (Keller & Lehmann, 2003). Since this research is primarily concerned with market performance rather than stock performance, the model only proceeds to the market performance stage.

The marketing program investment stage of the value chain is represented by marketing activities and the sales force, which form the basis of the marketing program (Keller & Lehmann, 2003). The marketing activities of the firm include advertising, promotions, and other communications such as public relations (Egan, 2014). This research focuses on advertising and promotions activities, which are directed at consumers, and the activities of the sales force, which are directed at retail customers. These factors, as in the brand value chain, affect customer mind-set factors such as consideration and conversion. Two additional factors are inserted at this stage, which are the advertising bans and promotion bans imposed on alcohol and tobacco products. It is proposed that these factors could also affect consideration

and conversion as do the factors proposed in the brand value chain. However, in the case of the advertising ban and promotion ban, this effect would be negative, ultimately leading to a negative effect on sales performance.

The consequent variable of the conceptual framework is the goal of sales performance, which can be understood as either unit sales or revenue total for the product or brand (Doede, 2013). Sales performance is only directly affected by consideration and conversion, but may be affected indirectly by marketing activities and the sales force (positive) and advertising bans and promotional bans (negative) as well as actions of competitors. This goal represents the market performance stage of the brand value chain, which is the result of marketing activities and the consumer response (Keller & Lehmann, 2003).

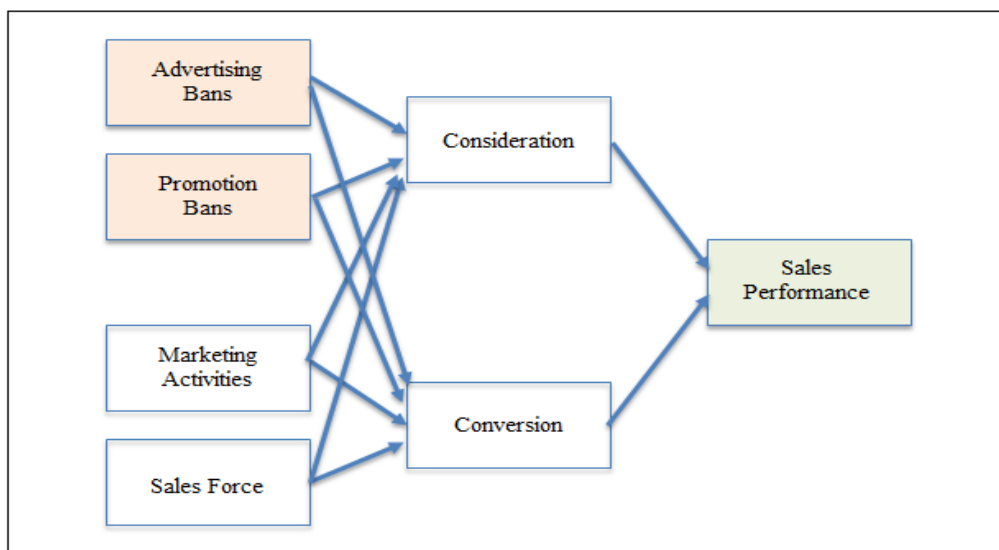


Figure 11 Conceptual framework of the study

(Source: Author)

This model was developed through a combination of the author's 15 years of experience in this industry, a series of informal conversations with customers, and collaborators in the alcohol industry and the review of the literature discussed above. This study was designed to explore whether these concepts effected the market as expected and the managerial responses

that were taken to work within them. The intention was to gain insights into the best practices undertaken, the relevant performance or efficacy of some of these strategies and the insights that managers working on the frontier of this emerging trend (darkening markets) had to offer.

2.7 Theoretical Framework

The final aspect of the study was the proposition of the theoretical framework (Figure 12). The theoretical framework encapsulates the relationships that are expected to be observed in the primary research, based on the literature review and its findings. Because this research was designed using a qualitative case study design, these relationships are not operationalized in formal hypotheses. However, it is expected that these relationships will be observed.

The theoretical framework is designed to explain the opposing forces that influence the sales performance of the products placed under product restrictions (in the case of this research, tobacco and alcohol controls). The two factors that are included on the side of the dark market – the advertising ban and promotional ban – are expected to have a negative effect on the sales performance of the product. Furthermore, the effect is expected to be proportional. That is, it is expected that tobacco (which has a total advertising and promotional ban) will show a stronger negative effect than alcohol (which has a relatively weak partial advertising and promotional ban).

An additional intent of the theoretical framework is the marketing strategies that firms can use to oppose the effects of advertising bans and promotional bans. The literature identified four viable marketing strategies that alcohol and tobacco companies can and do use in their marketing mix to successfully market their products to customers and consumers. These include trade marketing (affecting the brand-customer relationship) and relationship marketing, event marketing, and digital marketing (affecting the brand-consumer relationship).

and consumer-consumer relationship). The effects of these marketing strategies on sales is expected to be positive, partially offsetting the negative effect of the advertising bans and promotional bans. It should be acknowledged here that many firms may use other marketing strategies, including those that are illegal or ambiguous under current Thai law. However, the theoretical framework for this research focuses only on legal strategies because of the goal of deriving useful practice recommendations.

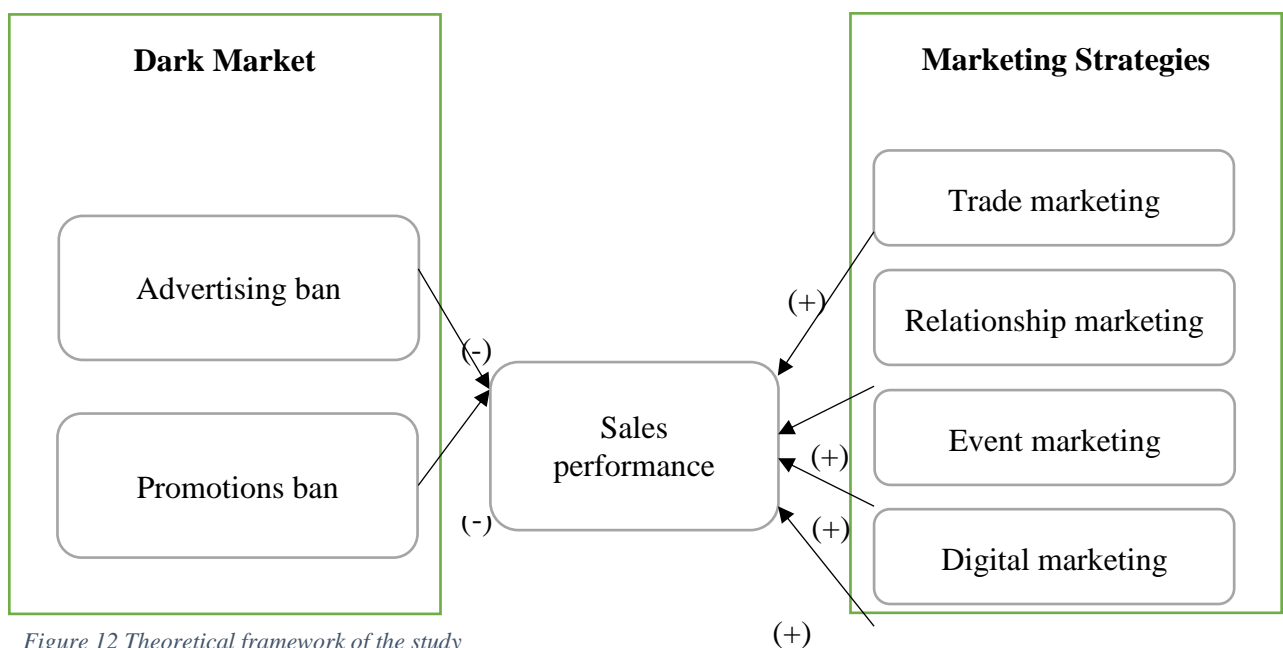


Figure 12 Theoretical framework of the study

(Source: Author)

2.8 Summary

This chapter has provided an overview and critique of the theories and empirical evidence used to support the research. The theoretical foundations of the research lie in several theories of marketing and consumer response. Stakeholder theory allows the research to identify the relevant stakeholders and their interests using the stakeholder salience model, which establishes whose interests and needs must be considered in the marketing

communications process. Social learning theory establishes the basis for consumer responses and consumer learning, particularly for social consumption practices. The brand resonance network and brand value chain models explain how consumer-brand relationships develop and how these relationships contribute to the financial performance of the firm. This research does not use a full brand resonance network model, because of the effects of regulatory effects of marketing constraints. However, as the next section explains, these constraints do not apply in the same way to the alcohol and tobacco markets in Thailand. Instead, there are different degrees of constraints that have been imposed on these markets, with far stronger constraints imposed on tobacco marketing than on alcohol marketing. The potential impact of these control policies for alcohol and tobacco sales in Thailand is then evaluated. Although there have been few studies that directly assessed sales in Thailand, studies of marketing controls in other locations have demonstrated that marketing controls result in a significant drop in sales and revenue for producers in other markets. The same effect is expected in Thailand. Finally, marketing strategies for products operating under marketing controls (dark markets) are investigated. The review of studies on this topic shows that most studies are outside studies that are effects-oriented, and do not provide a practical insight into how marketing managers navigate the challenges of marketing in a dark market. This gap in the research presents an opportunity for this study. The methodology used to explore this issue is explained in the next chapter.

Chapter 3: Research Methodology

The primary research used a qualitative, interview-based methodology to generate knowledge and address the research objectives. This chapter explains the methodology used and why these choices were made. The chapter begins with the broadest questions of research philosophy and design. It then explains the method that was selected and the technical choices of sampling, data collection, and data analysis. The final section of the chapter addressed ethical considerations.

3.1 Research Philosophy

This research is based in a philosophy of interpretivism. Interpretivism is the position that it is not possible for research to determine the ‘real’ or objective position of reality or the origins of phenomena (Willis, 2007). Therefore, knowledge in the social sciences cannot be understood in the same way as in the natural sciences (the position of positivism). Instead, interpretivism argues, truth is always interpreted through the social lenses and interactions of the individual and through localized context and conditions (Willis, 2007). This position is essential because individuals vary in their internal cognitions, experience, viewpoints and knowledge, which affects what they perceive and how they view reality (Mölder, 2010). There are some critiques of interpretivism, including that it is a relatively weak position and that it allows too much scope for the researcher to impose their own perspective (Willis, 2007). However, it is essential to acknowledge that in an information-poor environment such as the one studied here, there may be limited shared perspectives on which a positivist research could be built. Thus, interpretivism is the most appropriate philosophy to address the research question.

3.2 Research Design

The research used a multi-phase and multiple case study design. The first phase of data collection entailed conducting a series of interviews with industry experts to quasi validate that the research questions hypothesized by the researcher were indeed relevant and appropriate. These interviews also helped to gain insights into how interview questions should be formulated and the steps needed to ensure complete responses. The second phase of the research employed a multiple case study design. This design used a small number of specific cases of a phenomenon to examine the phenomenon from different perspectives, including historical and individual perspectives (Gerring, 2017). Case research has long been used in marketing as a tool for developing practice-oriented knowledge and understanding what marketing managers and strategists are actually doing, even though it does have limitations such as the limited direct generalization of findings (Bonoma, 1985). Multiple case studies are particularly helpful as they allow for comparison between cases and investigation at multiple levels of the research question (Stavros & Westberg, 2009). Thus, the case study approach was the ideal approach for the current study.

There were three market segments considered in the case study design, including international spirits companies, domestic beer companies, and tobacco companies. These three perspectives allow for examination of the effects of advertising controls at different levels (i.e. alcohol versus tobacco or partial versus full advertising bans) and investigation of the difference in experience of domestic and international firms, who operate under different regulatory environments to some extent. There were two firms from each sector, leading to a total of six cases included in the study.

3.3 Research Method

The research used a qualitative research method. Qualitative methods rely on non-standardized data collection and analysis techniques and non-numeric data to develop knowledge and understanding of specific situations (Lapan, et al., 2012). Qualitative research typically investigates specific situations and individual experiences, and as a result is useful for exploratory and theory-building research (Silverman, 2011). Qualitative research also excels at explaining not just the mechanism that causes an effect (which is a question for quantitative research), but also the reasons why this cause-and-effect relationship exists and the contextual factors that influence its existence (Silverman, 2011). Thus, the qualitative approach is the correct approach for a study such as this, in which exploratory research is conducted to examine the context and actions that occur within a poorly studied environment. There are some weaknesses of qualitative research that could influence the study (Lapan, et al., 2012). For example, because of the particularity of qualitative research, which investigates specific instances, findings may not apply directly to a broader population. In other words, findings cannot be directly generalized. However, the universe of firms operating in these markets are limited. Qualitative studies can also face problems with research validity, since they cannot be directly tested (Willis, 2007). However, since there is no direct theoretical basis for this research that is not expected to be a problem here.

3.4 Sample and Sampling Procedure

This research consisted of six case studies, including two cases each of firms included in three market sectors that have advertising bans or controls in Thailand. These sectors included international spirits companies, domestic beer companies, and tobacco companies. Companies were selected based on their market position in Thailand, with the two of the five

largest firms within each sector included in the study. Company names that have participated are withheld for confidentiality reasons, which was a condition of participation for several of the firms.

For each of the firms, there were two perspectives of interest: the firm (especially its marketing and sales operations) and on-premise customers. The on-premise customers were not consumers, but were managers or proprietors of retail locations that sold the firm's products. The selection of on-premise customers was performed based on sales volume, with top customers of the firms targeted as informants. Firms were represented by senior marketing and sales managers, either for the firm or in the case of international companies for the Thailand or Southeast Asia sales division (depending on firm arrangement).

For each of the six firms, the sample included three senior executives of the firm in question and three of the top on-premise customers, for a final sample of $n = 36$ participants. Both of these sub-samples were selected using purposeful sampling, which is required in qualitative research to ensure that the participant has a relevant interest or experience for the study (Silverman, 2011). To begin the sampling process, top marketing managers were identified through LinkedIn, company websites and org charts, and were approached for participation in the study. Initial contacts at each company were asked for referrals for managers that would also participate. On-premise customers were selected by asking for referrals from the marketing managers that took part in the research. This approach helped ensure that although the sample was purposely selected, the resulting sample is based on the evaluation of experts rather than the researcher's own opinion of who might be a suitable informant.

3.5 Data Collection

Data collection was conducted using face-to-face interviews. This method was chosen because interviews are an effective tool for collection of qualitative data in time-constrained or non-interactive studies (Edwards & Holland, 2013). The development of the research instrument and the process of interviews is explained below.

3.5.1 Research Instruments

The interviews were conducted using a semi-structured approach. Semi-structured interviews were selected because they balance the efficient data collection and analysis provided by structured interviews and the freedom of form of more free-flowing interview styles like informal or biographical interviews (Galletta, 2013). The choice of semi-structured interviews was also important because the research objectives were concerned with a specific area, but it is an area where there is limited existing information. As a result, it was necessary to give the participants freedom to challenge the researcher's assumptions, which is one of the strengths of semi-structured interviews (Galletta, 2013) especially for exploratory areas.

The semi-structured interview uses (but does not adhere strictly to) an interview guide, which provides some structure and direction for the interview (Galletta, 2013). There were two interview guides developed for this research: one for marketing managers and one for on-premise managers as shown in the Appendix 2A and 2B respectively. These interview guides were developed based on the literature review, with approximately 42 questions that addressed the issues included in the conceptual framework. Each item was customized for the population segment to take into account differences in perspective and different information. The interview guides were assessed for face validity through supervisor review before being used in the interviews. Questionnaires were translated between English and Thai to ensure comfort

and participation of participants. A back-translation approach was used to evaluate translation quality, with a the researcher translating the questionnaire to Thai and a second Thai English speaker translating the questionnaire back to English to check for inaccuracies or problems.

3.5.2 Interviews

Interviews were conducted in August 2018. Interviews were conducted face-to-face, with interviews scheduled at a time and private place of the respondents' choice to avoid inconvenience. Each interview lasted between 60 and 90 minutes, depending on the amount of unique data that could be derived from each participant. All interviews were audio-taped and later transcribed to facilitate analysis. The primary researcher also took notes to ensure that impressions and thoughts could be considered later. The pre-interview stage included approximately ten minutes of general discussion and a review of the purpose of the study. The informed consent process followed. The interviews were then conducted. To close the interview, the researcher reviewed the key points and thanked the respondent for their participation. During the manager interviews, they were also asked for referrals to on-site managers. All participants were also given copies of the study information and researcher contact details and asked if they wanted copies of the finalized research.

3.6 Data Analysis

Data analysis used a combination of content analysis and thematic analysis. Qualitative analysis of texts typically involves a process of coding and organizing the textual content to facilitate sense making of the information and comparison between texts (Miles, et al., 2014). However, content analysis and thematic analysis have different goals. Qualitative content analysis is intended to interpret the meaning of individual texts (Schreier, 2012), while thematic

analysis is intended to draw out underlying meaning or themes from multiple texts (Guest, et al., 2012). Thus, both could be combined to develop a comprehensive model of the research theories. Furthermore, the combination of the two allowed for analysis across language categories without translation of the interview transcripts, since the first pass of coding was based on meaning rather than specific words. Both content analysis and thematic analysis were conducted using paper transcripts of the interviews, since this allowed a more flexible coding process than available software tools.

The analysis process began with a content analysis. A traditional approach was used, with the coding frame gradually built up from analysis of the texts (Schreier, 2012). First, an open coding process was used on the six interviews (the first interview conducted from each of the firm-category pairs). The coding frame was then investigated for duplicate codes and any duplicate codes were collapsed. This process of content analysis yielded a coding frame that was internally consistent with the interviews.

The thematic analysis process which followed was applied to each of the 36 interviews. The coding process first followed the coding frame derived from the content analysis process. Each of the transcripts was coded using open coding as shown in Appendix 3A and 3B. Codes were then sorted for the axial coding process, with codes determined to be irrelevant to the research questions discarded. Following the coding of all 36 interviews, the researcher created memos from the interview notes and coded them appropriately. Next, the codes were arranged into broader categories which related to a single concept or idea and duplicate codes were once again collapsed. The categorization process was followed by the organization of categories and memos into themes, which were then described as narratives.

3.7 Ethical Considerations

The study was designed and conducted to comply strictly with the ethical requirements and guidelines established by the Institutional Review Board (IRB). IRB approval was obtained prior to beginning interviews. IRB approval IRB-18-095-A078(818) is attached in the Appendix 1. The main ethical concern in this study was fully informed consent of participants. All participants were informed about the study both verbally and in writing prior to the interviews being conducted. Respondents were asked to sign acknowledgement forms indicating consent to the research. The study itself was low risk to participants. However, identity is kept confidential to protect participants from any unforeseen risks of harm. Participation was voluntary and no financial or other incentives were provided to avoid any participant bias.

3.8 Summary

This chapter has explained the research process. As stated, the data was collected from interviews with industry insiders, including alcohol and tobacco firms and owners of sales premises. These interviews were analysed using content analysis and thematic analysis. The analysis of these interviews yielded some important insights into marketing strategies for on-premise sales channels. In the next chapter, the results of this analysis are presented.

Chapter 4: Results and Discussion

In the previous chapter, it was explained that we designed the primary research for this study as a qualitative, exploratory study, utilizing semi-structured interviews and content and thematic analysis to generate knowledge about the marketing of products like tobacco and alcohol under a tightly controlled regulatory environment (dark marketing). The goal of this chapter is to present and interpret the results of this primary research undertaking.

The chapter begins with an interviewee profile, which provides information about the respondents and the companies and/or business sectors they represented. The next section presents the results of the study. These results are presented along the lines of the themes that were found during the interview analysis process. The themes generally follow the theoretical framework of the paper (Figure 12 in Chapter 2). Information is presented as a combination of summary and analysis of the themes and narrative quotes from respondents that explains or illustrates various aspects of the theme. A summary of the hypothesis outcomes based on these themes follows. The chapter concludes with a discussion of the findings, which contextualizes the findings by comparing them to the literature review (Chapter 2). This helps to demonstrate what the novel or surprising findings of the study are.

4.1 Interviewee Profile

Primary data was collected from a series of interviews with industry insiders ($n = 36$). There were two groups of industry insiders, including executives of manufacturing firms (who produce and distribute alcohol and tobacco products to retail customers) and retail customers (who sell alcohol and tobacco products to end consumers).

Executive participants represented six different companies that sell and distribute their products in Thailand (Table 3). These companies included a mixture of tobacco and alcohol firms. Both domestic and international firms were represented in the sample. Three executive or top-level managers were included from each firm, each of whom had responsibility for a different brand or aspect of marketing of one of the firm’s products or brands. This provided a range of perspectives on the marketing and sale of products. Each company and executive has been given a code name to protect their anonymity and avoid identification.

Company	Participants
International Alcohol Distributor #1	E1, E2, E3
International Alcohol Distributor #2	E4, E5, E6
Domestic Alcohol Distributor #1	E7, E8, E9
Domestic Alcohol Distributor #2	E10, E11, E12
Tobacco Distributor #1	E13, E14, E15
Tobacco Distributor #2	E16, E17, E18

Table 3 Respondent information about manufacturing, sales and marketing executives

Retail customers were selected from five key market segments, based on end consumer motivations for visiting the location. Between three and four locations were selected for each of these sectors. The companies were mainly domestically owned. Respondents from these companies were typically the company manager, site manager or bar manager tasked with purchasing products and executing in-location promotion of products. Table 4 summarizes the respondent information for these segments.

Retail Sector	Participants
Energy Zones (e.g. dance clubs)	C1, C2, C3, C4
Cool Gang Hang-outs (e.g. trendy pubs and bars)	C5, C6, C7, C8
Meals and Entertainment (e.g. large-scale restaurants, live shows)	C9, C10, C11, C12
Casual Food and Chat (e.g. chill restaurants, cafes)	C13, C14, C15
Upscale Treats (Adult, members' and gentleman's clubs)	C16, C17, C18

Table 4 Respondent information about the on-premise customers from five market segments

4.2 Results

4.2.1 The Regulatory Environment and Effects on Advertising and Promotions

One of the major themes of the research was the regulatory environment and how it affected the activities of the distributors and retail customers. This theme included perceived motivations for the regulatory limits on marketing and the general constraints on advertising and marketing.

4.2.1.1 Perceived Motivations for the Regulatory Environment and Effectiveness of These Regulations

There were several different motivations identified for the current regulatory environment. One of the most common motivations identified was to limit or control consumption of the regulated products, for example by limiting the amount each individual consumer could drink, eliminating persuasive sales tactics or preventing new drinkers or smokers from entering the market (E1, E4, E5, E6, E8, E11, E12, E13, E14, E15, C1, C2, C4,

C7, C10, C14, C18). There were various reasons cited for the drive to limit consumption, including social or moral reasons (E2) and health reasons (C1, C18). There were also a few other possible motivations listed for the regulations. One of the most interesting was stated by C17, who argued that “I think it is a way for [international brands] to get rid of the competitor”, suggesting that the regulations are driven by political pressure from established brands rather than health concerns.

While not all interviewees expressed an opinion on the effectiveness of the regulations, those that did so did not view them as effective. Several respondents noted that these regulations imposed limits on consumer freedoms or consumer rights (E2, E7, C11, C16) or limited information to consumers at the point of sale (E17). Several interviewees also noted that the regulations were ineffectual because they were unclear, poorly designed or weakly enforced (E10, E14, E17, C9). Furthermore, many respondents indicated that the bans did not in fact reduce consumption (E10, C2, C5, C6, C7, C12, C13). Rather than the confusing and complex restrictions, several respondents suggested that the government should focus more on consumer education about the health effects of smoking and drinking (C6, C16).

Regulations were some of the major barriers listed by the firms. Specifically, firms identified: general regulation (E1, E8, E10, E11, E14, E15, C1, C4, C5, C6, C8, C9, C17); police checks (C12, C13, C14, C15), advertising and promotion bans (E2, E4, E6, E9, C3, C7, C12); lack of regulatory clarity (E3, C9, C16); and opening hours constraints (C2, C5, C6, C8). This is in clear comparison to factors like local competition (E4,) budget constraints and costs (E6, E7, E9), prices and taxes (E13, E15, E17, C10) changing consumption patterns (E10, E15), internal issues (E12, E16, C1, C11) and route-to-market (E5) barriers, which were identified relatively rarely. Thus, it can be stated that the interviewees from both distributor and on-premise retail groups view regulation as a major barrier to their business activities.

In summary, although respondents typically understood why the regulations were in place, they did not view them as effective regulations and did not believe they were accomplishing the goal of encouraging consumers to smoke or drink less. Instead, they viewed it as restricting consumer information and rights. Furthermore, regulations were viewed as major barriers to the firm's performance.

4.2.1.2 Perceptions of the Current Marketing and Regulatory Environment

One of the most obvious issues in the current regulatory environment is that firms have lost access to some of their main industry drivers. From the distributor perspective, advertising, promotion, and brand equity were identified as major drivers that have largely been lost due to advertising and promotion bans and other restrictions (E1, E2, E3, E4, E5, E7, E10, E11, E16). The remaining levers were previously considered relatively minor drivers like trade promotion and other BTL activities such as digital marketing has now come to the forefront (E3, E4, E11, E13, E18), especially Facebook. However, there are other drivers such as demand from new and existing drinkers or smokers (E6, E8, E14, E17), changing lifestyles (more food and entertainment consumption outside of the home) and economic growth (E8) that are unaffected by the regulatory environment. On-premise customers identified a different set of industry drivers. The main driver is staff skills and restaurant atmosphere (C1, C9, C10, C13, C14, C16). The on-premise marketing landscape had also changed, with drivers like mass media and price promotions disappearing or becoming less common and requiring managers to find innovative approaches to draw in customers (C3, C6, C7, C8, C11). Advertising and promotions that did remain focused mainly on food promotions (C11). Thus, both distributors and on-premise customers have experienced substantial changes in their competitive environment as a result of the regulatory environment. These regulatory restrictions were noted to be a near-complete change from the previous unregulated marketing environment, where

marketing, advertising and promotional tools were used in a more standard way (E2, E3, E4, E5, C2, C3).

The effects of regulation were noticeable for all consumers. Respondents identified several restrictions on marketing in the regulatory environment that affected their performance (Table 5). However, it was not necessarily easy for respondents to discover these limitations. Several respondents indicated that the regulatory environment was confusing or unclear, particularly in the beginning, which made it difficult to comply with the regulatory requirements (E2, E3, E4, E5, C2, C6). E5 noted on this point, “Thai regulations on alcohol control are not clear, and it depends on how each firm interpreted the law. Government authorities and firms interpreted the regulations differently.” Thus, even though regulation had an effect, firms struggled with how the regulations would be implemented.

In some cases, the bans were successfully loosened (although not abandoned). For example, E13 (tobacco distributor #2) relates that “There were arguments between companies and authorities regarding the display ban issue... Eventually, the government allowed us to show our brand names and price. For example, tobacco products are allowed to be shown in the display unit behind 7-11’s counters with the panel to be open and closed.” However, one on-premise retail customer (C13) pointed out that compliance did not just involve a single department: “Regulations not only involve restrictions, but also include other issues such as excise tax departments, health departments and even police departments. If you broke some rules, they would be linked to the revenue department, and you would be in trouble.” Thus, the regulatory environment does not apply to all sectors equally, and the difference may be in the size of firms or other factor. However, in general respondents did not appear to consider challenging the regulations as a potential strategy.

Not all of the effects were negative. For example, some of the on-premise customers reported that they had increased business because of decreased product availability (C16) or

because of reduced pressure from price competition (C1). However, these responses were in the minority, and most indicated negative effects to their business as a result of the restrictions. For example, these firms had difficulty launching new brands because of limits on advertising and promotion (E8, E9, E14, E15).

Restriction	Respondents
Display limitations (logos, pack shots, menu pictures or on-premise pictures)	E1, E5, E7, E11, E13, E15, C9
Limits on consumption moments	E11
Advertising bans	E5, E7, E13, E15, C5, C6, C13, C14
Limits on communication of brand message	E1, E14, E15, C12
Other restrictions	E2, E15
Limits on promotional packages (e.g. hamper packs, free samples or other premiums, free glass packs)	E3, E7, E15
Requirement for social contribution	E3, E7
Product and price display bans	E13, E17
Limitations on point of sale information	E15
Pack requirements (e.g. graphic health warnings)	E17
On-premise promotion bans (e.g. no free with purchase or meal, no alcohol price reductions)	C2, C5
Age restrictions	C1
Opening hours restrictions	C8

Table 5 Restrictions on the marketing environment posed by regulation

4.2.1.3 Changes to Marketing Practices in the New Regulatory Environment

The effect of regulation on marketing practices can be described generally as a shift from above-the-line (ATL) to below-the-line (BTL) marketing practices. For example, prior to

the advertising regulations, E11's firm focused mainly on ATL activities, with very little BTL involvement. After the regulations, they moved primarily to BTL marketing. The shift to BTL marketing benefited the premises who were aware of this, as they were able to get better trade deals since the external brand building could no longer be relied on (C4). A transition from pull marketing to push marketing was also identified by several respondents (E11, E18). This was described by E18 as a forced transition, as pull marketing was no longer allowed.

Firms adopted new marketing tools to deal with these constraints. For example, some firms shifted toward digital marketing in order to fill the consumer information gap left by the advertising ban (E3, E5, E6, E11, C5). Firms also adopted influencer marketing strategies, which employed social media influencers to promote the brand (E6, E11). Experiential marketing was also identified as a change in marketing practices (E3, E9, C5). On-premise marketing became more important for some distributors (E5, E9). This on-premise activity was described as "the last three feet" by E5. Trade assistance (TA) is a major communication tool for the tobacco industry particularly, since it is one of the only ways that the company can promote marketing practices (E13, E15). One example is the so-called "X-stand", an on-premise marketing display that allows consumers to see and select their products (E13). However, retail customers did not necessarily perceive that distributors were increasing their focus in this area, with some noting that the incentives and sponsorship budgets for specific products were decreased (C7).

In some cases, marketing behaviour changed entirely. One example is from International Alcohol Distributor #1 (E1, E2, and E3). To keep promoting their flagship product, they established a memorable campaign that did not break any of the rules surrounding consumption or product display, instead drawing on an associated character and history of the brand. They also worked to associate specific colours and visual symbols with the product, rather than the brand logo they were no longer allowed to display. Furthermore, they

implemented experiential marketing campaigns and online campaigns for each of their flagship products, shifting their marketing expenditure almost entirely to BTL activities. Thus, this marketing campaign was a radical revision of the previous campaigns, which were mainly based on ATL expenditures through traditional marketing channels.

On-premise customers have also shifted their marketing practices. For example, a shift from broad promotion to direct communication (e.g. using SMS or social media) and word of mouth was described by several premises (C6, C7, C8, C9). Restrictions have also had effects on on-premise customer attitudes. For example, C3 stated “We emphasized service quality and shifted to direct sales, and are more selective to find the right products that are well known to our customers. We would not consider new brands.” Overall, however, the effect on the distributor marketing practices was far stronger than the effect on the on-premise customer practices. This was particularly strong for the Tobacco Distributor companies, who were forced to completely redesign their approach.

4.2.1.4 Changes in Strategy due to Regulation

There are several identified changes in strategy due to the regulatory market. One of these changes in strategy is to shift toward premiumization, or trying to sell premium brands rather than mass market brands (E5, E17). In this strategy, the brand shifts its main focus away from the mass brands, typically encouraging consumers to select more premium products based on superior taste (as described by the on-premise staff). This premiumization occurred in companies that already had premium and mass market brands, probably because as discussed elsewhere, establishing new brands became particularly difficult. At the other end, some brands have become more price-focused as consumers have become more price-driven (E17, E18). In these cases, price rather than brand becomes the differentiator, and brands focus on sales rather

than long-term brand value. This did have the effect of causing price wars between leading brands (E17). This appeared to have a much stronger effect in the tobacco industry, where consumers facing a total lack of brand signalling chose based on established preference or price rather than on brand recommendations (E17, E18).

Another major shift is a sharp reduction in focus on consumer marketing, with resources shifting to trade marketing through convenience store or traditional channels or on-premise sites (E5, E8, E16). A major change in promotional strategies has been the use of direct communication from on-premise staff (E5, E6, E13, C9, C10, C11, C12, C14, C15, C16, C17, C18). This strategy is consistent with the shift to trade promotion as noted above. In this practice, staff members serve as sources of information about the products and encourage sales of specific products. However, this is not free: for example, it requires staff training and incentives to encourage them to promote specific products (C9, C18). It is also not a direct persuasive tool (E13, E14) As E13 (Tobacco Distributor #1) describes it, preparing owners and staff members for their trade assistance (TA) program involves educating owners in product knowledge and how to communicate to customers, as well as explaining that they are not allowed to offer this information proactively. Thus, the company's TA program seeks to provide information at the point-of-sale, but customers have to request it.

One of the strategic shifts seen in the retail customers' responses is a change in target market (C1, C13, C18). For example, C1 noted that previously their market had mainly been 18-20 years old, but they had to shift to 20+ years market. This required more focus on the appearance and image of the premises, rather than prices or promotions. Furthermore, a shift to an older target market is difficult for venues because older consumers tend to drink less (C18). Therefore, some venues have targeted tourists as well (C13, C18). Overall, however, there appears to have been fewer shifts in marketing strategies for the on-premise customers than for distributors.

4.2.1.5 The Expected Future of Regulation

While overall perceptions of the existing regulation in Thailand were poor, some of the distributors expected that the regulation was at the maximum (E1, E2, E3, E7, E9). However, most expected increased enforcement or more controls (E4, E5, E6, E10, E11, E12, E13, E14, E15, E16, E17, E18). Tobacco distributors routinely expected plain packaging as the next step in tobacco regulation, while alcohol distributors expected that there would be more controls and more regulation of controls, similar to tobacco promotion today. A few of the on-premise retailers also expected increased regulation (C2, C7, C8, C13) but more expected decreased regulation or stability (C5, C6, C10, C11, C14, C15, C16, C18). Overall, it can be stated that in general, respondents expected more controls, but there was a noticeable difference between distributors and retail customers on this point. The reason for this is not clear, but it may be because restrictions on distributors are already stricter or because they are more aware of the global regulatory environment.

4.2.2 Effects of Regulation on the Business

The second key theme was the effects of regulation on the business. This included aspects including the general effects of regulations like advertising and promotion bans and changes in marketing strategy, organizational structure, and supplier and buyer relationships.

4.2.2.1 Effects of Regulation

Regulation has had a significant effect on the strategy and operations of the distributor firms. Some of the areas where negative effects were identified included:

- Communication with customers and suppliers (E1, E6, E11, E12)

- Innovation and new product development (E2, E3, E6, E8)
- More expensive advertising channels (e.g. trade marketing and on-premise activation) (E4, E17)
- Market position of existing products (E5, E8)
- Barriers to entry for new products (E5, E12)
- Budget allocation for marketing activities (E7)
- Downsizing (E13)

In contrast, there was much less effect on the operations of on-premise retail customers. Several stated that there had been no effect on the business (C1, C2, C17, C18). Others argued that it did affect areas like communications (C3, C10, C12, C13) or customers and target markets (C4, C6, C16) or that it had an indirect effect through sponsors, who now had limitations on what kind of promotions that could support (C5, C6). Sales volume was also affected in some cases (C8, C11), but in others sales were unaffected but operating expenses rose (C15). Overall, however, effects of regulation were considerably stronger for distributors than for on-premise customers.

Table 6 compares the regulatory limits that have had the most and least impact on the business and on sales performance. The effects on distributors was described in detail by alcohol distributor representative E1: “The advertising ban in terms of message content has had the most effect on our business because we have less chance to communicate to our customers. Whereas the promotion ban, the most impact is the consumer price promotion, because it is more difficult to close the deal without any promotion.” As this table shows, promotion bans were considered most important for business activities generally and for sales by both distributors and on-site customers, followed by advertising limits and bans. However, while promotion bans were important for both distributors and on-premise customers, advertising bans were far more important for distributors than for on-premise customers.

Similarly, age and sales time restrictions were more important for on-premise customers than for distributors. This is not surprising given the relative differences in the activities undertaken by the distributors and on-premise customers, where both are responsible for promotion but advertising is mainly done by distributors.

Not all of these effects were negative for on-premise retail customers. For example, C1 stated “the control policies have changed our marketing strategy in a good way. We can save almost 100% of the sales promotion budget due to the promotion bans, which leads to more profit for our business.” Some of these on-premise customers were the leading outlets within their covered areas. However, this was a minority view and most of the on-premise customers considered the impact on business and sales to be negative.

	Most Impact		Least Impact	
Business	<i>Regulation</i>	<i>Responses</i>	<i>Regulation</i>	<i>Responses</i>
	Promotion bans	E1, E2, E9, E10, E15, E18, C1, C2, C3, C6, C7, C8, C10, C11, C14	Advertising limit/ban	E18, C1, C14
	Advertising limit/bans	E1, E3, E5, E8, E13, E14, C4	Age and sales time restriction	E1, C5
	Age and sales time restriction	E6, C12, C13	Packaging control	E12, C13
	Trademark control	E1, E11	Promotion ban	E4, E13
	Display ban	E13, E17	Trademark control	C5
	Graphic health warning	E17	Packaging control	E6, E12, C6, C13
Sales	Promotion	E8, E9, E10, E14, C1, C2, C8, C10, C11, C16	Advertising limit/ban	E9
	Advertising limit/ban	E2, E4, E13, C12	Graphic health warning	E13

	Age and sales time restriction	E6, E7, C5, C13	Age and sales time restriction	C11
	Sales procedures	C6, C7		
	Trademark control	E7		
	Tax increase	E13		
	Display ban	E15		
	Graphic health warning	E17		

Table 6 Regulations with the most and least impact on businesses and sales performance

4.2.2.2 Changes in Marketing Strategy

For distributors, the biggest change in marketing strategy was a shift from ATL to BTL activities (E2, E10, E16, E17, E18). Another common change was a shift in focus to on-premise channels, with attendant activities including point-of-sale (POS) activation and on-premise customer mentorship (E1, E5, E8, E9, E13, E16, E17). However, as E17 pointed out “We focused on having [staff assistants] at retail shops, but there were less because it was costly to maintain. If ROI was measured, it would not justify the investment.” Thus, they were substituting a more expensive strategy for the existing strategy. Social responsibility and self-imposed codes of conduct were also identified as strategies to improve company reputation and ensure regulatory compliance (E3, E12). International Alcohol Distributor #2

(E4, E5, E6) shifted to a geographic “hot-house” strategy, with intensive focus on specific geography, but the others did not. Tobacco Distributor #2 (E16, E17, E18) also developed novel marketing tools, including training shop assistants intensively and building airport smoking lounges, to promote the brand. Overall, regulation forced all the distributors to change their marketing strategy, in some cases significantly, and the resulting strategies were more expensive than the previous strategies.

For on-premise retailers, there were diverse changes, but the emphasis became building brand image for the retailer rather than for the associated brands. One common change was a shift to promotion of the retailer as an experience rather than focusing on a specific brand (C1, C2, C3, C5, C6, C7). For example, C1 stated, “We cannot have branding in our events or include it in our digital branding.” C3 followed up with “We need to create unique events and build brand image as the international standard to make our customers feel special.” More personal communication and direct selling by staff was also mentioned (C8, C9, C10, C12, C13, C18). Sometimes, the specific products were changed, such as changing to different drink formats to sell more alcohol (C16). It is notable that one retailer segment – the Upscale Treat segment – was largely unaffected by regulatory changes. This may be because they were already using direct sales and other personalized selling strategies rather than branding and so on (C18).

4.2.2.3 Changes in Organizational Structure

Distributor firms had different changes in organizational structure to cope with changes in regulation. For example, International Alcohol Distributor #1 (E1, E2, E3) reported a restructured marketing team, including a shift of marketing staff toward a new trade marketing team and increased staff members in some departments including sales, trade marketing, marketing, legal, and corporate affairs departments. International Alcohol Distributor #2 (E4, E5, E6) also reported increased focus on the trade marketing team and changing expenditures toward the digital marketing activity. Domestic Alcohol Distributor #1 (E7, E8, E9) introduced channel marketing and trade marketing teams and increased the digital marketing team, while developing employee knowledge for the on-premise market. In Domestic Alcohol Distributor #2 (E10, E11, E12), staffing shifted to trade marketing and events teams and increased the legal department’s size. The effects on Tobacco Distributor #1 (E13, E14, E15) were unclear. While

one respondent reported that a trade-activation team was established, another indicated that it was downsized, and a third reported more increase in off-trade marketing. This lack of clarity may be due to different tenures of the employees reporting. The most extreme changes were seen for Tobacco Distributor #2 (E16, E17, E18). These respondents reported significant reductions in the marketing team, establishment of a trade marketing team, and most emphasis on their SA team and reduction in direct sales. Thus, all the distributor firms underwent changes in organizational structure, some of them extreme, and some of them reaching outside the confines of the marketing department.

In comparison, many of the on-premise customers reported no substantive change in organizational structure, although sometimes tasks may be reassigned or restructured (C1, C2, C3, C5, C6, C7, C8, C12, C15, C16, C17, C18). When there has been an effect, it has mainly been in the demand for increased training or skills or changes in incentive structure rather than headcount or person allocation (C4, C9, C13, C14). Only a few on-premise customers reported major changes to organizational structure such as reallocation of staff from branding teams to trade marketing or sales teams or team expansion (C10, C11) or headcount changes (C13, C14). Thus, it can be stated that on-premise customers have had much less structural impact from regulations than distributors have had, and that these structural changes have been far less significant in terms of the overall operations.

4.2.2.4 Changes in Competitor and Customer Relationships

For the most part, distributors viewed their actions and those of their competitors as similar (E3, E4, E6, E7, E8, E11, E13, E14, E17, E18). However, there were a few competitor actions that occurred. These included instigation of price wars (E9) and brand building activities (E4, E10). In some cases, the responses indicate a difference in focus. For example,

E2 stated that “our competitors tended to be less in compliance with the regulation than us. They took risks and so have more flexibility for their marketing plans.” E5 stated, “We are a smaller player than our competitor. They are also stronger in on-premise channels. However, they are still using old marketing techniques such as spending a lot of money on old media.” Thus, where there were differences perceived, in general these differences were negative, positioning the respondents’ company as more advanced than others.

It was also common for on-premise customers to view their competitors’ actions as the same as their own (C2, C5, C6, C8, C10, C11, C14, C15, C16, C17, C18). However, there were a few actions that were identified as different, like price wars or promotions (C12, C13) or lack of regulatory compliance (C4). In general, the trend for on-premise retailers is that they believe they are pursuing the same strategies as their competitors.

For distributors, it was most common to believe that the customer impact of their organizational and strategy changes was neutral or positive, having no impact or a slight positive impact, for example from increased sales support (E1, E2, E3, E7, E8, E10, E11, E12, E16, E17, E18). There were a few notable exceptions, however. For example, E4 stated that “customers expected and demanded higher margin because sales declined from restrictions”. Meanwhile, E9 stated “Some of [our wholesalers] do not agree to send the product to outlets in on-premise channels, which affects our route to market plan and expenditure pattern.” Thus, while the overall effect on customers was positive, this was in many cases expensive for the organization and did have some negative effects.

For on-premise retailers, it was also routinely perceived that there was a positive impact (C1, C2, C5, C6, C7, C9, C10, C11, C13, C14, C15, C16, C17, C18). There were a few negative perceptions, such as the lack of information about products (C12) and difficulty in establishing new outlets (C6). Thus, there was some perception that the regulations in place could have a potentially negative effect, but in general the perceived effects were positive.

Overall, it can be stated that although there were strategic variations between companies, in general the strategies that resulted from the change in the regulatory environment were similar. Furthermore, the effects of the changed marketing strategies were positive for both the customers of distributors (the on-premise retail customers) and the end consumers of the product.

4.2.3 Use of Advertising and Promotions

Advertising and promotion expenditures varied widely by companies, although many respondents did not give exact figures for expenditures. International Alcohol Distributor #1 spent “in the double digits” (E2), while International Alcohol Distributor #2 spent between 11% and 16% (for mass and premium products respectively) (E4). Estimates for Domestic Alcohol Distributor #1 varied between respondents, some stating they spent around 10% (7) and others stating that it could range between 5% (whisky) and 30% (beer) (E9). Domestic Alcohol Distributor #2 also had some confusion, with one respondent stating that it was “single digit” (E10) and another stating that it was around 15% for trade marketing and 20% for ATL marketing for their main brand (E12). Expenditures for tobacco distributors are far lower, ranging from 5% at Tobacco Distributor 1 (E13) to 12% to 15% at Tobacco Distributor 2 (E16). Thus, tobacco firms, who have much more stringent limitations on promotion, tend to spend less. However, the variation in these figures makes it uncertain whether they are accurate. Of the on-premise customers who could give an accurate estimate, most were below 10% (C5, C13, C17) or between 10% and 20% (C7, C8, C10). Many of the on-premise customers specified that they only spent money on BTL activities.

In general, distributors shared a perception about the role of advertising in their businesses. Advertising was viewed as a tool to build brand awareness (E1, E3, E4, E5, E6,

E7, E8, E9, E12, E13, E17), communicate about brands and deliver brand messages (E2, E3, E6, E9, E11, E12, E13, E14, E15, E18) and generate customer engagement and loyalty (E1, E2, E6). Tobacco distributing companies in particular could not access the benefits of advertising because of long-standing limitations (E16). On-premise retailers also viewed the main benefit of advertising was brand awareness through communication with customers (C2, C3, C4, C5, C8, C9, C10, C11, C12, C13, C14, C18). A few cited higher sales or a larger customer base as a benefit of advertising (C6, C7, C14, C15). Thus, in general it could be stated that both distributors and on-premise retailers view advertising as a long-term strategy to gain brand awareness, rather than something that supports sales immediately.

In contrast to advertising's long-term effect, distributors viewed promotions as being immediate drivers of sales conversions (E2, E2, E3, E5, E6, E7, E8, E9, E10, E12, E13, E14, E15, E18). As E13 stated succinctly, "Promotions help increase sales." However, As E17 pointed out, "all [consumer] promotions were banned" by the new regulations. Therefore, while promotions do have a direct impact on both sales volume and conversion from competitor volume, they are also very difficult to implement in the current environment especially for tobacco distributors, who have much more stringent limitations than others. On-premise customers are also generally agreed that promotions affect sales, although this agreement is not quite as strong as among distributors (C2, C4, C5, C6, C7, C8, C10, C11, C12, C13, C14, C15, C16, C18). Perhaps surprisingly, one of the most common perceptions among on-premise retailers was that promotions help consumers make product choice decisions faster and easier (C4, C5, C10, C13). However, it makes sense that decision speed would be relevant to the on-site premises (where slow decision-making could affect appropriate staffing levels or degrade perceived service), while it would not be relevant to the distributors (who have no insight into how fast consumers make decisions for their products). This may be one of the strongest differences between distributors and on-site retailers about the use of promotions. However,

both groups agreed that promotions were useful for driving direct sales, rather than for building long-term customer loyalty.

Distributors and on-premise retailers had different substitute strategies for the advertising and promotions activities they were no longer allowed to do. Some of the most common approaches for retailers included:

- On-premise channel development (E2, E8, E9, E13, E16, E17, E18)
- Customer orientation and relationship marketing (E5, E12, E15, C1, C3, C7)
- Venue improvement (e.g. atmosphere and decoration, service quality, good quality) (C2, C5, C10, C11, C15, C17, C18)
- Events (E3, E6, E12, C3, C16)
- Direct marketing and sales (C6, C13, C14, C15)
- Digital marketing (E3, E6, C16)
- Price competition (C5, C11)

This diversity of strategies shows that companies have found a way to compete despite the limitations placed on them. In particular, there has been an increasing focus by both distributors and on-premise retailers on the site of consumption (the retail premises), with increased emphasis on SAs and trade marketing trickling down to improved venue environment, service quality and focus on selling for staff members. This has also resulted in increased incentives and staff training, which was required to ensure that staff members could meet demand and pass on brand messages in direct communication to consumers.

4.2.4 Key Marketing Strategies

One of the noticeable differences between the Distributor representatives and the On-premise representatives was in the use of key marketing strategies. Table 7 summarizes what the respondents view as key marketing strategies. This shows that trade promotions are viewed as the most important marketing strategies by both distributors and on-site retailers. However, while the distributors are mainly concerned with aspects like education and training for owners/managers and staff, the retailers are far more concerned about offering incentives and budgets for promotions. Thus, they view the main value in these details as being in the financial incentives to sell the retailer's products, rather than in the information provided about the products. Similarly, while events were the second most important strategy for retailers, this was not even mentioned by distributors. Thus, it can be stated that retailers and distributors have significantly different perceptions of which strategies are important and which could be abandoned.

Key Distributor Marketing Strategy	Respondents	Key Retailer Marketing Strategy	Respondents
Trade promotions (training owners and outlet managers for brand persuasion and providing incentives and rebates for sales)	E3, E13, E14, E15, E16, E18	Trade promotions (incentive budgets, rebates)	C4, C7, C9, C11, C13, C15, C16, C18
Channel leadership	E2, E8	Events	C1, C3, C5, C8, C10, C12
Premiumization	E3, E10	Relationship marketing	C3, C6
Influencer marketing	E5, E7		
'Last three feet' (persuasion at POS)	E5, E6		
Consumer experience	E7, E11		

Table 7 Key marketing strategies in use

Respondents from the different categories also had different views on which strategies should be scaled up and which should be reduced or discontinued (Table 8). One interesting conflict is in event marketing. Respondent E6 advocated to increase the use of event marketing, stating “Event marketing should be increased. It not only increases brand awareness and consideration, but also builds positive brand image. For example [Whisky brand] was perceived as an old brand. Our events on the beach built a younger image for this brand.” In contrast, on-premise customers felt that events should be stopped. For example, “I saw some events that were wrong. Customers felt badly about the brand” (C2) and “the events held by the brand/sponsor should be discontinued because these kinds of strategies affected the outlet’s sales volume.” At the same time, there were also many distributors who also felt that events should be discontinued, particularly large events. This suggests that events are controversial or that their effects are unclear, and thus there is a lot of disagreement about whether events should be held and, if so, who should be holding them.

The most popular strategy was trade promotions (including subsidies, incentives, and so on), with two retailers and seven on-premise retailers supporting the scaling up of this strategy. In comparison, only four respondents supported scaling back or eliminating these strategies. CRM, brand building, and on-premise and point-of-sale strategies were also supported for scaling up, as was experiential marketing. In comparison, events, off-premises activations or promotions, traditional media, discount-based promotions, brand visibilities, and all ATL activities were all supported as elements to reduce or even eliminate.

Strategies to Scale Up			Strategies to Scale Back or Eliminate		
Strategy	Distributors	Retailers	Strategy	Distributors	Retailers
Trade promotions (Subsidies, incentives, etc.)	E13, E15	C3, C5, C13, C14, C15, C17, C19	Events	E12, E14, E17	C2, C3, C8

Customer relationship management (CRM) or relationship marketing	E8, E14, E16	C5, C6	Trade promotions	E10, E16	C1, C16
Brand building and engagement	E10	C7, C8, C9, C16	Off-premises activations/promotions	E4	C6, C7
On-premise activations	E1, E10, E12		Traditional media	E5, E6, E11	
Last 3 feet or point of sale/consumption	E5, E12, E16		Discount-based promotions		C6, C10, C15
Experiential marketing	E7, E9	C6	Brand visibilities		C9, C13
			All ATL activities	E2, E8	

Table 8 Marketing strategies that should be scaled up or eliminated

4.2.5 Implementing Marketing Strategies

There were four key marketing strategies identified in the literature review. The distributors and on-premise retailers included in this study had insights into how to implement these strategies in the current retail environment.

4.2.5.1 Trade Marketing

Distributors had a diversity of viewpoints on improving trade marketing, although not all were of the opinion that changes were needed. One respondent argued that “Trade deals and trade terms are important. Get the basics right in terms of product display and link it to brand message” (E3). Another recommendation was that “relationship building, price stability and winning visibility are the strategies we recommend” (E9). A third recommendation was that distributors should help improve quality through activities such as staff training and mystery

shoppers (E14). Finding ways to increase direct communication to customers is a common issue for tobacco distributors (E13, E17, E18), although it did not affect alcohol distributors. This may be because alcohol distributors can have more direct communication with customers on their own due to lower restrictions. Increasing direct communication and building relationships between distributors and on-premise customers was also a common improvement noted by on-premise customers (C1, C2, C10, C11). Increasing trade incentives to improve rewards were also identified (C12, C13), as was being more creative in designing trade deals (C15, C16). However, many of the on-premise customers either did not see any need for improvement or did not see any way to improve it (C4, C8, C17, C18). Overall, it is not clear that on-premise customers value trade marketing as much as distributors do, and therefore do not have as many ideas about improvement.

4.2.5.2 Relationship Marketing

Distributors did not have a very strong viewpoint on improving relationship marketing. One interviewee stated, “The market is changing now. The wind is blowing a different way to consumers. I’m not saying that relationships with consumers are not important, but it is getting less effective. You have to spend a lot of money to sustain the relationship” (E4). Nevertheless, there are still some customer relationship marketing practices that are suggested, such as customer loyalty programs and CRM strategies (E7, E8, E10, E18). In general, distributors viewed relationships with key trade customers and other trade marketing practices as more important than end consumer relationships, and recommended focusing on these relationships rather than on consumer relationships. Relationship marketing with end consumers was viewed as far more important by on-premise customers, with most expressing positive attitudes and recommendations for its use (C1, C2, C3, C5, C6, C10, C13, C16, C18). One recommendation was that “If you can make customers feel happy or important, they will be loyal to you” (C2).

However, the use of programs between distributors and retailers was more complicated, with for example conflicting beliefs for (C8) and against (C14) incentive trips being seen. In summary, it can be stated that on-premise retailers place a higher value on relationship marketing between the distributor and retailer and on the customer-consumer relationship, while distributors tend to view CRM as expensive and difficult. However, this may be because on-premise customers have more direct contact with the consumers they provide services to, rather than because distributors disregard the importance of the end consumer relationship.

4.2.5.3 Event Marketing

Events marketing is widely used by alcohol distributors, with most respondents stating that they use event marketing (although sometimes to a lesser degree than they had done previously) (E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12). A representative comment is “Events are the main tool in our experiential marketing. Large events, that hold up to 10,000 people, is our strategy to create trial and build brand equity” (E7) and “we recommend big events sponsorship” (E8). However, this was definitely not the case for tobacco distributors, who universally stated that events were not used (E13, E14, E15, E16, E17, E18) partially because of more severe restrictions on sponsorship identification. For example, E13 stated “We do less event marketing because it is not justified for our investment”, while E18 stated, “Event builds brand image, but brand image is hard to measure. When ROI was measured, event was not justified.” Thus, for distributors, there is a definite split in terms of the usability of events – while alcohol distributors still found them useful, tobacco distributors had all but abandoned them due to the lack of usability.

In general, on-premise customers had a positive attitude to events (C1, C2, C3, C4, C6, C7, C8, C9, C10, C11, C12, C13, C14, C16). However, they also had a general attitude that it

would be better to have location-based events managed by them than to participate in sponsor events (C4, C9, C11, C15, C16, C18). For example, respondent C9 stated “It is good to have, but they should ask outlets first what they want, instead of thinking of everything by themselves. Every outlet is different.” Respondents also had different views on sponsor events. For example, C5 stated “support budgets are too low, but target volumes are too high” for sponsored events. Another statement was that “At present, sponsors’ events are essential to build big brands. For big events, a lot of people talk and know about the brand. Small events can stop because they are not working” (C13). This is consistent with the views identified above on changes to advertising strategies.

4.2.5.4 Digital Marketing

Distributors were split on the utility of digital marketing, even within companies. For example, at International Alcohol Distributor #1, E1 and E2 noted that the company had linked digital marketing to higher sales and described their innovative use of it, but E3 noted that “Digital marketing is still not linked to sales”. At International Alcohol Distributor #2, respondents noted that digital marketing had been in place for many years and had taken the place of traditional old media marketing, but that it was a complicated thing to do and was best in combination with other strategies such as events. Social media was the digital marketing tool of choice at Domestic Alcohol Distributor #1, with all three respondents noting that it was effective (although E7 also noted that digital marketing had many other aspects as well). This was also the case at Domestic Alcohol Distributor #2, where CRM (E12) and creativity (E11) were focuses of the campaign. Once again, however, digital marketing was a very different environment for tobacco distributors than it was for alcohol distributors. Representatives of both Tobacco Distributor #1 (E13, E14) and Tobacco Distributor #2 (E16, E18) noted that they cannot use traditional digital marketing. There are a few avenues, like unsolicited staff support

(E14) and product placement (E16) which are possible, but this is a very limited approach to digital marketing compared to what is available to tobacco companies. Therefore, it can be stated that digital marketing is a tool only available to alcohol distributors in this context, and cannot be used by tobacco distributors.

On-premise customers strongly supported the usability of digital marketing tools for their own marketing, especially social media (C1, C2, C3, C5, C6, C7, C9, C10, C15, C16, C17, C18). One of the main benefits of social media is the ability to communicate directly with consumers, up to and including taking delivery orders and payments via social media (C2, C4, C6, C9). Digital marketing can reach both existing and new consumers (C7), drive sales (C9), and promote events (C10) as well as communicate about the guest experience like quality of food and drink, location, ambience and atmosphere, and opportunities for social involvement (C11, C12). Another benefit of digital marketing is that the cost is still low (although as this respondent notes, content has to be good to stand out) (C5). A few respondents also identified the opportunities for influencer marketing (C6, C16). Overall, however, the direct communication with customers was the most frequently identified tool for use of digital marketing at events.

In general, it can be stated that while alcohol distributors and on-premise customers see value in digital marketing, the value of direct communication may be stronger for on-premise customers, who are less bound by what kind of information they can share compared to distributors. Tobacco distributors, in contrast, are barred from using most forms of digital marketing and do not see any significant benefits from this channel. This is one of the most significant differences seen in the marketing strategies of tobacco and alcohol distributors and is one of the ways that their experiences vary.

4.2.6 Sales Performance and Marketing Ban Effects

The final theme was the sales performance and the effects of the marketing ban on this performance. There are two key issues in this case: sales performance and the effect of advertising and promotions on sales performance.

4.2.6.1 Sales Performance

Distributors identified several sales performance drivers, including: brand (E1, E4, E5) trade partnerships and deals that enable distribution (E1, E5, E7, E8, E13, E14, E15, E16, E17, E18), POS/BTL activations (E1, E10), and effective market targeting and conversion (E3, E5, E6, E12). In keeping with the difference in regulatory environments between tobacco and alcohol distributors, tobacco distributors only identified trade partnerships and their associated distribution channels as the source of sales, while alcohol distributors had a wider set of sales drivers. For on-premise customers, the most common sales drivers included price promotions (C3, C5, C6, C10, C15, C17) service quality and staffing (C8, C9, C13, C14, C16, C17, C18). While many other factors were identified, these did not usually affect more than a single response. Thus, price promotions and service quality are the reported main performance drivers.

There were a variety of metrics used to evaluate sales performance. Alcohol distributor metrics included brand/market share (including national, regional and provincial market share) (E4, E7, E10, E11), revenue/sales volume (E4, E5, E7, E8, E10, E11, E12), brand offtake/conversion (or capture of market share from competitors) (E5, E6, E12), volume uplift (E9) and digital marketing engagement (E5). Most of these metrics are based on hard sales figures rather than on other factors. Tobacco distributors focused on distribution volume and expansion (E13, E14, E15, E16) sales volume (E13, E15, E17, E18), conversion rate (E14) and

brand visibility (E16). Thus, the values available to tobacco distributors were much more limited compared to alcohol distributors, and were more focused on securing distribution channels. Most of the on-premise retailers measured sales based on sales revenue (C2, C5, C6, C7, C8, C10, C15), per-head customer spending (C4, C8, C9, C10) or sales per staff member/team (C8, C10, C16, C17, C18). It is notable that the Upscale Treat segment is intensively focused on individual salesperson performance, with all three in this category focusing on monthly sales targets per staff member or team rather than overall revenues.

In general, firms viewed themselves as having good performance. International Alcohol Distributor #1 viewed themselves as market leaders, with 80% to 90 market share, but International Alcohol Distributor #2 also viewed their performance as good and their market share as growing. Domestic Alcohol Distributor #1 also viewed itself as a market leader, but performance of Domestic Alcohol Distributor #2 was not as strong. Representatives of this company stated, “Frankly speaking, I am not happy about our brand performance in terms of brand image and many other things” (E10) and “our competitors are much better in fundamentals such as RTM or sales drivers” (E12). Tobacco Distributor #1 viewed itself as a market leader, with more than 90% market share in some categories and leading market shares in premium, mid and low price segments. Tobacco Distributor #2 identified itself in the second place in the market. In comparison, on-premise customers were less likely to know where they stood in comparison to the market. Several respondents did not know (or care) how their site performed in comparison to the market (C2, C3, C9, C15). Several others claimed to be the top in the area, industry, or sector (C1, C5, C6, C7, C10, C13, C14, C16, C18). However, it is not certain what the basis of this comparison is. Unsurprisingly, since they are in general much larger companies, the distributors had a stronger idea about their performance and how this performance compared to competitors.

4.2.6.2 Effect of Advertising and Promotion on Sales Performance

Alcohol distributors were clear that advertising and promotions positively affect sales performance (E1, E2, E3, E4, E5, E6, E7, E8, E9, E11, E14, E15, E16, E17, E18). However, it was also clear that advertising and promotions are complementary strategies, not for use in isolation/ For example, E16 stated that “Promotions is a short-term strategy to drive sales performance. Brand building was the long-term strategy to achieve ‘generation-bridging’. Our strategy was leveraging the global influence of local consumers.” Another statement is “Advertising talks about consumer experience, not brand communications anymore. Promotions shift activation to consumption” (E5). Furthermore, “Advertising affects consideration, and promotions help conversion. It makes sales by brand switching” (E3). Thus, the general impression is that to influence sales performance, the company needs to use both advertising and promotion. This is problematic especially for tobacco distributors, who are not allowed to use advertising (E17, E18). Of the on-premise customers that expressed a preference, most also agreed that advertising and promotions play a complementary role in sales performance (C3, C4, C5, C6, C8, C10, C11, C12, C13, C15, C15, C16, C17). However, a few felt that price (C9, C11) or staff recommendations (C18) drive sales rather than advertising and promotions.

The distributors that responded to this item indicated that advertising and promotion bans had overall had a significant negative effect on their sales performance (E1, E4, E7, E8, E11, E13). Effects included negative effects from reduced brand communication (E1, E8, E13) and lost sales due to promotion bans (E4, E9, E11, E13). Some of the on-premise retailers did not report that it had affected their sales (C1, C9, C11, C13, C17, C18) but others did indicate that promotion restrictions did have a negative effect on sales (C2, C3, C5, C6, C8, C9, C11, C14, C16). Thus, while both advertising and promotion bans were viewed as equally important by distributors, retailers only perceived the effect of promotion restrictions.

4.3 Hypothesis Results

There were two main hypotheses proposed during the literature review, which were related to the use of events (H1) and pull strategies (H2). Although the qualitative analysis approach does not allow direct testing of these hypotheses, the study did provide some evidence for each of these hypotheses that can be discussed and summarized in Table 9

4.3.1 Hypothesis 1: Events in the Marketing Strategy

Hypothesis 1 examined the role of events in the marketing strategies of firms in the dark market. H1A stated that firms would use events to attract attention and brand interest. This was somewhat found to be the case. Alcohol distributors did suggest that there was support for the role of events in the marketing strategy, while on-premise customers were active promoters of events. Therefore, for alcohol sales there were events being used at two levels – mega-events organized and sponsored by the alcohol distributors and smaller events organized by the on-premise retailers (although often sponsored by the distributors as well). However, tobacco companies did not use events, stating either that they could not use events at all or that the ROI was not worth the investment. Therefore, the difference in the regulatory environment between alcohol and tobacco distributing firms appears to make events a less effective marketing strategy, and therefore the tobacco firms did not use the strategy. Therefore, H1a can be partly accepted.

H1B argued that firms would use events to drive social learning. In practice, there is no evidence of events being used as a tool for social learning, To the extent that this was discussed at all, the distributors and retail customers were focused on the individual experience rather than on efforts at social learning. If anything, the use of word of mouth (WOM) outside events

was more of a focus of social learning, but encouraging WOM was only identified by a relatively small number of firms. Thus, H1b should be rejected.

H1C argued that firms pursuing premium strategies would be more likely to use events marketing as a tool. This hypothesis was based in the relative cost of events compared to other marketing tools and the need to develop brand equity for premium brands. In fact, firms pursuing premium strategies, such as International Alcohol Distributor #1 (known for its premium liquors) and the Upscale Treat retailer segment, were enthusiastic proponents of events marketing and used them. Therefore, events marketing clearly is used in support of premium brands and retail experiences. However, this strategy was not only used in pursuit of premium strategies. In fact, events were popular with most segments of the market. The only exception was for tobacco distributors, where restrictions on display of products, logos and other characteristics meant that events did not contribute to brand perception. Therefore, H1c cannot be accepted in its entirety. Although the findings do show that events can support and develop premium brands, they are also used to support mass market brands.

4.3.2 Firms' Use of Pull Strategies

Hypothesis 2 concerned the use of pull strategies in the constrained market. H2A argued that firms would enhance their expenditure on pull strategies. This was unarguably true. Several of the firms specifically noted that since they were no longer able to engage in push strategies or had push strategies severely limited, the emphasis had shifted to non-advertising and promotion pull strategies. For example, several of the distributors had developed trade promotion programs that either trained on-premise staff or placed sales assistants in sales premises to promote their products through WOM or direct product advice. Thus, H2A can be accepted.

H2B cannot be accepted as readily. In practice, there is little evidence that these WOM and other direct marketing programs and other pull strategies have been effective at building new brands. Several of the respondents stated that it was difficult to establish new brands, and for tobacco distributors particularly sales appeared to be based mainly on price differences. While the stated goal was sometimes to build brand resonance (or brand image and identity), in practice the marketing strategies were not evaluated based on brand resonance and most of the respondents did not even measure this characteristic. Therefore, H2B is rejected.

H2C argued that brands pursuing a premium strategy would be the most likely to undertake this technique. It is unclear whether this was true or not. In practice, pull strategies like placement of trade assistants, digital marketing, influencer marketing and other practices were used by distributors at all levels of the market. Some of the same tools were also used by all sectors of the on-premise retail market. The main difference could be seen in the Upscale Treats retail segment, where the use of staff to recommend brands and encourage premium consumption was specific. Therefore, H2C can be partly accepted. Pull strategies, especially WOM and in-person sales assistance, can be used to support a premium strategy, but it was also used to support mass market brands.

H2D argued that the effect of customer-consumer relationships would be limited in comparison to the brand-customer relationship because of the restrictions on advertising. In practice, this was not the case, because on-premise customers still retained some flexibility in promoting and recommending products. For example, servers in retail premises could recommend specific brands and products and could verbally offer deals for alcohol, or could offer information about tobacco products, which could not be displayed in retail or brand advertising. In some cases, on-premise customers also had a permissive approach to the regulations, especially with their digital marketing, which may use experience images or influencers to promote specific products and brands. Furthermore, even tobacco distributors,

who were the most tightly constrained in terms of their advertising power, could develop tools like the X-stands, which allowed consumers in the retail environment to access products and view pricing information. This suggests that despite becoming more constrained because of promotion restrictions, the customer-consumer relationship has become more important because of the constraints on advertising and promotion by distributors. In fact, it could be argued that much of the former advertising and promotion (push strategies) have been converted to trade promotion strategies that encourage customer-consumer interaction. Thus, the customer-consumer relationship has become a proxy or channel for the company-customer relationship, which is now far more constrained. Thus, H2D is rejected. This does raise several questions for the discussion, which are investigated below.

Hypothesis	Accepted?
H1A: Firms in dark markets will employ event marketing as the way to attract attention and interest of their brands.	Partly
H1B: Firms that engage in event marketing will attempt to use events to drive social learning among their customers.	No
H1C: Firms that are trying to develop premium brands will be the most likely to embrace event marketing strategy.	No
H2A: Firms facing darkening communication routes or bans will enhance their expenditure on pull strategies.	Yes
H2B: Firms that face darkening markets which augment their pull strategies will find that they are able to develop brand resonance in the absence of advertising and direct consumer promotions.	No
H2C: Firms that are attempting to develop premium positions will be most likely to embrace pull strategies.	Yes
H2D: The effect of customer-consumer relationships will be limited in comparison because of the advertising constraints.	No

Table 9 Summary of hypothesis results

4.4 Discussion

This study investigated the effects of alcohol and tobacco control policies on sales performance when two central elements of marketing, advertising and promotion programs, were significantly restricted. The findings above offer some insight into the regulatory environment and distributor and retailer responses for a darkening marketplace, including differences in marketing environments and emergent strategies between segments. The goal of the discussion section of this chapter is to contextualize these findings in light of the theoretical base of the research, and to evaluate how existing theories explain the marketing approaches that have emerged. Key issues that are discussed include the difference between grey (alcohol) and dark (tobacco) markets in marketing adaptation and long-term effects, events and social learning theory, and brand resonance and marketing strategies that emerged from the regulatory environment.

4.4.1 Grey Markets and Dark Markets: the Difference between Alcohol and Tobacco Marketing

There were some noticeable differences in both the regulation of alcohol and tobacco markets and the choice of marketing strategies used by alcohol and tobacco distributors in response. These differences were a significant contribution to the literature because, even though it was well known that different grey market goods exist under different regulatory regimes (Pardun, 2014), it has been unusual to study the differential effects of control regimes within the same market. Some of the differences identified in this study are as follows. For alcohol distributors, regulations still allowed limited advertising and promotion (although specific images such as consumption moments were forbidden). This meant that alcohol distributors could still use brand-consumer push strategies like digital marketing and events to

some extent to support brand equity and differentiate their brand, although they still faced challenges with brand differentiation and establishing new brands. While alcohol distributors did use trade marketing, this was a supplementary approach oriented toward upselling or premiumization. The much stricter regulations imposed on tobacco distributors, which completely prohibited advertising and promotion and strictly controlled in-store display, meant that there was a much stronger emphasis on trade marketing, including design of new displays which fit within the regulations as well as training of store owners/managers or placement of trade assistants in stores to engage in direct selling and word-of-mouth (WOM) about their products. Alcohol distributors also faced problems like consumers making lowest-price decisions rather than decisions based on brand differentiation: essentially, without the support of brand-consumer communication channels, brand resonance disappeared.

It is interesting to note that while alcohol distributors and on-site retailers did not generally believe that regulation would become stricter, this was not the case for tobacco distributors, who expected plain pack regulations to be introduced soon. This is consistent with the general direction of regulation, which typically becomes stronger over time (Nelson, 2010). Overall, it is likely that following this trend, the alcohol regulation will also become stronger, even if participants in this industry do not yet believe this. This may be because these industries have so far been treated with less regulatory control than the tobacco industry, which has had a series of tightening controls in motion over the past 30 years (Center for Global Development , 2018).

The context of regulation in Thailand has been studied by other authors, who have focused mainly on the tobacco industry regulation (Blecher, 2008; Levy, et al., 2008; Sangthorn, et al., 2011; Shang, et al., 2015; Vateesatokit, 2003) with some evidence from the alcohol industry regulation (Cook, et al., 2014; Jiang, et al., 2017). This research has added some depth to these findings. For example, Cook, et al. (2014) found that simple advertising

restrictions did not lower total volume of sales for alcohol products. However, this research suggests that for marketers, the question may not be that simple. For example, consumers without brand awareness may still drink or smoke the same amount, but may choose from what is least expensive rather than the brand they perceive as best quality. For the tobacco industry in Thailand, this has made it difficult to retain brand equity, with distributors focusing more and more on sales rather than brand resonance characteristics. Thus, while the comparative research that has been done suggests there may be little performance on the industry overall, this research suggests that there may be some substantive changes in the industry structure, which could threaten existing brands and change the basis for consumer concern. This is an area that could be investigated in other markets to understand the implications.

4.4.2 Events and Social Learning Theory

The theoretical review suggested that social learning theory could be one of the reasons why dark marketing often focuses on events. Social learning theory is, in brief, the idea that humans learn through observation, cognition, and imitation of others (for example, children imitating adults) (Bandura, 1965; Bandura, 1977; Bandura, 1986). While most research on social learning theory focuses on early childhood social learning, processes of consumer socialization are believed to continue into early adulthood (Moschis & Churchill, 1978; Wang, et al., 2012). The role of modelling smoking and drinking in consumer socialization toward these processes is one of the reasons why depictions of consumption are typically disallowed in marketing of these products (Freeman, et al., 2009; Manuel Sancho, et al., 2011). Therefore, it was reasonable to argue that the role of events in marketing was to create a social environment in which the sponsor's brand is prominent and in which it is observed to be consumed by others socially. This type of social effect of events has been observed in other contexts, such as in green consumption behaviour (Mair, 2014) and alcohol consumption at

music events (Gill, et al., 2015). Thus, it was a reasonable premise that social learning theory would explain why marketers continued to support events as a marketing strategy.

Despite this theoretical evidence, this research did not truly support an express motivation of social learning in events marketing. In keeping with the global literature (Astuti, et al., 2018; Harper, 2001; MacKenzie, et al., 2007; McDaniel & Mason, 1999; O'Brien, 2013; Rowley & Williams, 2008), alcohol companies in Thailand did routinely sponsor events, although tobacco companies had abandoned event sponsorship because it was either no longer possible or no longer worthwhile in terms of ROI. In fact, there were many limitations, such as limitations on display of brand identities like logos or products (termed brand visibility by many authors) that reduced the importance of events even for alcohol companies, which could still engage in such sponsorship. However, the motivations for distributor brand sponsorship of events were not strongly related to encouraging new smokers or drinkers or even converting existing ones, so much as supporting brand identities in an environment where brand equity was increasingly constrained. For example, one retailer reported using a large event for repositioning one of its main brands toward a younger target market, but did not specifically hope to convert non-drinkers to the brand. On-premise retailers also used events (although typically at a smaller scale), but the goal here was to create an enjoyable experience for consumers that incorporated a totality of the atmosphere, food and drink, and entertainment. Thus, the event was focused more on the consumer's own experience than teaching or communication of learning. Given these responses, it is not clear that social learning theory adequately explains the motivation for using events in the marketing strategy or the role of events in the consumer's cognitive process and learning for specific brands. Thus, while it does offer some explanation (association of the sponsor brand, however partial, with positive experience and enjoyment of the event), it does not incorporate aspects of peer pressure or brand identity. These factors may also be attenuated by the low visibility of the sponsor brand,

since sponsors have very limited ability to show their brands even at sponsored events. Therefore, there is still room for theory development on the role of events in the dark market, especially since it is not clear that these events have a long-term effect on brand equity, sales or other metrics.

4.4.3 Brand Resonance, the Brand Value Chain, and the Marketing

Strategies

This research's conceptual framework incorporated Keller's (2009) brand resonance framework (Figure 4) and Keller and Lehmann's (2003) notion of the brand value chain to model the importance of brand communications in the formation of consumer preference and buying decisions. These theories partly explained the emergence of marketing strategies that have acted as substitutes for consumer-oriented promotion and advertising campaigns, although the explanation was not complete. The advertising and promotion bans removed many of the aspects of the brand value chain, for example limiting marketing program investment to only a few channels like trade investment and reducing program quality (Keller & Lehmann, 2003). This suggests that the brand value chain was delivering much less value for the company, which was definitely one of the key themes of the research. It was worth considering how the company's marketing program investment adapted.

In the adapted brand resonance framework (Keller, 2009), it was suggested that the company-customer relationships between distributors and on-premise retailers would be the dominant relationship, as the customer-consumer relationship was constrained by promotion restrictions and the company-consumer relationship was constrained by advertising restrictions. In other words, trade marketing and trade promotion strategies would become one of the main strategies. In the literature, it is proposed that trade promotion does not have a

direct impact on the consumer (Fomari & Grandi, 2012), but instead focuses on establishing incentives to place the distributor's product in the retail outlet (Bloom, 2001). Trade marketing has been shown to be a commonly used practice in alcohol and tobacco marketing (Bovie, et al., 2017; Lewis & Vickerstaff, 2001; Moodie & Hastings, 2011; Pollay, 2007), although companies are often reluctant to discuss exactly how they perform it or how much they spend (Tomlinson & Branston, 2014). This research has supported its popularity, demonstrating that both alcohol and tobacco companies do use trade marketing to position their products in the Thai market. However, this went far beyond the limited use of incentives and merchandising tools such as t-shirts or displays used in other places (Pollay, 2007), many of which were not allowed in any case. Instead, distributors in Thailand have used an intensive trade marketing process, including a system of incentives and rebates and owner training – or even placement of supplementary staff (sales assistants or trade assistants) to sell their products in-store. Tobacco distributors have even designed in-store displays that meet display limitation requirements while still allowing consumers to access products in-store. The effectiveness of these programs was uncertain, although they may be better in sectors like the Upscale Treats segment where part of the staff's role is to offer product and brand recommendations. However, what this research contributed to the limited knowledge on the use of trade marketing was that it was adaptive to the environment and that it supported the company-customer relationship. Going further, the use of trade marketing as it was described by some distributors here could also be stated to indirectly support the company-consumer relationship through the company-customer relationship. Because on-premise retailers had weaker limitations on promotion than distribution companies had, the distribution companies have found a way to use on-premise retailers to reach consumers indirectly and offer them the promotions and brand visibility that is largely disallowed now via WOM from the retailer staff. This type of indirect personal selling

could not be identified in the literature and may constitute a new or relatively uncommon response to a restrictive regulatory environment.

Although trade marketing dominated BTL expenditures, there were still strategies that alcohol distributors and on-premise retailers (though not tobacco distributors) could use to reach out to consumers directly, including events and digital marketing. These strategies were identified as potentially valuable in the literature. However, it was not clear that firms had achieved goals such as image transfer (Rifon, et al., 2004). This could be because the programs did not have clearly defined objectives, which has been noted as a barrier to effective use of events and experiential marketing (Papadimitriou, et al., 2008). These strategies also do not appear to support the indirect company-consumer relationship as strongly as trade marketing does. In contrast, the use of relationship marketing was relatively common, with some respondents indicating it was not worth the investment. This could be because relationship marketing was a cost-intensive practice fundamentally intended for niche markets (Dalgic & Leeuw, 1994), while both alcohol and tobacco are mass markets. While modern marketing tools such as data analysis could be used (Payne & Frow, 2017), in practice it may be difficult to design such a program that met the regulatory requirements, particularly since price promotions and free samples (which might typically be offered) were not allowed under either regulatory regime. Thus, this may not be as valuable to them.

4.5 Summary

This chapter has presented and discussed the key findings of the primary research. This research showed that, as expected, advertising and promotional bans had had a significant effect on distributors, especially tobacco distributors who are subject to more stringent regulation than alcohol distributors. These restrictions also affected premises, although less so

since they had not previously relied on advertising as a tool for brand building. There were several adaptive strategies used by firms to cope with the constraints placed on them by regulation. For example, many of the distributors increased their use of trade marketing, including trade incentives and rebates as well as training for retail staff. On-premise retailers also developed new strategies, working to differentiate their restaurants, clubs and other locations by their service, food, ambience and other characteristics rather than the alcohol or tobacco brands and training service staff to make recommendations. Both distributors and on-premise retailers sometimes shifted toward premium brands. There were some noticeable differences between distributors, however. For example, while alcohol distributors and on-premise retailers used events and social media, these channels were either not open to tobacco distributors or ineffective because of the constraints placed on them. It was also evident that tobacco distributors had a much more difficult time establishing brand equity, since without brand identifiers and advertising, competition became a matter of price rather than brand equity. There was also little indication that companies were actively pursuing social learning, and were instead intent on individual customer conversion. These findings are the subject of the conclusion, which is presented in the next chapter.

Chapter 5: Conclusion and Recommendations

5.1 Conclusion

This research explored the practice of marketing in dark markets, specifically the highly regulated alcohol and tobacco marketing regime in Thailand. Although Thailand's alcohol marketing regime is consistent with global practice, its tobacco marketing regime is one of the most stringent in the world, with a total advertising and promotional ban and strict limits on in-store display.

There were three key questions to this research, which included:

- RQ1: Why does a dark market matter?
- RQ2: How do firms respond and navigate through a dark market?
- RQ3: What kinds of marketing strategies and activities drive and improve relative sales performance under various restrictions?

These research questions were investigated using a qualitative study conducted from the perspective of two stakeholder groups that are rarely considered in dark marketing research: product distributors and on-premise retailers.

Why does a dark market matter? The literature review showed that the regulations that create a dark market are typically enacted to address legitimate social or societal concerns such as public health concerns. These regulations can have a positive effect, for example by reducing smoking or drinking rates, but they do not eliminate the behaviour. For marketers, dark markets matter because they reduce or even eliminate the firm's access to traditional routes to marketing such as using advertising to build brand awareness or using promotions as a persuasive tactic. Thus, firms are forced to find alternative marketing tools that can support

their brands within the dark market, typically as regulations are tightening around them at the same time.

How do firms respond and navigate through a dark market? The firms in this research were generally clear that they could not circumvent regulations, and therefore had to adapt. Although there were some exceptions, such as tobacco firms successfully challenging prohibitions against display of product names and prices in stores or on-premise retailers skirting regulations on promotions, these were exceptions and did not constitute the general response. Firms typically responded to the dark market in several ways. Firms reduced the amount spent on above-the-line (ATL) activities like advertising and promotion and increased their below-the-line (BTL) spending on trade promotion, events, and other activities, as tested in H1 and H2. They also adopted new strategies like digital marketing and influencer marketing to drive performance. However, the more constrained the regulatory environment was, the fewer options for adaptation the firms had. Tobacco distributors, who had the strictest regulatory environment, could not use tools like events and digital marketing effectively. Thus, the firm's response was strongly dependent on how they were regulated.

What kinds of marketing strategies and activities drive and improve relative sales performance under various restrictions? The most commonly identified marketing strategies that were used by all firms included trade marketing, events, and digital marketing. Relationship marketing was a minority activity and was more important for on-premise retailers than it was for distributors. Of these activities, trade marketing was the most effective for both alcohol and tobacco distributors. However, trade marketing went far beyond the free product visibilities or product displays identified in the literature. For example, some firms redirected their promotion budgets into providing product information and training for owners and staff or even positioning their own staff at retail outlets to support WOM. Events and digital marketing were viewed as useful for supporting brand equity, but these did not have as strong

a drive for sales. Thus, trade marketing, rather than other channels, became the main substitute for advertising and promotion.

In conclusion, this research has shown that dark market regulation can make substantial changes to the marketing strategies and outcomes of the firms operating within that market. The implications of these changes are discussed below.

5.2 Research Implications

There are some implications for academic theory and practice that stem from this research's investigation into dark marketing. The research chose a stakeholder perspective that focused on product manufacturer/distributors and on-premise retailers, which has not been investigated in detail in the literature previously. Therefore, there are some novel findings that resulted from the study. One of these novel findings is that the companies operating under dark market regulations adapted by transferring spending from ATL to BTL: essentially, they reallocated their advertising and promotion budgets to trade marketing and other indirect marketing tools. At the same time, the study also showed a much more complex use of trade marketing than has been described previously. Without the previous channels such as trade visibilities available, and with limited opportunity for other promotion, distributor firms adapted trade promotion practices to include recruitment and direct training of on-premise managers and even staff to promote and directly sell the company's products. In effect, this created an indirect company-consumer relationship through the customers, with indirect communications taking the place of direct communication and promotion. This suggests that the brand resonance triangle as presented by Keller (2009) does need adaptation, since it demonstrates that there may be indirect as well as direct relationships involved.

The research also adds to the knowledge on dark markets, as it demonstrated that despite superficially similar consumption volumes, there were changes in the market structure and brand-consumer relationships in response to regulation. This could be seen most obviously in the tobacco distributors, whose tightly regulated environment essentially eliminated brand communication and differentiation channels entirely and even constrained visual brand identity. These firms reported that maintaining brand identity was an increasing struggle, as consumers gradually moved toward a cost focus rather than a brand focus in the market. Thus, this research indicated a further gap in the existing literature, which was that previous studies that focused on superficial factors like consumption rates overlooked the problem for marketers, which was that consumer decision-making changes when brand awareness and brand communication channels were removed. As a result, distributors or retailers may engage in price wars, seeking to capture sales by meeting the new low price demand. This finding also pointed to the value of considering distributor and retailer perspectives on this question, since it showed that these regulations may be counterproductive if poorly designed enough to allow for price wars to lead the way.

The findings of this research were derived from firms operating in a very specific regulatory environment in a single country, and as a result there were limited practical recommendations to be derived from the study. However, one practical recommendation was that firms should not overlook the value of creativity when dealing with a highly-regulated marketing environment. Distributors in this study developed innovative trade marketing practices that essentially created an indirect path to brand communication and promotion through verbal offers from retailer staffs, circumventing regulations that prevented such promotion. Thus, firms could use creativity to find a new way to continue to support their brands even in a highly regulated environment.

5.3 Limitations

This research had several limitations that need to be considered. One of these limitations was that the analysis was based on self-reported information from representatives of firms, and this information could not be validated independently. In most cases, the effect of this limitation was simple uncertainty about the specific nature of factors like expenditure; for example, varying estimates from members of the same company on marketing spend, which could not be rectified. However, it was also possible that there are other misleading statements. For example, while most of the firms claimed they complied with all regulations, it was possible that this was not the case, particularly given the high degree of uncertainty about regulations (especially among on-premise retailers) and the extent to which alcohol and tobacco marketing has been observed to be non-compliant in other markets in the past. Another limitation was that the study was conducted with a cross-sectional time horizon, with all data collection occurring during 2018. This limitation meant that the findings only reflected a specific point in the regulatory environment and may not remain the same over time. For example, if Thailand did implement plain pack regulations for tobacco companies, it was likely that the remaining brand differentiation of different tobacco brands would almost disappear, leaving the market structured as a cost leadership market. These types of changes cannot easily be predicted in advance, but are likely to influence the competitive environment and the strategies chosen by firms. Thus, the findings may not remain stable over time as the regulatory environment changes. They may also not apply directly to firms in more permissively regulated markets, which have not had to adapt to these rules.

There were also limitations that stemmed from the design of the study and its scope. The study focused only on two industries (tobacco and alcohol) and one country (Thailand).

This limitation means that the findings may not apply directly to other countries. Though there is no a prior reason to believe that these findings might not provide solid guidance for other product categories or countries facing similar restrictions. For example, countries with looser tobacco regimes (which includes many other countries, since Thailand's tobacco regulations are some of the most stringent in the world) may have different marketing strategies that could be used. Similarly, companies in countries with stronger alcohol controls may also have different marketing strategies available. There may also be differences in marketing strategies available for other controlled or dark market goods; for example, marijuana marketing in jurisdictions where marijuana can be legally sold may have different marketing strategy choices that will work. Thus, these findings cannot be presumed to apply to marketing of regulated or controlled goods in all markets.

The study was also an exploratory study limited with a small sample size. The exploratory nature of the study was required because there has been very little research into the practice of dark marketing in general. Furthermore, most of the research that has been conducted has been focused on social effects of marketing, rather than the practice of marketing or establishing a marketing strategy itself. This means that there was relatively little insight into the practice of marketing within firms. The small sample size was also a limitation imposed externally, in this case because of the size and structure of the market. Since both alcohol and tobacco markets in Thailand are heavily concentrated, with only a few major competitors in the market, the distributor sample was limited in size automatically. These limitations mean that although this research provides a useful exploration of marketing strategy for dark markets, it is not conclusive and additional research is needed.

5.4 Recommendations for Future Research

The exploratory nature of this study meant that it had a very broad scope, and was expected to address several different (though related) questions about an area that had not been studied in detail. While the research was successful in this goal, there were many areas that remained unexplored because of limitations on the scope of the study or simply the practical resources such as time or available information. Thus, there are several recommendations for future research that come from the findings of this study.

The first recommendation is a theoretical recommendation. This research was one of the first studies to use Keller's (2009) concept of the brand resonance pyramid, and it was shown to be both useful and flawed. Its utility was clear, because it effectively explained how brands, retail customers, and end consumers interact in a retail marketing environment, and how these interactions help to build brand equity. However, it was also flawed, because it does not take into account the effects of indirect communication through the retail customer. This was an unexpectedly significant factor in the current research, which was shown to be an adaptive response to a tightening regulatory environment. However, it is also possible that this indirect communication may be significant in other areas as well. Thus, the brand resonance pyramid (Keller, 2009) could use more testing, validation, and expansion to consider indirect relationships between the three participants as well as the direct relationships it currently proposes. This model also needs a broader application and testing to validate and if necessary to expand it in different contexts.

A second opportunity for further research is on the topic of trade marketing. Trade marketing, although it is widely acknowledged as part of the marketing practice especially for fast-moving consumer good (FCMG) distributors, has been largely ignored as a distinct marketing practice. Instead, it is considered (when it is considered at all) as part of the general

category of B2B marketing, which is itself under-investigated in the academic literature. Thus, there is very little understanding of trade marketing in the academic literature, either relating to how it is used or the role it plays in the firm's overall marketing strategy. This research has shown that trade marketing can be an adaptive strategy in regulation-constrained markets and that it goes beyond simple provision of freebies and brand visibilities. However, the role it plays in other areas – for example, supermarket shelf space or supplier rebates – has been under-examined. This means that the indirect effects of what could be a significant marketing strategy on the consumer choice is poorly understood. Thus, trade marketing in general should be investigated further.

Third, future studies could use different research methodology to test the theoretical framework's reliability and validity to develop a rigorous theory. Theoretical development should first broaden the study's initial model to include more industries and more countries, which will test the theoretical model proposed here against other industrial and regulatory contexts. For example, such a test could expand the investigation of alcohol and tobacco marketing to more countries with different regulatory regimes, in order to determine which regulatory characteristics affect the firm's choice of marketing strategy. For example, it is likely that tobacco marketing would be affected by whether or not it was legal to display tobacco products or use promotional deals for them, which was indicated by the historical account of prior marketing strategies. Other types of dark market goods could also be included to evaluate what characteristics affect the marketing of such products. Some types of dark market goods that may be legal in different markets, and which could have different marketing strategies, could include marijuana, pornography, or other products. Comparing the marketing strategies of firms participating in these markets and in different countries could be useful to further refine and develop the theoretical model developed here.

Moreover, it would be helpful to consider other market performance metrics such as market shares, profitability or price premium. For example, the study of control policies impact on price premium would be useful for the high-end products or luxury brands. A quantitative study could be used to collect data relating to the model including a larger number of firms, including both distributors and retailers of dark market goods. This would provide additional data that could be generalized across markets. A quantitative study also would have additional possibilities for rigorous theoretical and instrument development. For example, model validation techniques like confirmatory factor analysis (CFA) could be used to test and validate the full theoretical model proposed. Depending on the scale of the additional research, there could also be an effort to identify additional factors (for example social attitudes) that could affect marketing practices, in addition to regulation, which would generate a much more extensive set of relationships that could be validated the same way.

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Appendix 1 – IRB Approval

 Institutional Review Board

14/8/2561 BE



IRB Application (Pavuth SRIARANYAKUL) - An exploratory study of how to navigate and im... [Details](#)

SMU Classification: Restricted

Dear Pavuth,

I wish to inform you that your application titled “An exploratory study of how to navigate and improve sales performance through control policies” has been approved under Expedited Review: Category 2A. You may note the approval number as IRB-18-095-A078(818). The approval letter and approved documents are attached for your records please.

To help us improve our IRB review processes, we would appreciate if you could complete a feedback form [here](#). Your feedback is valuable to us and we will ensure that all responses will be kept confidential.

We would like to remind you that in order for ensuring compliance with the research procedures by all members of the research team, we require that the Principal Investigator (PI) send to all members of the research team the IRB-approved research protocol by circulating the approved IRB application and supporting materials.

We wish you and your team success in your research work. Thank you.

IRB Updates

From 1 Jan 2018, the Full Board will meet only ONCE a month to review Category 3 applications, click [here](#) for the details!

Conducting Human Biomedical Research? Click [here](#) to find out more on the Act's requirements
SMU IRB's Year-End Closing, **NO** IRB reviews between 15 and 31 Dec annually (starting from 2017)
Click [here](#) to access the **IRB Handbook**, a document outlining SMU IRB's Main Policies and Procedures

Click [here](#) to view the process changes for “**Exempt from further IRB review**” (formerly known as “Exempt from Full Board Review”)

Best Regards
IRB Secretariat

NG Swee Lee
Senior Manager
Office of Research & Tech Transfer

Singapore Management University
DID: +65 6828 0096
www.smu.edu.sg

Appendix 2A – Interview Questionnaire (Managers)

The following questionnaire will be employed to question senior and middle management of tobacco and alcohol firms. The intent is to allow them to comment on the evolution of their industries and on how engagement between firms and stakeholders has changed. Since the participants are of different nationalities, there are two versions of the questionnaire; one written in English and the other in Thai. The original questionnaire was written in English and translated into Thai. The interviews will be conducted in either Thai or English depending upon the participants.

- 1.1) Briefly describe the nature of the marketing environment that you are involved in.
- 1.2) What restrictions or bans are in place for your communication plan to the market?
- 1.3) What are the main drivers of your industry?
- 1.4) What are the major barriers for your firm?

- 2.1) What is your opinion of advertising/promotion restrictions in general?
- 2.2) What are the barriers which your firm is facing under the control policies?
- 2.3) In your market, what is the most severe restriction?
- 2.4) What do you expect the future of regulation to be?

- 3.1) How have regulatory changes affected your business?
- 3.2) What kinds of the advertising and promotion bans have had the most impact on your business?
- 3.3) Which have had the most and the least impact on your sales performance?

- 4.1) How have the control policies changed your marketing strategy?
- 4.2) How have you responded to these restrictions?
- 4.3) How has your organization structure changed?
- 4.4) How have your competitors responded to your decisions?
- 4.5) How have your customers responded to your decisions?

- 5.1) How has advertising helped your business?

- 5.2) What have promotions done for your company?
- 5.3) Now that you cannot promote or advertise as freely what do you do to differentiate yourself?
- 5.4) What share of revenue does your firm spend on advertising and promotions?
- 5.5) How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?

- 6.1) What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.
- 6.2) How do you define “successful” strategies?
- 6.3) How are these strategies created within your firm?
- 6.4) How have your strategies changed with increasing regulation?
- 6.5) Has your employee base had to change?
- 6.6) What sort of skills do you need in the dark markets compare to the pre-ban period?

- 7.1) Which of these strategies do you consider to be key program elements?
- 7.2) What strategies do you recommend to be sustained and/or scaled up?
- 7.3) What strategies do you think they should be should be discontinued?
- 7.4) What are the different strategies you use when facing a more restrictive environment?

Please provide a justification for your response.

- 8.1) What marketing strategies would you recommend to be implemented in trade marketing?
- 8.2) What marketing strategies would you recommend to be implemented in relationship marketing?

- 8.3) What marketing strategies would you recommend to be implemented in event marketing?
- 8.4) What marketing strategies would you recommend to be implemented in digital marketing?

- 9.1) What are the drivers of your firm's sales performance?
- 9.2) How do you measure and evaluate your sales performance?
- 9.3) How does your firm perform relative to your competitors with respect to sales performance?
- 9.4) How do you rate the quality of your sales performance?
- 9.5) Do advertising and promotions improve your sales performance?
- 9.6) What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

- 10.0) Is there anything else you would like to expand upon or challenge regarding the above questions?

Appendix 2B – Interview Questionnaire (the On-Premise Customers)

The following questionnaire will be employed to question the on-premise customers of tobacco and alcohol firms. The intent is to allow them to comment on the evolution of their industries and on how engagement between firms and stakeholders has changed. Since the participants are Thai nationalities, there is the Thai version of the questionnaire to conduct the interviews. The original questionnaire was written in English and translated into Thai.

- 1.1) Briefly describe the nature of the marketing environment that you are involved in.
- 1.2) What restrictions or bans are in place for your communication plan to the market?
- 1.3) What are the main drivers of your outlet?
- 1.4) What are the major barriers for your firm?

- 2.1) What is your opinion of advertising/promotion restrictions in general?
- 2.2) What are the barriers which your firm is facing under the control policies?
- 2.3) In your market, what is the most severe restriction?
- 2.4) What do you expect the future of regulation to be?

- 3.1) How have regulatory changes affected your business?
- 3.2) What kinds of the advertising and promotion bans have had the most impact on your business?
- 3.3) Which have had the most and the least impact on your sales performance?

- 4.1) How have the control policies changed your marketing strategy?
- 4.2) How have you responded to these restrictions?
- 4.3) How has your organization structure changed?
- 4.4) How have your competitors responded to your decisions?
- 4.5) How have your customers responded to your decisions?

- 5.1) How has advertising helped your business?

- 5.2) What have promotions done for your company?
- 5.3) Now that you cannot promote or advertise as freely what do you do to differentiate yourself?
- 5.4) What share of revenue does your firm spend on advertising and promotions?
- 5.5) How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?

- 6.1) What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.
- 6.2) How do you define your sponsors' "successful" strategies?
- 6.3) How are these strategies implemented in your outlet?
- 6.4) How have these strategies changed with increasing regulation?
- 6.5) Has your employee base had to change?
- 6.6) What sort of skills do you need in the dark markets compare to the pre-ban period?

- 7.1) Which of those sponsors' strategies do you consider to be key program elements?
- 7.2) What strategies do you recommend to be sustained and/or scaled up?
- 7.3) What strategies do you think they should be should be discontinued?
- 7.4) What are the different strategies you use when facing a more restrictive environment?

Please provide a justification for your response.

- 8.1) What marketing strategies would you recommend to be implemented in trade marketing?
- 8.2) What marketing strategies would you recommend to be implemented in relationship marketing?

- 8.3) What marketing strategies would you recommend to be implemented in event marketing?
- 8.4) What marketing strategies would you recommend to be implemented in digital marketing?

- 9.1) What are the drivers of your sales performance?
- 9.2) How do you measure and evaluate your sales performance?
- 9.3) How do you perform relative to your competitors with respect to sales performance?
- 9.4) How do you rate the quality of your sales performance?
- 9.5) Do advertising and promotions improve your sales performance?
- 9.6) What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

- 10.0) Is there anything else you would like to expand upon or challenge regarding the above questions?

Appendix 3A – Interview Transcripts (Managers)

Company: **International Alcohol Distributor #1**

Participant Code: **E1**

Title: **President**

Date: **August 31, 2018**

The interviewer was in all cases the same person "Pavuth." The transcribed interviews while not always grammatically correct are a direct Thai to English translation. The substantive meaning of the informants' responses are accurately transcribed rather than grammatically precise.

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E1: During the transition period, we could not show our logo. Communication on brand message was not allowed. It was difficult to work for both marketing and sales teams. Only on-premise channel was allowed to display some visibilities at POS.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E1: Pack-shot on drinking occasions was not allowed. However, we still were able to advertise our brand concept because our International Brand Campaign #1 was aligned with the government social contribution theme. We were lucky that our campaign was not rejected.

1.3) *Pavuth: What are the main drivers of your industry?*

E1: There are two drivers for our key International Whisky Brand (A); symbolic status and unique product taste. Our brand indicates social context status and celebrates moments with friends.

1.4) *Pavuth: What are the major barriers for your firm?*

E1: Regulations and social pressures make our working environment much difficult. We build appreciation through consumer generated WOM.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E1: The real intention is to limit or reduce consumption.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E1: It is liked moving target, regulations were changing every month such as advertising, promotions and tax issues.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E1: Advertising bans are the most severe restriction.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E1: The control policies are here to stay. It had been like this for the long time now.

3.1) *Pavuth: How have regulatory changes affected your business?*

E1: It limited our growths. The communication was harder to do. For example, we had shift advertising to mentor programs. They were very expensive. Advertising could not send direct message to our consumers.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E1: The most severe was trade marketing control, and the least severe was age.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E1: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E1: When the restrictions were prohibited us to show our logo and slogans. We had to adapt International Brand Campaign #1 by shifting our budgets to below-the-line (BTL) activities such as mentor programs or brand activations at POS. We build our brand zones in the on-premise channel. Our major success was building International Whisky Brand (A2) as the leading brand in premium category.

4.2) *Pavuth: How have you responded to these restrictions?*

E1: We complied with the laws. We executed mostly International Brand Campaign #1 in on-premise channel.

4.3) *Pavuth: How has your organization structure changed?*

E1: We had to restructure our marketing team by setting up new trade marketing team to focus BTL brand activation.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E1: Our competitors were in serious situations, because they did not have the International Brand Campaign #1 nor mentor programs as we had.

4.5) *Pavuth: How have your customers responded to your decisions?*

E1: Our customers responded positively. Those consumers who joined our mentor programs created good WOM and acted as our brand ambassadors. The key point was leveraging friend's communication among themselves.

5.1) *Pavuth: How has advertising helped your business?*

E1: Good advertising should generate two things; build brand awareness and promote customer loyalty.

5.2) *Pavuth: What have promotions done for your company?*

E1: Promotions stimulate conversion at the last stage that linked to sales.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E1: Building brand loyalty for the new generation consumers. Surrogate marketing.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E1: The majority of budgets had been shifted to BTL activities.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E1: At the beginning, we spend a lot on ATL, but later we changed to BTL mainly.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E1: Strategies were brand activations, events, and on-premise iconic brand building. We build our brand image by zones. We carefully selected leading outlets that most consumers wanted to go to reflect our brand inspiration

6.2) *Pavuth: How do you define your successful strategies?*

E1: It must deliver sales and profit results.

6.3) *Pavuth: How are these strategies created within your firm?*

E1: Diversity and from global key learning to blend with local created programs. We build successful flagship outlets to present the brand visibility of our International Whisky Brand (A2) in many areas in Bangkok.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E1: The most severe impact was tax increase that drove consumer downward to more affordable category. For example, we changed our brand focus from whisky International Whisky Brand (A1) to International Whisky Brand (A2).

6.5) *Pavuth: Has your employee base had to change?*

E1: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E1: n/a

7.1) *Pavuth: Which of these strategies do you consider to be key program elements? Please provide a justification for your response.*

E1: Our International Whisky Brand (A2) drove brand popularity as the core brand for our business. The success came from “Winter in Bangkok” with brand activations and visibilities in our iconic flagship stores. This was the landscape changed as positioned our brand as the category leader.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E1: Two programs were needed to scale up; on-premise activations and mentoring. On-premise activation build brand image and good perceived quality.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

E1: The concept from global team, one size did not fit all. The programs should be tailor-made to meet the local needs. The campaign should touch the heart of local people.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E1: We need to emphasize on brand building, and have strong management team to push back the unfit global agenda.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E1: Increase on-premise outlets. Before we focus too much on off-premise channel.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E1: Relationship marketing and mentor programs would make us much stronger.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E1: If company had high profits, large events can be done. If we had smaller profits, events would be cut first.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E1: Digital marketing can contribute to higher sales. Because now consumers had habits to link with digital communication.

9.1) *Pavuth:* What are the drivers of your sales performance?

E1: 1. Brand popularity and brand image. 2. Partnership Contracts 3. POS Activations

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E1: It delivered sales, brand plan, and good results.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E1: Our sales performance was very good. We had around 80% to 90% market shares.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E1: 1. POS Executions 2. Partnership Contracts 3. Sales Performance Results

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E1: The right kinds of advertising and promotions could build brand popularity. Promotions in our iconic outlets could generate off-take volumes and sales.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E1: Advertising and promotion bans decreased brand image and loyalty.

10) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

E1: No.

Company: **International Alcohol Distributor #1**

Participant Code: E2

Title: **Vice President (Commercial)**

Date: **August 18, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E2: In the past, we had freedom to do marketing activities: advertising, and sales promotions. Moreover, the regulation on alcohol control was not strict much i.e. Drink Don't Drive, liquors license. Later on, the advertising and promotion bans had become effective which surely affected our marketing plan.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E2: Advertising ban was a barrier affecting our communication plan to the market. We needed to find solutions to cope with this barrier: using the symbols of products i.e. colours, characters to represent brand instead of using the trademark.

1.3) *Pavuth: What are the main drivers of your industry?*

E2: In the past, the main drivers of our business were the advertising and innovation (products).

1.4) *Pavuth: What are the major barriers for your firm?*

E2: Advertising and promotion bans were the major barriers for our firm at that time. Fortunately our brands were quite strong in the market. We got a big amount of customers' base in hand and proficient distribution in on-trade channel, so we could survive on these barriers. However, we have now a powerful tool to help us promote

our brand, that is social media i.e. Facebook. We can use it to communicate directly to our market.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E2: The restrictions should motivate people to be aware of moral and social security rather than limit or control the consumers' freedom.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E2: Certainly, advertising and promotion bans are our main barriers when our firm is facing control policies.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E2: The advertising ban is the most severe restriction in our market because it is very difficult for us to do any brand communication to our customers.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E2: We think it is now the maximum level of restrictions. It wouldn't have any more regulation in the future.

3.1) *Pavuth: How have regulatory changes affected your business?*

E2: The regulatory had affected our business in terms of way of working, investment plan, and innovation plan.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E2: The advertising ban in terms of message content has had the most effect on our business because we have less chance to communicate to our customers. Whereas promotion bans, the most impact was the consumer/price promotion because it was more difficult to close the deal without any promotion.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E2: The advertising ban in term of content of message has had the most impact on our sales performance, whereas the least one is the advertising ban in term of warning.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E2: The control policies had affected our marketing plan. It was much more difficult to increase new drinkers or even maintain current consumption or launch new products if the communication has been restricted.

4.2) *Pavuth: How have you responded to these restrictions?*

E2: First of all we tried to clarify the restrictions so that we could comply with them correctly. Then we decided to divert our marketing budgets to on-premise channel which was the market that consumers were still able to engage with our brands.

4.3) *Pavuth: How has your organization structure changed?*

E2: The headcounts of sales, trade marketing, marketing, legal, and corporate affairs had been increased because the landscape of brand building has been shifted to point of consumption (on-trade).

4.4) *Pavuth: How have your competitors responded to your decisions?*

E2: Our competitors tended to have less in compliance with the regulation than us. They took risk and had more flexibilities for their marketing plans.

4.5) *Pavuth: How have your customers responded to your decisions?*

E2: Our customers followed our decisions/directions.

5.1) *Pavuth: How has advertising helped your business?*

E2: The advertising has helped us building consumer engagement and brand communication.

5.2) *Pavuth: What have promotions done for your company?*

E2: The promotions have helped us recruiting new drinkers, increasing weight of consumption, and achieving sales performance.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E2: Building and expanding the on-premise channel in order to take channel leadership was the strategy that we did to differentiate ourselves, because it was the only channel that we could still had consumer engagement.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E2: Our firm spent the revenue on advertising and promotions in double-digit.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E2: We allocated our marketing budget as 30% for ALT, and 70% for BTL.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E2: Market segmentation, brand prioritization, and consumers' motivation segmentation are marketing strategies that we implement to drive and improve sales performance.

6.2) *Pavuth: How do you define your "successful" strategies?*

E2: We define "successful" strategies as brand objective meet and frequency increase.

6.3) *Pavuth: How are these strategies created in your outlet?*

E2: We get the framework of strategic planning process from our global company and then we have to work with the details of the process by ourselves.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E2: We had changed only the trade strategy, but had not changed the consumer strategy.

6.5) *Pavuth: Has your employee base had to change?*

E2: Yes.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E2: Sales and marketing skills in creative and practical way being able to cope with the restrictions are the skills we need.

7.1) *Pavuth: Which of these strategies do you consider to be key program elements? Please provide a justification for your response.*

E2: Channel leadership is the strategy we consider to be key program elements.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E2: Channel leadership is the strategy we recommend to be sustained and scaled up.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E2: Above the Line is the strategy we think it should be just scaled down. There is no strategy should be discontinued.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E2: Product availability at point of sales and consumption is the different strategy we will use if facing a more restrictive environment.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E2: We would recommend the brand influencer strategy to be implemented in trade marketing.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E2: Trade incentive program is the strategy we would recommend to be implemented in relationship marketing.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E2: To initiate events followed by brand objectives is the strategy we would recommend to be implemented in event marketing.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

E2: We were the pioneer to use a digital tool called “Online Platform (H)” to be implemented in digital marketing at that time.

9.1) *Pavuth: What are the drivers of your sales performance?*

E2: Sales availability is the drivers of our sales performance

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

E2: We measured and evaluated our sales performance by using a performance tracking platform called Company # 1 Way of Selling.

9.3) *Pavuth: How do you perform relative to your competitors with respect to sales performance?*

E2: We are the market and category leaders by total market share in premium alcohol market in term of market shares.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E2: We rated the quality of our sales performance by balancing “what” and “how” with a performance tracking platform called “Company # 1 Way of Selling”.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E2: Yes.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E2: Advertising bans in term of message contents have had the biggest impacts on our sales performance.

10) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E2: E-commerce is interesting. We should learn more because this tool is so powerful especially when we are facing control policies.

Company: **International Alcohol Distributor #1**

Participant Code: E3

Title: **Marketing Director**

Date: **August 27, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E3: In the past, advertising was the major communication tool. Promotions also could be used to build brands. On-premise channel was not that important. During year end, hamper packs were often sold in the festive season. All activities for ATL and BTL could be done freely. When the restrictions started, everything was unclear and it depended upon law interpretation. Advertising campaign must be in line with social contribution.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E3: Our brand communication mainly was BTL or surrogate marketing. For example, 'International Brand Campaign (A1) was our experiential marketing activities used to build and sustain our brand awareness under control policies. International Brand Campaign (A2) and International Brand Campaign (A1) were our major marketing campaigns.

1.3) *Pavuth: What are the main drivers of your industry?*

E3: Promotions are used both in off-premise and on-premise channel. Trade promotions and incentive trips are offered to our trade partners to push our products.

1.4) *Pavuth: What are the major barriers for your firm?*

E3: Regulations were unclear, and they depended on how each company interpreted the laws.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E3: It meant the limitations to build brand awareness and consumptions. It was harder to send brand message.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E3: It is harder to launch new product because the prohibitions of product sampling and the restrictions on brand communication

2.3) *Pavuth: In your market, what is the most severe restriction?*

E3: Advertising bans is the most severe restriction because advertising is the tool to send brand message. Now everybody is shifting to digital marketing because it is easier to send message through influencer marketing but also harder to control the message.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E3: Probably it is the maximum level. The industry created TABBA as a self-regulation body.

3.1) *Pavuth: How have regulatory changes affected your business?*

E3: It affected new product development (NPD) totally. For existing products, new drinking formats and education programs were often introduced.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E3: Promotions restrictions had the most impact.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E3: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E3: Control policies were not new issues, we had our code of conducts 10 sections as the guideline to build our brands as self-regulated company. Surrogate marketing also was implemented to build brand awareness.

4.2) *Pavuth: How have you responded to these restrictions?*

E3: We were very serious to comply with the law. We had legal checks before we signed off any marketing activities.

4.3) *Pavuth: How has your organization structure changed?*

E3: Marketing staffs were reduced, but trade marketing headcounts were increased. Marketing executions were increased to drive sales

4.4) *Pavuth: How have your competitors responded to your decisions?*

E3: They all did the same things; events and BTL activities.

4.5) *Pavuth: How have your customers responded to your decisions?*

E3: Customers were fed up to deal with authorities. There was not much impact on consumers, except the alcohol police checks.

5.1) *Pavuth: How has advertising helped your business?*

E3: Advertising helped building brands and getting key message across. There were direct and indirect communication approaches.

5.2) *Pavuth: What have promotions done for your company?*

E3: Promotions helped sales conversion and increased market shares. It also helped up-selling or trading-up brands to higher price.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E3: Other than BTL activations, events and digital marketing are two strategies to build brands.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E3: Not sure.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E3: ATL activations are decreased, and BTL activations are increased.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E3: Trade marketing is our strategies to push our products.

6.2) *Pavuth: How do you define your “successful” strategies?*

E3: How to sell with profitability, especially good ROI.

6.3) *Pavuth: How are these strategies created within your firm?*

E3: Top-down approach and emphasize on productivity and efficiency.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E3: Ultimately, winning on-premise channel was the strategy.

6.5) *Pavuth: Has your employee base had to change?*

E3: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E3: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E3: Premiumization is our strategy, and persuasion programs with owners and outlet managers.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E3: New generation drinkers are looking for new drinking experience.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E3: Visibility should be better designed

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E3: Digital marketing is the key strategy and linking sales.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E3: Trade deals and trade terms are important. Get the basic right in terms of product display and linked to brand message.

8.2) *Pavuth:* What marketing strategies would you recommend to be implemented in relationship marketing?

E3: We give the top priority in relationship marketing.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

E3: Events are very important. Events and contents are needed to be stylist and relevant to key brand message.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E3: Digital marketing is still not linked to sales.

9.1) *Pavuth:* What are the drivers of your sales performance?

E3: Persuasion and promotion programs are the drivers of our sales performance.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E3: Set up new RTM and appoint new authorized dealers.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E3: Maintaining our leadership position in the market.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E3: We monitor our depletion rate and product assortment. The speed to market, distribution drive, market coverage, and rate of sales are all important.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E3: Advertising affects consideration, and promotions help conversion. It makes sales by brand switching.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E3: n/a

9.7) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E3: Brand collaboration is becoming essential for our business.

10) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E3: We are not FMCG Company. Our industry is positioned between luxury markets and FMCG. Our business is not mass market. Style and image are key drivers to create different consumer experiences.

Company: **International Alcohol Distributor #2**

Participant Code: E4

Title: **Managing Director**

Date: **August 17, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E4: Thai market was very unique, it was dominated by few big players the market. The markets were not fragmented. Big brands and only two big players used advertising as their main communication tools to grow their businesses. The industry was dominated by large advertising budgets. Even the local spirits were driven by advertising such as Regency. Previously, the market was driven by above-the-line advertising and promotions, and most promotions were linked with advertising. Companies, employees and consumers were used to be exposed to TV commercial after the news. Every show brakes, there were all kinds of advertisings. The industry was considered highly advertising market, and brand activations at BTL were hardly existed before. The situation happened for the long time, and all firms were accustomed to this way of working. After the advertising restrictions were introduced to the industry, everybody was confused and not knowing what to do.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E4: At the beginning, there was a lot of confusing in the market and all firms tried to do things according to their own interpretation of the law. The government authorities also did not know how to interpret and enforce the law. Surrogate advertising was a form of advertising we used to promote brands.

1.3) *Pavuth: What are the main drivers of your outlet?*

E4: Brand equity is the first priority. The problems started to come out. Advertising restriction affects consideration directly. Conversion to sales is short term approach and easier to do than consideration. Consideration, prefer or my brand, touches the heart and goes deep inside consumers' minds. Restrictions diluted brand values and products became communities. For example, drinking Domestic Whisky Brand (A) was similar to drinking International Whisky Brand (A2). The brand value of International Whisky Brand (A2) was decreased, and consumer switched to Domestic Whisky Brand (A) because of 'affordability'. That was a reason why Domestic Whisky Brand (A) emerged as the leading brand. Domestic Whisky Brand (A) spend a lot of money at BTL activation with high frequency. They spend a lot of money on conversion to overcome International Whisky Brand (A2).

1.4) *Pavuth: What are the major barriers for your firm?*

E4: The barrier for International Alcohol Distributor #1 and International Alcohol Distributor #2 in Thailand was that we both had no local brand. This barrier limited our growths. We both tried to implement the low-end product categories without success, because we could not compete with local big player (Domestic Alcohol Distributor #1) in terms of economy of scale. Advertising bans made all products to be at the same level or became 'community' product. No logo means no more brand equity. Brand losses its brand value under advertising restriction and it becomes a community.

At present, you see people drinking Domestic Whisky Brand (A) and feeling cool. When you do not have tool to communicate to consumers, consumers will choose their own brands by themselves. They have their own reasons to justify their consumptions. The fact is that consumers' have reason to consume lower product category is affordability.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E4: Limit reach to consumers or cut off to consumers. Now they cut off consideration and conversion.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E4: It is harder to maintain the business position in the premium category because the brand value is essential. You cannot communicate your brand heritage now. Inter-spirit firm#1 and Inter-spirit firm#2 want to enter the lower product categories because of the bans. There are two options left; entering lower whisky category or building new vodka category.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E4: Ban on names or trademarks advertising or display was the most severe.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E4: Regulations will not be worse, except the enforcement will be more.

3.1) *Pavuth: How have regulatory changes affected your business?*

E4: We had to restructure ourselves. There were more brand activations, therefore, we need to increase our trade marketing team. We had to monitor the effectiveness of on-premise spending, because we would spend a lot more money in this channel. Advertising was easy to monitor compare to on-premise activation. Thus, we had to set up a new structure with new monitoring process.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E4: If you asked me, I think advertising had the most impact. But they both had the impact on business. Advertising had the long-term impact on brand and stay in consumer mind longer, while promotions had the short-term impact on sales normally they rely on 'theme' or tactical activation.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E4: Advertising bans had the most impact on long-term.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E4: We looked at geography instead of channel. When products became communities, we had to take leadership in on-premise channel to protect competitors entering. When competition got higher, channel merged and became geography. We called 'hot housing' meaning that we had to win in certain regions or geography in all channels. We had to block our communication by locking all top outlets in the area.

4.2) *Pavuth: How have you responded to these restrictions?*

E4: Firstly, We mainly switched budget from ATL to BTL. Secondly, we had to develop new product for lower-end market (whisky) and build product category (vodka) that local players were not strong. It affected premium category more than lower category, because premium category depended more on brand building. Thirdly, we set up self-regulated organization to work together and monitor each other.

4.3) *Pavuth: How has your organization structure changed?*

E4: We changed our trade marketing team.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E4: Refresh their brands and refresh their products. Change consumers' perception by changing their packaging and products.

4.5) *Pavuth: How have your customers responded to your decisions?*

E4: Customers expected and demanded higher margin because sales declined from restrictions.

5.1) *Pavuth: How has advertising helped your business?*

E4: Advertising build brand on the long-term basis.

5.2) *Pavuth: What have promotions done for your company?*

E4: Promotions were something we had to do together with advertng. It was like putting some spices in your cooking.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E4: It is not a fair question. It is like to ask how International Whisky Brand (A2) was going to complete with Domestic Whisky Brand (A) when the market favor lower price products. Domestic Whisky Brand (A) had their heroes who were consumers willing to pay at only lower price. Consumers paid twice the price for one brand, whereas the brand values were not much different. Differentiate is easy to say, but it is not fair. If you were local-spirit firm#1, how would you differentiate Domestic Whisky Brand (B) from Domestic Whisky Brand (A). Under current circumstance, I Domestic Whisky Brand (B) could not differentiate from Domestic Whisky Brand (A).

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E4: Approximately around 11% (mass products) - 16% (premium products).

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E4: Budget shifted more to BTL. Before the ATL budget was around 25-30%, and the BTL budget was 70-75%. Now the ATL budget may go down to 5%.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E4: We shifted from channel focus to geography focus, emphasized on brand activation in 'hot housing', and secured on-premise channel. I did not really care about off-premise channel.

6.2) *Pavuth: How do you define your "successful" strategies?*

E4: It was hard to define. When we talked about brand, there were many dimensions to be considered. The most important was that brand essence must be clear. For example, the success of International Whisky Brand (C) around the world was having brand essence of 'Irish Whisky'. Currently, we did a lot of activities for International Whisky Brand (C), but we did not communicate 'Irish Whisky' because it was difficult to do. We had to communicate indirectly by talking something else about Irish. In sum, successful strategy must build brand essence.

6.3) *Pavuth: How are these strategies created within your firm?*

E4: Strategies must be created to build brand essence and drive sales.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E4: We had to try harder.

6.5) *Pavuth: Has your employee base had to change?*

E4: It affected trade marketing team.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E4: Yes a lot. Digital marketing, system to follow up in on-premise, KPIs for marketing must be 'brand for me' not awareness. Awareness was not enough nor relevant anymore.

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E4: Regional strategy (hot-house) aimed at winning certain geography and brand activations in on-premise channel. One did not fit all, thus regional strategy must be customized to each region. For example, Southern region was a cash cow, we would focus International Vodka Brand (B). We called this matrix as Brand-Market Combination (BMC).

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E4: Brand activation outside on-premise outlets to cover new or more consumers. But this approach was costly and risky.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

E4: Investments in off-premise should be lower.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E4: If the restrictions keep growing, we would only have ‘hot house’ to protect our business. Hot house referred to our core business areas, and those customers must be happy to be and do business with us. When I mentioned about ‘hot house’, everybody in our company knew that no one could stop me from getting those customers. Also, we need ‘brand guardian’ to look after a brand across all regions what a brand wanted or did not want according to consumer motivations.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E4: In my opinion, trade deals offered to on-premise and off-premise customers were not that important. I was not talking about sponsor budget given to on-premise customers.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E4: The market was changing now. The wind was blowing different way to consumers. Not saying that relationships with customers are not important, but it is getting less effective. You have to spend a lot of money to sustain the relationship. If you gave up relationship, you gave up brands.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E4: Events must be done still, but do more outside outlets. Events created experiences, but we had to do when company could afford to take risks.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E4: I think digital marketing was a lot harder to do than TVC, because many small players could also do DM. It was like you were swimming in the ocean. Whatever you do digital marketing must be in mobile phone, and must be user friendly.

9.1) *Pavuth:* What are the drivers of your sales performance?

E4: Brand. Without brand, there is no sales. Sales is short term results.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E4: We measure both brand share and volume share together. Both must be align and go the same direction. If brand drops and sales ups, then you are stockpiling.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E4: We both almost at the same in many aspects in term of way of working.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E4: If brand is strong, sales should be strong. Brand and sales are indicators going together.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E4: Advertising drives long-term impact, and promotions drives short-term impact. They must go together.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E4: Promotion bans had direct impact on sales performance.

10) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E4: No.

Company: **International Alcohol Distributor #2**

Participant Code: E5

Title: **Marketing Director**

Date: **August 28, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E5: In our industry, we had internal code of conduct. This self-regulated association was formed to monitor firms in the industry to comply with the laws. We studied local regulations in many countries to learn. Thai regulations on alcohol control were not clear, and it depended upon how each firm interpreted the law. Government authorities and firms interpreted the regulations differently. The modern trade channel was stricter because they expose to all consumers, while on-premise channel was less controlled because they checked the ID before they enter the venues. Advertising restrictions were increased and companies were not allowed to display their product pack-shots. Alcohol industry was considered to be grey market, unlike tobacco which was considered dark market. The effectiveness of advertising was decreased because of the various restrictions. Our way of brand building is focus on premium and above on international spirits, we are not working as other FMCG companies. Influencer marketing is common used in our company to build opinion leaders, we called 'tribe marketing'

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E5: There was a major shift to focus more on the last 3 feet at point-of-sales (POS). Influencer marketing is our brand communication strategy to consumers. POS activations in on-premise channel is important for our premium products.

1.3) *Pavuth: What are the main drivers of your industry?*

E5: In premium and above categories, brand image is often used to build brand popularity that are relevant to our target consumers. They are sensitive to price and promotions. However, we cannot control price set in on-premise channel.

1.4) *Pavuth: What are the major barriers for your firm?*

E5: Route-to-market (RTM) to expand distribution requires larger resources and investments. For example, we could achieved organic growth for International Whisky Brand (C) in phase 1. The cost to expand distribution in phase 2 was massive.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E5: Looking at the framework, it should not induce consumption.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E5: Off-premise channel has a lot of difficulties, especially priceoff promotion and displays.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E5: The most severe restriction is prohibition of product pack-shot, it has the long-term impact on existing brands. Restrictions on selling procedures have short-term impact on sales volumes.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E5: It is expected to be more controls not less.

3.1) *Pavuth: How have regulatory changes affected your business?*

E5: It depended on how we adjusted ourselves. It affected market positions for some brands, and became barrier to entry for new comers. Firm with larger resources would have more advantage and scale. Many marketing activities needed scale to be successful such as consumer touchpoints.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E5: The bans on pack-shot had the most impact.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E5: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E5: We shifted our resources to POS especially on-premise channel for our premium brands.

4.2) *Pavuth: How have you responded to these restrictions?*

E5: All our activities were designed to help on-premise outlets increase their consumptions by pull products to consumers through brand popularity.

4.3) *Pavuth: How has your organization structure changed?*

E5: The task for our trade marketing team were increased.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E5: We are a smaller player than our key competitor. They are also stronger in on-premise channel. However, they are still using old marketing techniques such as spending a lot of money on old media.

4.5) *Pavuth: How have your customers responded to your decisions?*

E5: On-premise outlets are more alert with restrictions. They still cooperate and support us, as well as adjust themselves accordingly. Our key accounts in modern-trade channel have their own legal teams, and they are more sensitive and careful to all restrictions.

5.1) *Pavuth: How has advertising helped your business?*

E5: Advertising builds awareness to target consumers.

5.2) *Pavuth: What have promotions done for your company?*

E5: Promotions create trail and consumptions, and events provide exclusive products and brand activation.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E5: Start from focus on small groups of target consumers and make our brand stand out. Understand consumer insights by getting more information from our brand ambassadors and talking to our outlet owners and consumers. Getting this first-hand information and direct observation help us in term of sales conversion.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E5: We spend more than 80% of our budget on the last-3-feet activation, POS, and digital marketing.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E5: We allocate by campaign.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E5: Influencer marketing strategy and execution in the last-3-feet both on point-of-sales (POS) and point-of-consumption (POC).

6.2) *Pavuth: How do you define your “successful” strategies?*

E5: It ultimately drives sales and scale. Every company must monitor offtake volumes.

6.3) *Pavuth: How are these strategies created within your firm?*

E5: It is derived from our Annual Plan Cycle. Best practice is strategies created by key managers. They analyzed problems and anticipate opportunities. Then, there are bottom-up and top-down management alignments

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E5: Strategies were changed as a result of changes in consumer behaviours, not by the changes in regulations.

6.5) *Pavuth: Has your employee base had to change?*

E5: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E5: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E5: Winning consumer mindset. Consumers are always changing their attitudes and behaviors. Key strategies are influencer marketing and winning the last-3-feet.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E5: Winning the last-3-feet.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E5: Traditional media. We hardly use them anymore.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E5: More efforts to improve RTM and expand distribution. Understand more segments and offering something different.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E5: Improve visibility and trade deals.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E5: Relationship marketing is quite similar to influencer marketing. Outlet owners' main responsibilities are selling.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

E5: Increase events at the last-3-feet and large scale events. We prefer to support our partners to create their events.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E5: We have changed our DM programs for many years already. Our contents must support the last-3-feet more. Old media are almost gone.

9.1) *Pavuth:* What are the drivers of your sales performance?

E5: Alignment of the right brand, right outlets, and right consumers.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E5: We measure offtake volumes mainly, and evaluate engagement from digital marketing.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E5: We are a smaller company, but had growth in all brands for the last two years.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E5: We monitor our sell-in and sell-out ratio, as well as the stock levels in the market. For example, the success of our International Whisky Brand (C) came from having the

right brand at the right outlets. It created halo effect, our brand became popular and easy to sell.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E5: It depends on how each person applies. Advertising now talks about consumer experience not brand communication anymore. Promotions shift activation to consumption.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E5: n/a

10) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E5: We are not FMCG Company. Our industry is positioned between luxury markets and FMCG. Our business is not mass market. Style and image are key drivers to create different consumer experiences.

Company: **International Alcohol Distributor #2**

Participant Code: E6

Title: **Senior Marketing Manager**

Date: **August 27, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E6: In the dark market, we could not show our pack-shot. It affected our promotion, communication and trade marketing. Thus, we shifted more budget to on-line marketing. Our social media marketing included Facebook, YouTube, google, SEO and SEM. However, advertising banners were not allowed. Thai consumers use Facebook among one of the most active in the world. This social media platform could be set to reach and measure specific target groups of consumers easily. Digital marketing (DM) became our essential touchpoints and main channel of communication, and we learn a lot more from DM set up in each country. Connecting with consumers through DM could link us to sales. We developed 'Digital Service Pack', a contract to buy new media as our partners to support sales activities such as Facebook, Grab and Uber.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E6: Digital marketing (40%) was our main communication tool. Also, influencer marketing (20%) and activation at POS (40%) were included in our communication plan.

1.3) *Pavuth: What are the main drivers of your industry?*

E6: Numbers of new drinkers.

1.4) *Pavuth: What are the major barriers for your firm?*

E6: Advertising ban stops our new product launch. We cannot build brand awareness through mass communication. For example, International Whisky Brand (C) grows at certain areas because of budget constraint. We have to make investment decision at the most effective channel via direct communication.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E6: We cannot persuade people to drink. Pack-shot pictures are not allowed. No mention of smooth and soft in communication.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E6: We have to find other communication channel to replace mass media communication. We emphasize consumer touchpoints as the alternative.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E6: The prohibition of product pack-shot is the most severe restriction, because people cannot recognize our product anymore.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E6: It is expected to be worse. Now everyone is turning to online marketing a lot more than before, especially contents, messages and celebrities.

3.1) *Pavuth: How have regulatory changes affected your business?*

E6: It reduced brand awareness. New product development (NPD) was affected the most. Brand communication was also badly affected, and eventually sales.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E6: The prohibition of day of sales.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E6: Restrictions on days and time of sales had the most impact, and packaging control has the least.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E6: It affected our communication plan. Printed advertising must be adopted and included warning message. We had to be more selective in choosing right contents that could affect our retail execution.

4.2) *Pavuth: How have you responded to these restrictions?*

E6: We had our internal code of conduct and complied with the local laws. In some grey areas that we were not sure, we developed a manual to assess the risks by having traffic light as indicator.

4.3) *Pavuth: How has your organization structure changed?*

E6: Since the decline of our key brand, our marketing spending was decreased. However, our digital marketing was increased.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E6: They also had DM team.

4.5) *Pavuth: How have your customers responded to your decisions?*

E6: Consumer engagement was increased.

5.1) *Pavuth: How has advertising helped your business?*

E6: Advertising build brand awareness for NPD. Consumers knew more about the brand. It also increased consideration and brand image, and eventually engagement and sales conversion.

5.2) *Pavuth: What have promotions done for your company?*

E6: Promotions increased our sales and customer base.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E6: We increase our touchpoints via DM and events. This combination helps consumers remember our brands. Event activation creates memorable experiences.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E6: Our sales team generates revenues, and marketing team spends them. We set our A&P budget by brands and allocate by channels.

6.1) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E6: ATL budget is mainly for new media in digital marketing, and BTL is activation at POS.

6.2) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E6: Winning the last-3-feet at POS consists of POS activation, promotional girls (PG), and events.

6.3) *Pavuth: How do you define your “successful” strategies?*

E6: It increases sales. Each campaign consists of different KPIs.

6.4) *Pavuth: How are these strategies created within your firm?*

E6: Every year, we have workshop with commercial teams to brainstorm to develop the detail work plan after we get the business objectives from the global team.

6.5) *Pavuth: How have these strategies changed with increasing regulation?*

E6: When strategies changed the direction, the execution (tactical) would change accordingly.

6.6) *Pavuth: Has your employee base had to change?*

E6: No change.

7.1) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E6: n/a

7.2) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E6: Winning the last-3-feet and connecting to sales at POS.

7.3) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E6: Event marketing should be increased. It not only increases brand awareness and consideration, but also builds positive brand image. For example, International Whisky

Brand (B) was perceived as the old image. Our events on the beach build younger image for this brand.

7.4) *Pavuth: What strategies do you think they should be discontinued?*

E6: Old media advertising should be discontinued.

8.1) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E6: We will find other new touchpoints. Digital marketing is the new battlefield creating new business landscape.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E6: Consumers concern more about price and product taste.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E6: We also need to have public relationship (PR) with media communities in order to enlarge our media exposures. We keep good relationship with our key customers through oversea incentive trips and rewards. Also, our marketing teams go visit our customers together with commercial teams.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E6: Events include redemption programs. Our events provide the first hand database that becomes big data to be used for customer relationship management (CRM) in the future.

9.1) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E6: Digital marketing must be done together with event marketing.

9.2) *Pavuth:* What are the drivers of your sales performance?

E6: Convert consumers to drinkers through consumer experience.

9.3) *Pavuth:* How do you measure and evaluate your sales performance?

E6: We compare outlet's offtake volumes between normal days and event days to keep track of our sales performance.

9.4) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E6: Our sales performance improved a lot, and our brand activations are much better than before.

9.5) *Pavuth:* How do you rate the quality of your sales performance?

E6: Our new customer prioritization provides criteria to select better on-premise outlets with good performance.

9.6) *Pavuth:* Do advertising and promotions improve your sales performance?

E6: Advertising enhances price premium, and promotions increase sales by having brand presentation that convert to sales.

9.7) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E6: n/a

10) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E6: No.

Company: **Domestic Alcohol Distributor #1**

Participant Code: **E7**

Title: **Marketing Director**

Date: **August 18, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E7: We were in the last era to allow to show pack-shot and glasses. After the restrictions became more severed, we were not allowed to advertise our products

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E7: Government set up Advertising Committee to monitor the industry. After 3 years, the prohibitions became very strict. All communication programs must be in line with social contribution

1.3) *Pavuth: What are the main drivers of your outlet?*

E7: Before advertising was used, because there was not much choice. Now, different experience and behaviour changed

1.4) *Pavuth: What are the major barriers for your firm?*

E7: It takes more money to penetrate the market. Company needs more resources to build product.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E7: It decreases consumer right. Why Thailand is not the same as in France or other developed countries.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E7: It took time to adjust ourselves to get better understanding. Most of regulations were written to use the judgement of government authorities. There is lack of standard and law clarity, and created confusion for the industry.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E7: There are different implications. There is no opportunity for new product launch. Existing brands, especially leading brands, can enjoy more sales by having promotions.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E7: It will not be much different.

3.1) *Pavuth: How have regulatory changes affected your business?*

E7: It affected budget allocation, it shifted from above-the-line (ATL) to below-the-line (BTL).

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E7: Advertising bans had the long-term impact, while promotion bans had the short-term impact.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E7: For consumer, time of sales had the most impact. For firms, selling procedures and use of trademark were the major barriers.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E7: It affected our new product launch, our new Domestic Beer Brand (A).

4.2) *Pavuth: How have you responded to these restrictions?*

E7: We tried to comply the law by developing creative differentiation in media planning. When consumers saw green color they think of our beer.

4.3) *Pavuth: How has your organization structure changed?*

E7: Our digital marketing team got bigger.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E7: Our competitors followed our best practice. We shifted to indirect communication and emphasized more on influencer marketing.

4.5) *Pavuth: How have your customers responded to your decisions?*

E7: Consumers responded well to our influencers as shown in the evidence from market share increased.

5.1) *Pavuth: How has advertising helped your business?*

E7: It build brand awareness for new products. It helped sustained market position for existing products and maintain brand choice.

5.2) *Pavuth: What have promotions done for your company?*

E7: At point-of-consumption (POC), it helped conversion to our brands and increased our sales performance.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E7: Accept the fact that restrictions are here to stay. Find new ways to win the heart of consumers.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E7: We spend around 10%.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E7: We found the new way to allocate our budget spending to sport and digital marketing.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E7: Our core strategies have not changed. Marketing and sales integration becomes important. Before we expanded our distribution to increase brand awareness for new product, now we changed to online marketing mainly. However, there are some limitation in direct marketing via social media. Therefore, influencer marketing is our main strategy. For existing products, we still use traditional media (old media) such as TVC and outdoor billboard to build brand awareness, together with point-of-sales (POS) activation and digital marketing.

6.2) *Pavuth: How do you define your “successful” strategies?*

E7: Our KPI consists of many levels. For new brand, we increase brand awareness by measuring brand adoption and distribution. For existing brands, brand health is our focus by measuring offtake volumes.

6.3) *Pavuth: How are these strategies created within your firm?*

E7: Marketing managers prepare marketing plan. Started from looking at consumer barriers, why they would not buy our brands. Then, we take our brands to solve those barriers and create communication programs. The plan is later submitted to sales department to solve trade barriers and make sales conversion at point-of-sales (POS).

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E7: It affected our consumer pathway in consumer journey. The regulations were dynamic, therefore, marketing deployment must be comprehensive. Marketing mix always were the same, increasing regulations impact our investments and the way we do business. Marketing programs must be flexible and dynamic.

6.5) *Pavuth: Has your employee base had to change?*

E7: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E7: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E7: At present, there are two key program elements; awareness programs and experiential marketing. Influencer marketing is the key drivers of consumers' state of mind. Consumers listen to consumers more than brand communication. This approach is more meaningful and convincing. Brand-consumer experience is a big issue. We try

to make consumer experience our brands through trail and brand adoption process by creating environment to influence their consumption such as event or on-premise channel. Online marketing and lock-out in on-premise channel speed up our diffusion period.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E7: Experiential marketing and mobile marketing (social media) should be scaled up. They reach to large groups of consumers quickly.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E7: Those promotion programs that are restricted or banned.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E7: In normal market, we could do everything and marketing mix are still the same. In market restriction environment, it leaves us more money to spend and shift some budgets to social media marketing. We shift a large budget to point-of-sales (off-premise) and point-of-consumption (on-premise). Off-premise accounted more than 70% of our budget.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E7: We only have trade promotions to be offered to our customers.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E7: We win our customers' hearts through customer loyalty programs and trade supports such as offering extra and important deals and education programs.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

E7: Events are the main tool in our experiential marketing. Large events that hold up to 10,000 people is our strategy to create trail and build brand equity. For example, Chang Carnival was good to build brand image.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E7: Digital marketing has many dimensions such as influencer marketing, SEO, tie-in product placement in lifestyle and travelling contents.

9.1) *Pavuth:* What are the drivers of your sales performance?

E7: Trade deals are our main sales drivers to drive distribution in our sales channels. The investment in consumer communication is used to build our brands.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E7: We use sales data and measure our market share.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E7: We get information from our customer database (Big C), and compare our market shared in each segments or product categories to reveal our competitive position.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E7: The quality of sales performance come from sales growth, whether it beats category growth. Normally the double digit growth came from innovation.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E7: Advertising helps create trail and innovation. Promotions work well with the existing brands, and make slow adoption and sales conversion for new brands.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E7: n/a

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E7: No.

Company: **Domestic Alcohol Distributor #1**

Participant Code: **E8**

Title: **Channel Marketing Director**

Date: **August 17, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E8: In the past it was quite fun to run our business because we got more freedom than the present. Once the advertising and promotion bans became effective, we faced the difficulties of promoting our activities or events and launching new brands or products.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E8: The advertising bans affected our communication plan to the market because we had less freedom to tell our customers how good our products are and how worth to buy.

1.3) *Pavuth: What are the main drivers of your industry?*

E8: Economy and market expansion are the main driver of our company.

1.4) *Pavuth: What are the main barriers of your firm?*

E8: As our company was a market leader, we had positive effect of the regulation changed. However, the restriction was our obstacle in term of new product development.

3.1) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E8: The advertising ban in term of contents of message had the most impact on our business i.e. brand building, sales driving, and sales promotion.

3.2) *Pavuth: Which have had the most and the least impact on your sales performance?*

E8: The most impact on our sales performance is the new product development, investment plan and consumers' promotion. Since we are a market leader, the least impact is new drinkers' recruitment.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E8: We have changed our focus to on premise market by using the customers' orientation strategy.

4.2) *Pavuth: How have you responded to these restrictions?*

E8: We have adapted our marketing strategy and organization structure to cope with these restrictions.

4.3) *Pavuth: How has your organization structure changed?*

E8: Channel marketing and trade marketing are the new structure in our organization.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E8: There is no any response from our competitors so far.

4.5) *Pavuth: How have your customers responded to your decisions?*

E8: Our customers have had good feedback to our decision. They are more satisfied with our brand.

5.1) *Pavuth: How has advertising helped your business?*

E8: The advertising helped our business in term of building brand awareness and driving distribution in all channels.

5.2) *Pavuth: What have promotions done for your company?*

E8: The promotions helped converting the competitors' volume to ours.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E8: We used the 7 eleven to drive our distribution with 1 year contract and see whether this strategy works or not. If we can sell our products in 7 eleven, we are confident that it won't be hard to sell in tradition trade channel.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E8: Our firm spends the revenue on advertising and promotions in single-digit.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E8: We don't allocate the marketing budget like that, assigning the budget by brands is the way we do.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E8: leadership position protection or barrier entry building is the strategy we implement to navigate through a dark market to drive sales performance.

6.2) *Pavuth: How do you define your "successful" strategies?*

E8: We define "successful" strategy as winning at customers' touch point.

6.3) *Pavuth: How are these strategies created in your outlet?*

E8: Theses strategies are implemented as top-down

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E8: We changed our focus to on-premise market which was the market that we could still have customer engagement

6.5) *Pavuth: Has your employee base had to change?*

E8: Yes.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E8: We foresee the power of social network and focus on customers' orientation and point of consumption.

7.1) *Pavuth: Which of these strategies do you consider to be key program elements? Please provide a justification for your response.*

E8: Channel leadership is the strategy I consider to be key program element.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E8: The strategy that we recommend to be sustained and scaled up is Customer Relationship Management (CRM) because the long relationship with customers is the important to build and maintain.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E8: Above the Line is the strategy that should be discontinued.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E8: We aren't concerned much about this because we are a market leader. Therefore, we haven't come up with any different strategy for now.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E8: Winning at point of purchase in term of facing is the strategy we recommend to be implemented in trade marketing.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E8: Customer Relationship Management (CRM) is the strategy we recommend to be implemented in relationship marketing.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E8: We recommend the big events sponsorship as the strategy to be implemented in event marketing.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

E8: Social network is the powerful tool that we recommend to be implemented in digital marketing.

9.1) *Pavuth: What are the drivers of your sales performance?*

E8: Distribution is the driver of our sales performance.

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

E8: We measure and evaluate our sales performance by volume.

9.3) *Pavuth: How do you perform relative to your competitors with respect to sales performance?*

E8: We are still a market leader.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E8: The year-end performance is still great, even though the forecast accuracy is not good.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E8: Yes.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E8: The advertising ban in term of message content has had the biggest impact on our sales performance.

10.1) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E8: No.

Company: **Domestic Alcohol Distributor #1**

Participant Code: **E9**

Title: **Vice President (Commercial)**

Date: **August 19, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E9: In the past we had no barrier in brand building: consideration and conversion, so we could work on advertising and promotion freely. The sales promotions launched in our low-end market could leverage our sales performance effectively. Once the advertising and promotion bans became effective, our points of contact were disrupted. Therefore, we needed to change our strategies to experiential marketing instead. Our focus was moved to on-premise market because it was the market that we could still have consumers' engagement.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E9: Both advertising and promotion bans were the disturbance of our communication plan to the market.

1.3) *Pavuth: What are the main drivers of your industry?*

E9: In term of organic/overall growth, the population growth is the main driver of our business. But if we refer to segment growth, we can say that the economic growth is the main driver of our business.

1.4) *Pavuth: What are the major barriers for your firm?*

E9: Higher cost per head of events/activities is the major barrier for our business because we are not allowed to advertise by using mass media.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E9: The advertising/promotion restriction is the limitation of doing advertising and promotion. It reduces our opportunity on communicating and doing sales promotion.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E9: NGO, the clarity of control policies, and watchdog on social network are the barriers which our firm is facing.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E9: The promotion ban is the most severe restriction in our market.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E9: We think the regulation is now quite maximum level. There is probably no more restriction enforced in the future.

3.1) *Pavuth: How have regulatory changes affected your business?*

E9: The regulatory changes had affected our business temporarily. In long term, we were confident that we could adapt our way of working to cope with these changes.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E9: The promotion ban had the most impact on our business especially in term of conversion.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E9: Sampling/trial has the most impact on our sales performance, as the advertising ban has the least impact.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E9: The control policies changed affected our channel strategy. We had to shift our focus to on-premise market because we could still communicate to our consumers by using brand activities so as to build brand experiences.

4.2) *Pavuth: How have you responded to these restrictions?*

E9: As we mentioned above, we had changed our marketing strategy by focusing on on-premise market and using brand activities to build brand experiences of consumers.

4.3) *Pavuth: How has your organization structure changed?*

E9: We had expanded our organization structure in on-premise channel and built our employees' knowledge in brand building in on-premise market.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E9: Our international spirit competitors had responded to our decisions by making a price war. They had increased their spending to beat us and turned to focus on off trade channel. Whereas our beer competitors, there was no any responses from them.

4.5) *Pavuth: How have your customers responded to your decisions?*

E9: In term of our wholesalers, some of them did not agree to send the products to outlets in on-premise channel which affected our route to market plan and expenditure pattern.

5.1) *Pavuth: How has advertising helped your business?*

E9: The advertising helped our business about brand awareness and brand personality clarification.

5.2) *Pavuth: What have promotions done for your company?*

E9: The promotion helped our business about trial and volume uplift.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E9: We use the channel mix strategy by focusing on off-premise as 70% and 30% in on-premise.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E9: Our firm spends the revenue on advertising and promotion as 5% for whisky and 30% up for beer.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E9: We allocate our marketing budget in ATL as 20% for spirit and 70% for beer. Whereas BTL, we use the budget less than ATL.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E9: As we are a brand leader, we use winning in visibilities and distribution drive strategies to navigate through a dark market to drive our sales performance. On the other hand, if we are a brand follower, we will allocate our budget as 60% on brand activation and 40% on off-premise distribution and visibilities in selected area.

6.2) *Pavuth: How do you define your “successful” strategies?*

E9: We define “successful” strategies as having sales uplift and bigger new drinkers’ base.

6.3) *Pavuth: How are these strategies created within your firm?*

E9: In term of volume growth, we implement these strategies by using the top-down management. Whereas the details of activities, it will be created by local.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E9: We changed our strategies if there were changes of the regulation, competitors' strategy, and consumers' behaviour.

6.5) *Pavuth: Has your employee base had to change?*

E9: Yes.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E9: We now need the on-premise skills.

7.1) *Pavuth: Which of these strategies do you consider to be key program elements? Please provide a justification for your response.*

E9: Customers prioritization is the strategy we consider to be key program elements.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E9: Leadership in segment prioritization and experiential marketing are the strategies we recommend to be sustained and scaled up.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E9: Trade expenditure is the strategy we think it should be discontinued.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E9: We will use the experiential and digital marketing as the key strategies when facing a more restrictive environment.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E9: The relationship building, price stability, and winning in visibility are the strategies we recommend to be implemented in trade marketing.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E9: Territory management, business knowledge training, banking costing leverage and incentive trip are the strategies we recommend to be implemented in relationship marketing.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E9: Brand segment prioritization is the strategy we recommend to be implemented in event marketing.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

E9: Social media i.e. Facebook, Youtube are the powerful media to be implemented in digital marketing.

9.1) *Pavuth: What are the drivers of your sales performance?*

E9: Sales Execution: team capability, team resources, team control and marketing and sales integration are the drivers of our sales performance.

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

E9: Once we launch sales promotion, our volume must be uplifted immediately and after 3 months.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E9: We compare our sales performance with competitors by market share.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E9: We rate the quality of our sales performance by reviewing the objectives, achievements, and execution.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E9: Yes.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E9: The promotion ban has had the biggest impacts on our sales performance.

10.1) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E9: Another impact beyond the advertising and promotion bans is excise tax. It is one of main factors to drive the change of category. If the excise tax is higher than the price point, the category will be surely disrupted. This is the challenge issue.

Company: **Domestic Alcohol Distributor #2**

Participant Code: **E10**

Title: **Marketing Director**

Date: **August 17, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E10: In consumer products, we could classify them into two categories; FMCG (Fast Moving Consumer Goods) and non-FMCG. I was involved mainly FMCG companies before joining this company.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E10: n/a

1.3) *Pavuth: What are the main drivers of your industry?*

E10: Firstly, I believe in the power of brand. If brand is strong, it will drive sales. Secondly, route-to-market (RTM) is also another driver including distributions, sales force, visibility, engagement, and promotions. If you have good strategy and bad execution, you have bad strategy and your business will fail.

1.4) *Pavuth: What are the major barriers for your firm?*

E10: Regulations and level of educations are major barriers. Changes in consumer behaviour to healthy trend.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E10: Restriction regulations should have, this I agree with. But regulations for sin business was ineffective. I never saw consumption decreased when tax was increased.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E10: Promotion ban is barrier, because you cannot trigger sales at POS. Promotion ban is the most severe restriction. Promotion is fundamental to drive sales and consumption.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E10: Firstly, pricing promotion is the most severe. I have seen a lot of promotions in many tourist destinations. Secondly, disallowing promotional girls (PG) also has negative impact on conversion.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E10: I expect to be worse.

3.1) *Pavuth: How have regulatory changes affected your business?*

E10: Business approach had to be adjusted such as policy, processes, execution. We have to change to comply with the laws.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E10: Promotion ban had direct and most impact.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E10: Price promotion had the most impact.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E10: We shifted budget to BTL at POS which could trigger consumers easier. We reduced advertising and increase budgets to build engagement.

4.2) *Pavuth: How have you responded to these restrictions?*

E10: We tried to do surrogate marketing by using some something to represent and remind consumers about our brands.

4.3) *Pavuth: How has your organization structure changed?*

E10: We increased our trade marketing and event team.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E10: International Whisky Brand (A) used 'black' and International Beer Brand (C) used 'red' colour as dark icon to represent and build their brands. Our direct competitor (Domestic Alcohol Distributor #1) did very well in all angles of their businesses; organization structure, RTM, marketing, and operation.

4.5) *Pavuth: How have your customers responded to your decisions?*

E10: We divided customers into 2 tiers; on-premise and off-premise. They realized that the market was not controlled by one company anymore. They started to compare trade benefits, strengths of brands, and offtake volumes to select which company to work with.

5.1) *Pavuth: How has advertising helped your business?*

E10: Advertising helped us a lot. Our heritage was built by advertising especially Domestic Beer Brand (B). Also, our new brands (Domestic Beer Brand (B) Light, Domestic Beer Brand (C), Domestic Beer Brand (D)) had the benefits of local spirit corporate heritage. Our strong tagline in advertising was 'Domestic Beer Brand (B), Beer Thai'.

5.2) *Pavuth: What have promotions done for your company?*

E10: Promotions affected directly to conversion.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E10: Innovation, think out of the box, creativity in any angles

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E10: The overall A&P is one single digit.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E10: We try to balance the ratio of 70% / 30 % for ATL and BTL.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E10: Experiential marketing was used mainly to build consumer experience and engagement. Also, digital marketing was used as a tool to magnify our events.

6.2) *Pavuth: How do you define your “successful” strategies?*

E10: They drive revenues, achieve market position, and take leadership in Northern region.

6.3) *Pavuth: How are these strategies created within your firm?*

E10: Before the direction was given from the board, now the strategies came from all directions (360 degree).

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E10: Strategies would be adjusted but not totally changed. Digital marketing, online marketing and engagement were all be included. Better market segmentations would be desired.

6.5) *Pavuth: Has your employee base had to change?*

E10: Increase trade marketing headcounts.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E10: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E10: We are multi-brand company. Our brand strategy is premiumized our Domestic Beer Brand (B) to complete and take shares from International Beer Brand E. Corporate strategy must also complement brand strategy, because our corporate name (Domestic Alcohol Distributor #2) and product brand (Domestic Beer Brand (B)) are the same.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E10: Pull strategy includes brand activation, engagement.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E10: For me at the moment, none.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E10: Adaptable strategy. I would not use the word differentiation. Diversification to non-beverage and non-alcohol products is also another strategy.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E10: Loyalty programs, trade incentive programs.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E10: Loyalty programs to work and support us closely.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E10: Market segmentation by behaviors and geography to build consumer engagement. Music marketing is more effective than sport marketing to build brand with younger consumers. Thus, music marketing is still the strongest magnet.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

E10: We shift more budget from off-line (TVC) to on-line advertising.

9.1) *Pavuth: What are the drivers of your sales performance?*

E10: BTL activation, RTM and service level. Service level reflects everything cover PG, On and Off-premise channel.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E10: Revenues, market shares, brand shares, regional and provincial shares.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E10: Frankly speaking, I am not happy about our brand performance in term of brand Image and many things.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E10: Our revenues and market shares are still ok. Need to improve team capability, team alignment, and sales-marketing integration.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E10: n/a

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E10: n/a

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E10: No.

Company: **Domestic Alcohol Distributor #2**

Participant Code: **E11**

Title: **Senior Marketing Manager**

Date: **August 30, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E11: In the past, our international beer has small market shares, and there were not many competitors. We mainly used TV commercial as the tool to build our brands. We allocated around 30% of our profits to build our brands via ATL activations. The BTL activities were not that many. Our distribution covered almost 100%. We emphasized ‘pull strategy’ to build strong brands and consumers would come to ask for our products. When the market size got bigger, new players entered the market. We had to change our business model and emphasize on ‘push strategy’ more. The budgets for pull strategy were decreased, but still significant amounts. The total costs for pull and push strategies were increased.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E11: We found new way to communicate via digital marketing. Spending in new media were increased. We focused on POS and surrogate advertising, a form of advertising which was used to promote banned products.

1.3) *Pavuth: What are the main drivers of your industry?*

E11: New technology are brand builders and the new sales driver. Culture shifted to be more open to new technology.

1.4) *Pavuth: What are the major barriers for your firm?*

E11: Regulations are the biggest barrier.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E11: They prevent new drinkers enter into the market, and reduce consumptions.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E11: We comply to all regulations, but adopt by shifting on online marketing. The programs are more creative and have social contributions.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E11: Advertising bans is the most severe. They impact our brand communication.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E11: I expect it to be worse.

3.1) *Pavuth: How have regulatory changes affected your business?*

E11: It affected our brand communication, even though our brands were good.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E11: The prohibition of names or trademarks advertising and display had the most severe impact. We could not differentiate our brands from others.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E11: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E11: It affected our brand communication message. There were only two approaches available; social contribution and neutral tone without persuasion.

4.2) *Pavuth: How have you responded to these restrictions?*

E11: We complied with the laws and found new ways to solve problems.

4.3) *Pavuth: How has your organization structure changed?*

E11: We shifted our manpower from modern-trade to on-premise to focus more on push strategy and sales.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E11: They all did the same thing.

4.5) *Pavuth: How have your customers responded to your decisions?*

E11: Consumer behaviors changed their consumption patterns. The liberation of the market offered new drinking choices (craft beers) and stimulated new consumption.

5.1) *Pavuth: How has advertising helped your business?*

E11: Advertising delivered brand message.

5.2) *Pavuth: What have promotions done for your company?*

E11: Promotions could be used to build competitive advantage in our pull strategy.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E11: Refocus on brand building. We changed our marketing approach to lifestyle marketing to increase drinking occasions and blended in with people daily life.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E11: Not that clear. It depends on the stage of product development.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E11: It depends on the stage of product development.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E11: It is harder for us to work under restriction regulations. We use the combination of push and pull strategy to expand to distribution and enter into new channels.

6.2) *Pavuth: How do you define your “successful” strategies?*

E11: It achieves company objectives.

6.3) *Pavuth: How are these strategies created within your firm?*

E11: Top-down approach provides direction. Bottom-up approach develops strategies and tactical execution.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E11: Our strategies were not changed, except our direction. We diversified to new businesses such as non-alcohol products and export to international markets.

6.5) *Pavuth: Has your employee base had to change?*

E11: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E11: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E11: Push strategy is our key strategy. We are selective in certain segments or product categories that provide an opportunities as a niche market.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E11: Pull strategy at touchpoints to cover more point-of-sales (POS) and point-of-consumption (POC).

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E11: Old technique brand activations should be discontinued. I did not agree with having promotions with promotional girls (PG).

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E11: Creativity must be used to increase reach and build top-of-mind awareness to cover consumers as much as possible.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E11: It depends on each company's business model to increase benefits to wholesalers and retailers. local-spirit firm#1 has subsidiary companies (called Pom), and local-spirit firm#2 has strategy agent partners (called families).

8.2) *Pavuth:* What marketing strategies would you recommend to be implemented in relationship marketing?

E11: I personally do not believe in this. Trade benefits are more important than relationship.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

E11: Events should be plan according to the stage of product development, and normally it is one-day event.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E11: Digital marketing must blend in with the consumer lifestyles. This way consumer would not think it is our marketing messages. Today, contents explode every day and creativity is important to differentiate us from others and implant our brands in consumer mind.

9.1) *Pavuth:* What are the drivers of your sales performance?

E11: Our people with good moral are the key drivers to achieve business objectives. Our culture is strong because of good leadership. Also, capability development and motivation are also important.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E11: We measure our sales and market shares.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E11: We are the market leader in our beer categories.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E11: The % growth of sales and market shares.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E11: They both help improve our sales performance.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E11: Promotions activations at POS and POC.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E11: No.

Company: **Domestic Alcohol Distributor #2**
Participant Code: **E12**
Title: **Senior Trade Marketing Manager**
Date: **August 26, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E12: At my former company we could not do anything at all. At my current company found more ways to navigate than International Alcohol Distributor #1, they were more daring to have activities such as showing some brand logo. For example, Domestic Beer Brand (B) online pack shot still showed logo, drinking or consumption moments.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E12: We found more scenario to comply with the law that had the least impact on our strategies and to still can align with our direction.

1.3) *Pavuth: What are the main drivers of your industry?*

E12: Persuasions are the main drivers, because the-above-the line communication is prohibited. Thus, the only way to engage with our consumers is through persuasion. Our customers also want us to help drawing traffic into their outlets. Persuasions refer to events and promotional girls (PG).

1.4) *Pavuth: What are the major barriers for your firm?*

E12: The major barriers are internal communication and alignment. Integration between marketing and sales are the problem. Each department has their own budget, so they do whatever they want without concerning the other department.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E12: It means no communication or no persuasion to drink.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E12: Apply all the restrictions into our action plan at the tactical levels. Strategies are not related to restrictions.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E12: The most severe restriction is no showing logo. Without the logo, consumers don't know what brand it is. We use colour and PG to do brand communication.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E12: The future of regulation will be darker, similar to tobacco products. There is possibilities that alcohol beverages will be the same.

3.1) *Pavuth: How have regulatory changes affected your business?*

E12: The government campaign build public awareness regarding no drinking during religious period or saving for the families. People became more social responsible and reduce their consumption.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E12: The most impact was sales procedures, prohibited all promotions activities.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E12: The least impact packaging control.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E12: Change to indirect communication. Emphasize more on social responsibility campaign so that consumer felt better about the brand.

4.2) *Pavuth: How have you responded to these restrictions?*

E12: We need to be awarded that if the market became darker what the exit plan should be.

4.3) *Pavuth: How has your organization structure changed?*

E12: It could affect the flow of works, we need to work more with legal department. There were more headcounts in trade marketing and legal department.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E12: Our competitors started much earlier than us. Their coverages were much higher than us.

4.5) *Pavuth: How have your customers responded to your decisions?*

E12: Customers were aware and believed in our plan and actions. They expected us to be responsible for all the consequences from our decisions.

5.1) *Pavuth: How has advertising helped your business?*

E12: It helped building brand awareness and positioning our brands in consumer minds.

5.2) *Pavuth: What have promotions done for your company?*

E12: It helped accelerate consumptions and arouse buying behavior.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E12: We must find trick or gimmick that we still engage with consumers and make them feel good about our brands. Consumer engagement help maintain our brand loyalty and not switching to other brands. We have partnership contracts with our on-premise customers to maintain our channel position. For trade marketing have persuasion programs (PG and events) to satisfy needs and satisfactions.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E12: The above-the-line is around 20%, and trade marketing is around 15% at Domestic Alcohol Distributor #2.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E12: The ratio is 50% and 50% for ATL and BTL respectively. The ATL promotes both corporate branding and product branding.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E12: Trading-up strategy is our main strategy. It means selling more premium products or selling higher prices. Today consumer behaviors is spending ahead, and concerning about their images. They have their own style and prefer luxury living. They want each consumer segment to move up their status ladder. We try to make them feel that if they move up, they look better. If you consume more expensive drinks, your image is better.

6.2) *Pavuth: How do you define your “successful” strategies?*

E12: It means that we achieve all KPIs that we had set such as sales, research objectives, customer relationship, and execution and RTM scorecards,

6.3) *Pavuth: How are these strategies created within your firm?*

E12: At Domestic Alcohol Distributor #2, line managers initiated their own strategies.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E12: It had no effect on strategies, except the tactical that may be changed accordingly.

6.5) *Pavuth: Has your employee base had to change?*

E12: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E12: Not mention

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E12: The key strategy is to increase drinking occasions or frequency. Events are used to increase their occasions or frequency.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E12: Increase numbers of brand building events, not increase rate of sales events. Today, people are not drinking too much because they are afraid of police spot check. Scale down large events to have smaller events. Consumer engagement will be higher.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

E12: Mega events are good, but the invited target group are not good nor relevant to brands. We should not enter into the category that we are weak.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E12: We should emphasize on expanding our distribution and improve our route-to-market (RTM) to reach more consumer and build more awareness.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E12: I am responsible for on-premise channel mainly. We do “retail theater” to build brand awareness. The integration between our ATL and BTL need to be improved. For example, our key visual is not consistent. It is important especially in a draak market, because we cannot show our logo. Merchandising at POS is also important.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E12: Relationship marketing is important, because our distributors help us in the market. We use trade deals to keep our relationship with our customer. Incentive trips

is important for large dealers, but we do not have program for small agents. However, smaller agents are driving depletion. Thaivev success comes from wining small agents.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

E12: Convert large event budgets into smaller events.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E12: We focus on CRM in digital marketing, leverage our consumer data to modernize our brands.

9.1) *Pavuth:* What are the drivers of your sales performance?

E12: Persuasion is our main drivers (PG and events)

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E12: We measure from sales and conversion rate of more expensive products.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E12: Our competitors are much better in fundamentals such as RTM or sales drivers. Our brand positioning is weaker than our competitor.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E12: It generates consistent results. It means the effectiveness of our investment.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E12:

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E12: It helps consumers make faster decision, easier to close our sales. It helps selling our more expensive product ranges.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E12: No.

Company: **Tobacco Distributor #1**

Participant Code: **E13**

Title: **Sales Director**

Date: **August 31, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E13: The last two years, advertising bans were already effective. The next step was display ban that meant we were not allowed to display our products. There were arguments between companies and authorities regarding the display ban issue on consumer right to choose their products. The topic was what consumers can see, as well as the price display at the point-of-sales. Eventually, the government allowed us to show our brand names and price. For example, tobacco products were allowed to be showed in the display unit behind 7-11 stores' counters with the panel to be open and closed. Consumers can shortly see the products and price while they are buying tobacco products.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E13: We convinced the authorities that consumers should have their own right to buy their products. Therefore, we use the display unit distributed to our traditional trade outlets to communicate our products and brands. We called these units as "x-stand". The x-stand units can be turned in circle to be displayed and picked up for sales. When the units were opened, consumers could shortly see and select the brands and price they want. In sum, the only communication tools were these stands both for on-premise and off-premise. The stand units in on-premise channel were designed to be more attractive

and premium with LED lighting to make them stand out. The units in off-premise did not have the lighting. Another communication channel was owners of those stores. We provided trade assistances (TA) as the communication tool in order to help these owners. There were two objectives for this; firstly to educate owners about product knowledge, and secondly to communicate to consumers. Our TA were not allowed to make the first sale approach, only provided product information to smokers only. Our TA tried to persuade potential buyers to switch brands at the point-of-sales.

1.3) *Pavuth: What are the main drivers of your outlet?*

E13: The main drivers are stores' owners in general-trade channel (traditional-trade), and stores' staffs in modern-trade channel. For example, stores' staffs help selling our products at 7-11 stores. Another driver is the x-stand units, we call them "non-speaker sellers". If consumers see these units, they know this place is selling our brands. Our sales team can communicate directly to consumers, similar to our TA.

1.4) *Pavuth: What are the major barriers for your firm?*

E13: The actual barrier is the price. It has direct impact to consumers when price is increased because of the imposed tax. Consumers switch downward to cheaper products. Thus, the low-price segment grows every quickly. We call this category as "super low price" segment. The local Thai cigarettes called "SMS" had the highest growth.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E13: It is the restrictions imposed by the government to prohibit communication and PR to end-consumers.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E13: It is more difficult to achieve our sales targets, and our creativity is reduced. We emphasize more on "push strategy" by providing trade promotions and TA or pretties

to stand in outlets to persuade potential buyers to switch brands. It is our paradigm to have both push and pull strategy. We use trade promotion to push our products into the sales channel, and have our TA to pull our products out the outlets. Unlike alcoholic beverages, we go directly to retailers instead of wholesaler to drive sales.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E13: Display ban was the most severe restriction.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E13: I expect “plain packaging” is coming, because the graphic health warning is now already 75%. Graphic health warning affected our sales only short term

3.1) *Pavuth: How have regulatory changes affected your business?*

E13: It mainly affected my sales. It was difficult for new brand to enter the market, and only the established brands can survive under these bans. During display bans, British American Tobacco tried to launch Dunhill and Camel into the market with failures because consumers did not know these brands and could not recognize them. It was good for the leading brands, but it was also hard for them to launch and communicate new SKUs.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E13: Advertising bans and display ban had the most impact on our business. Actually, display ban was not the law, the ministry of health just asked us for cooperation. 7-11 was the leading retailer and wanted to give the government good cooperation. Even though there was a court case, and 7-11 won the display ban case. 7-11 did not want to have any conflicts with the government.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E13: Advertising bans and tax increase had the most impact on our sales performance. Graphic health warning (GHW) had the least impact on sales performance, only one to two months. After that, everything went back to normal. No matter how big the GHW was, people still smoke and it had no impact on consumption.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E13: Certainly, the marketing strategy would be changed. We could not communicate directly to consumers. Thus, we communicated to outlets instead. That was reason why we need to encourage outlets to sell our products by giving them incentives. Also, we need to have our TA or pretty teams to communicate directly to consumers and educate our target outlets

4.2) *Pavuth: How have you responded to these restrictions?*

E13: We changed our communication approach towards outlets at both point-of-sales (POS) and point-of-consumption (POC). We had a lot more pretties at on-trade channel, and TA at general-trade and modern-trade channel.

4.3) *Pavuth: How has your organization structure changed?*

E13: It created trade-activation department in our company. This team was under marketing department. Sales team remained the same, this team was increased only when we increases our distribution coverages.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E13: Competitors followed us most of the time. When we created and increased our TA team, JTI followed us. They also set up this new department and found new outlets to activate similar concerts.

4.5) *Pavuth: How have your customers responded to your decisions?*

E13: They were surprised at the beginning because they never had these kind of communication before. All of the sudden, there were these new sales team giving them information and trying to switch their brands. Consumers were happy that there were activities happened in the outlets. Outlet owners were likely to help our TA make sales.

5.1) *Pavuth: How has advertising helped your business?*

E13: Advertising could increase brand communication, build stronger brand, and make consumers more aware of the brand. It helped launch new product or new sku.

5.2) *Pavuth: What have promotions done for your company?*

E13: Promotions helped increase sales.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E13: We use TA as the communication tool in the on-premise channel. The x stand are used to differentiate our brands.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E13: We can only do trade promotions around 5 % of revenues.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E13: Our marketing budget is only for below-the-line (BTL) activities, and another budget for sales force to increase our distribution.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E13: We use TA, the x-stands and outlet owners to make direct communication to consumers. If we want to increase our communication, we need to increase our coverage. This kind of direct communication is very expensive. Most of the budgets for tobacco companies spend on these communication approach. All the ATL budget shifted to BTL activities.

6.2) *Pavuth: How do you define your “successful” strategies?*

E13: We set our KPI as “market share”. If our market share is increased, we consider success. The number one KPI is share, the number two is sales. We care about our market position because we want to be a leader in the market. Our regional office in Hong Kong understand our market restrictions very well. If our sales drop because the effects of all the restrictions, it is alright as long as our market shares increased.

6.3) *Pavuth: How are these strategies created within your firm?*

E13: The strategies were driven by the marketing team that set the guidelines. The trade marketing team would get these strategies and develop the execution plan. For example, the marketing team wanted cigarette-brand A Ice to have five senses, the trade marketing team would prepare the detail execution plan to meet this objective.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E13: If we encountered “plain packaging”, we need to increase our sales force to cover wider distribution and reduce our trade activations. In sum, we would increase our sales budgets and decrease our trade activation budgets. Perhaps, there would be no more TA only the sales teams to expand our market coverages.

6.5) *Pavuth: Has your employee base had to change?*

E13: Our trade marketing team was increased.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E13: We need to develop trade activation skills and develop our TA capabilities.

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E13: The key program is our trade incentives to encourage our outlets to sell our products. It is more profitable to sell our products.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E13: The distribution or coverages should be increased or at least maintained. Trade incentives are increased to motivate our outlets to sell more our products.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

E13: Now, they stopped to have pretties in on-premise channel because they are not justify the investment. The on-premise channel accounted for only 5% of total revenues, but it costed a lot to have pretties in this channel.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E13: We will emphasize on driving distribution.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E13: We focus on generating profits for outlets, and try to communicate price to consumers. For example, our “International Cigarette Brand B” is cheaper than the Domestic Cigarette Brand now.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E13: We have signed contract with key customers with sales targets and reward programs. When we launch new brands, we had a incentive trips for the top twelve store with the most sales.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E13: We do less event marketing because it is not justify our investment.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

E13: Digital marketing are considered ATL, therefore we can not do this communication.

9.1) *Pavuth:* What are the drivers of your sales performance?

E13: The drivers are our sales forces and trade agreements. At the moment, sales contribution for modern-trade is now higher than general-trade. The key accounts accounted for 60% of our revenues, and 7-11 accounted for 75% of key accounts. The increases came from store expansions and the increased in rate of sales.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E13: We measure the distribution expansion and outlet's rate of sales.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E13: We are leading in premium, mid segment, and low segments. SMS is leading in super-low segment.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E13: We use market shares to rate the quality of sales performance.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E13:

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E13: Advertising and promotion bans reduced our sales, and our budget shifted to BTL.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E13: No.

Company: **Tobacco Distributor #1**
Participant Code: **E14**
Title: **Trade Marketing Director**
Date: **August 27, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E14: Advertising bans were effective more than eight years ago, but some promotions were allowed. The issue was how to communicate our new brands and still comply with the laws

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E14: We use our trade assistance (TA) to communicate our brand messages.

1.3) *Pavuth: What are the main drivers of your outlet?*

E14: The growth of mid-segment category brand (International Cigarette Brand B) is our main driver. Market share conversion.

1.4) *Pavuth: What are the major barriers for your firm?*

E14: Regulations is our major barrier. Thailand is considered to be one of the top restrictive markets in the world.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E14: Communication restrictions. It affected the recruitment of new smokers.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E14: Advertising new awareness. Promotions affect brand switching.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E14: Advertising bans is the most severe restriction because we cannot do brand communication. We cannot recruit new smokers. The launch of new brands.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E14: The future of regulation will be totally dark market.

3.1) *Pavuth: How have regulatory changes affected your business?*

E14: It had a big impact on our organization structure. We had to downsize some team such as TA and BA.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E14: We had full advertising bans long time ago.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E14: We adopted promotion bans for a long time.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E14: We had to anticipate the change and try to comply with the laws.

4.2) *Pavuth: How have you responded to these restrictions?*

E14: We complied with the laws 100%.

4.3) *Pavuth: How has your organization structure changed?*

E14: We had to downsize our trade activation team.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E14: Our competitors faced the same situations.

4.5) *Pavuth: How have your customers responded to your decisions?*

E14: The budgets to support our customers were decreased.

5.1) *Pavuth: How has advertising helped your business?*

E14: Advertising helped communicate our products to new groups of consumers, and introduce our new brands to existing smokers.

5.2) *Pavuth: What have promotions done for your company?*

E14: Promotions drove our sales.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E14: We introduce limited editions to drive sales and our brands. Especially our on-premise customers do not care about high price as long as they are different than others.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E14: I do not have the information. Our TA budget was around 40 million Baht per year.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E14: We do not have clear budget indications.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E14: TA is our key program to drive sales. They created trails and converted to sales.

6.2) *Pavuth: How do you define your “successful” strategies?*

E14: It drives more market shares. We look at conversion rate to sales.

6.3) *Pavuth: How are these strategies created within your firm?*

E14: Regional strategy. Thai laws are more advanced.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E14: It changed our strategies a lot. Our legal department anticipated marketing plan 2-3 years ahead.

6.5) *Pavuth: Has your employee base had to change?*

E14: n/a

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E14: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E14: It affected our TA/BA programs. Product innovation

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E14: Product innovation. Our communication changed from firm-consumer to consumers-consumers by spreading word-of-mouth (WOM).

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

E14: Event activation is not necessary because it does not justify the investment.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E14: Direct communication via WOM. Firm-consumer communication will change to be consumer-consumer communication.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E14: Misery shoppers and staff training

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E14: Before we had exclusive contracts. Without outlets, we had no place to consumers to our brands.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E14: Event marketing cannot be done now.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E14: We cannot do digital marketing, and I do not have any knowledge.

9.1) *Pavuth:* What are the drivers of your sales performance?

E14: Now relationship marketing is very important for on-premise and off-premise outlets.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E14: We measure by numbers of contracts and conversion rate.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E14: Market shares had grown by 5%

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E14: TA we looked at conversion rate

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E14: Advertising had the long-term impact on our brands, and promotions affected our sales.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E14: n/a

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

E14: No.

Company: **Tobacco Distributor #1**
Participant Code: **E15**
Title: **Regional Sales Manager**
Date: **August 23, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E15: Before, we could use colour marketing to communicate our brand; red line theme to represent International Cigarette Brand A. New signage with good design were implemented to build brand recall, and product displays were allowed to drive sales. We had selling booths with our brand ambassadors (pretties) in many events. Our sales people were not allowed make the first approach. If potential customers walked in and asked questions, our sales people could provide product information.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E15: Almost all of our previous activities were prohibited; buy one get one promotions, product samplings, and hard sell approach. We trained the trainers to provide trainings for outlets' staffs. Trade promotions and incentives for our off-trade customers (day-trade channel) were still allowed.

1.3) *Pavuth: What are the main drivers of your industry?*

E15: Brand is the most important. Price is the second driver. When the sales of our premium products dropped because of the high price, we launched the lower price brand (International Cigarette Brand B) to penetrate new customer segments with lower purchasing power. The price of cigarettes were increased every year; thus, we had to have brand extension to complete with the lower segments. International Cigarette

Brand B 7.1 was launched and price cheaper than local Thai cigarettes. This new brand helped us sustain market shares and increase distributions, and International Cigarette Brand B became the brand leader in the low-end category.

1.4) *Pavuth: What are the major barriers for your firm?*

E15: Regulations are the major barriers. The perception of our products is a bad guy. Taxes are increased every year to reduce new smokers. New generation consumers concern more about their health and follow the new healthy trend.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general*

E15: They try to control price and consumption through tax policy.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E15: We developed new smoking zones to get rid of negative perceptions from authorities and public.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E15: The most severe restriction was the prohibitions of smoking areas.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E15: For tobacco, it will be worse. Eventually, it would lead to 'plain packaging'

3.1) *Pavuth: How have regulatory changes affected your business?*

E15: It affected our product display that convey our brand communication.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E15: Promotion bans on BTL activation. We shifted to our customers to do that instead.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E15: The most severe impact was product display ban at POS. We are not allowed to send brand ambassadors to POS.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E15: We focused more on our customers.

4.2) *Pavuth: How have you responded to these restrictions?*

E15: Building strong relationship with our business partners was the priority to help us communicate our brands to the market.

4.3) *Pavuth: How has your organization structure changed?*

E15: Our BTL activities were decreased. We changed our structure to cover more distribution in off-trade channel (day-trade). Trade marketing for off-trade channel was increased.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E15: Our competitors were not that active and not working hard enough.

4.5) *Pavuth: How have your customers responded to your decisions?*

E15: We provided trade deals to build strong trade partners and sometime help them set up new sales force to sell our products.

5.1) *Pavuth: How has advertising helped your business?*

E15: Advertising helped consumer to know about new product easier.

5.2) *Pavuth: What have promotions done for your company?*

E15: Promotions helped drive sales directly, and assisted consumer purchase decisions

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E15: Creative marketing is the way to differentiate. Distribution drive and relationship building are also important. We always find something new to have brand linkage or replace the brand symbol (cowboy) such as building smoking zones.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E15: We received the total amount of budget from sponsors and decided later.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E15: Allocate 100% to BTL.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E15: Trade promotions or special trade deals to our partner that sell our products exclusively. We also build long-term relationship with our key account customers.

6.2) *Pavuth: How do you define your “successful” strategies?*

E15: More people know about our brands (awareness) and higher sales.

6.3) *Pavuth: How are these strategies created within your firm?*

E15: We get direction from the global team, and we try to discover consumer insights to prepare our strategies.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E15: We adopted our strategies accordingly to each time period and be flexible to changes.

6.5) *Pavuth: Has your employee base had to change?*

E15: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E15: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E15: Strong distribution network is our key element, and trade deals are the major determinants. We maintain good relationship with exclusive contracts.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E15: Distribution drive and relationship marketing.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E15: New product launch that has not linkage to our company or consumers.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E15: Good distribution management. We also need to support our sales forces with good facilities.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E15: Trade marketing programs that drive sales.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E15: Strong relationship is barrier to entry for new competitors.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E15: Not many events now.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

E15: We train the trainers to develop DM capabilities. We want to be employer of choice and have happy employees. Our happy staffs posted in their facebook how good to be working in our company. This phenomenon helps improve our corporate image in the social media communities.

9.1) *Pavuth: What are the drivers of your sales performance?*

E15: Distribution drive and trade deals.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E15: Sales from our distributors and market shares.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E15: We are the market leader accounted for more than 90% shares in certain category.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E15: It is very good if it increases our market shares.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E15: Advertising builds awareness, and promotions drive sales.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E15: Price increased from tax policy.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E15: No.

Company: **Tobacco Distributor #2**

Participant Code: **E16**

Title: **Sales Director**

Date: **August 24, 2018**

Person: Transcription

1.1) Pavuth: Briefly describe the nature of the marketing environment that you are involved in.

E16: I was responsible for trade marketing during that time. ATL activities were not allowed, but BTL activities and product display were still allowed. Launching new cigarette product was very difficult because we could not give free samplings. Thus we mainly focused on POS. There were two major segments; international brands (5%-6%) and local brand (95%). Three major international companies were PMT, JTI and BAT. Our company set up a representative office in Thailand to build brands and consumer experiences. We targeted consumers at the manager levels to be our opinion leaders. These managers were also travellers. Therefore, we focused our business and had our brand visibilities in duty free and airline areas. For our local market, our trade marketing programs emphasized distribution expansion and key visual at POS. We focused on expanding display units or dispensers in convenience stores (CVS) and traditional trade (T/T) channels. I developed a new 'gravity feed' dispenser units. These units were easy to check product availability and restock. They also showed our brand visibility to recognize our products easily. We were the first mover in this area and eventually had around 20 versions. For example, one of our brands '555' was perceived as old brand. These dispensers helped bridge the generation by leveraging opinion leader strategy.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E16: We complied with all regulations because we were international company and had our legal team to look after the regulation impact.

1.3) *Pavuth: What are the main drivers of your industry?*

E16: Product sampling was the main driver, but we could not do it during that period. WE could only give free samples to on-premise channel to help us push products into the pipeline.

1.4) *Pavuth: What are the major barriers for your firm?*

E16: We did not have our own sales force; therefore, we had to rely on distributors to brand activations for us.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general*

E16: We could not communicate our brand through advertising, similar to alcohol industry now. We developed our brand communication through advertising on airline magazines, golf platform, and sport marketing.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E16: It was difficult to do advertising. There were many procedures to get approval, and slowed us down. Also, price increased from tax policies.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E16: Advertising bans was the most severe, and we had to think again to launch new products.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E16: It would lead to 'plain packaging'

3.1) *Pavuth: How have regulatory changes affected your business?*

E16: We did not think of short-term sales uplift. We only planned to increase distribution and POS. Route-to-market (RTM) and channel equity were also important. We even had the plan to joint-venture with the leading Domestic Cigarette Distributor (Thai Tobacco Monopoly), because they had the distribution scale.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E16: Promotion bans were the most impact.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E16: Distribution had the most impact on sales performance. Route-to-market (RTM) and relationship with distributors could build or break the business.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E16: The global team did not understand local market. Local strategy did not align with the global. BTL activation in on-premise channel were implemented to create consumer experience with our brands

4.2) *Pavuth: How have you responded to these restrictions?*

E16: We build smoking lounges in airports to build our brands, because they were considered outside of Thailand.

4.3) *Pavuth: How has your organization structure changed?*

E16: Our marketing team was smaller. Trade marketing team developed sales programs to activate at POS.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E16: They formed a new self-regulated organization consists of three International Cigarette Distributors in Thailand.

4.5) *Pavuth: How have your customers responded to your decisions?*

E16: Our customers were happy because there were someone taking care of them.

5.1) *Pavuth: How has advertising helped your business?*

E16: We could not advertise.

5.2) *Pavuth: What have promotions done for your company?*

E16: Promotions helps us reach to consumers faster and easier.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E16: The battlefield was shifted to trade marketing to develop programs to win at retail.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E16: It was around 12%-15%.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E16: The budget allocation was 20% and 80% for ATL and BTL respectively. We got our A&P budgets from the regional marketing team.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E16: Our trade marketing programs were ‘retailer push’ and ‘winning at retail’.

6.2) *Pavuth: How do you define your “successful” strategies?*

E16: Successful strategies increase sales and market shares, and spending are within budget.

6.3) *Pavuth: How are these strategies created within your firm?*

E16: The global was given. The local team developed strategies and prepare 5 years strategy plan.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E16: Our strategies changed every 3 years. Increasing regulation did not change our strategies, but trading down by consumers had more impact.

6.5) *Pavuth: Has your employee base had to change?*

E16: Smaller.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

E16: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E16: Winning at retail. Sales and trade marketing were working close together to bridge generation.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E16: Winning at retail by allocate more budgets. The key issue was how to make retailers want to work with us more. Offering better margins and winning at POS should be scaled up.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E16: We should stop offering too much supports without terms and conditions.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E16: We need to have consumer communication.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E16: We already did everything; trade deals and activation at POS.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E16: We arranged an annual trade meeting to maintain relationship.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E16: We could not have events.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E16: If we use banner advertising, we would be in trouble. Product placement was alright.

9.1) *Pavuth:* What are the drivers of your sales performance?

E16: Distribution (product availability)

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E16: We measured brand visibility and distribution

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E16: PMT was the leader, and we were number two.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E16: It must achieve sales targets.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E16: Promotions is the short-term strategy to drive sales performance. Brand building is the long-term strategy to achieve ‘generation bridging’. Our strategy is leveraging the global influence of local consumers.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E16: n/a

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

E16: No.

Company: **Tobacco Distributor #2**
Participant Code: **E17**
Title: **Vice President (Corporate Affair)**
Date: **August 27, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E17: I had been working since graphic health warning (GHW) increased from 55% to 85%. I thought display bans at POS was the most severe bans, and they probably aimed for 'plain packaging' in the future.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E17: Cigarettes were not like other products. Smokers would always smoke, and non-smokers would not smoke even though they saw advertising. Our objective was to switch smokers from other brands. Most of our products were premium brands. We had chosen to take over those leading brands in the market to grow our business because advertisements were banned. After the display bans, companies started to go for price war to increase market shares.

1.3) *Pavuth: What are the main drivers of your industry?*

E17: We studied many markets to learn about the effects of tobacco bans. In Thailand, tobacco consumption increased even though we had the most restrictions. In Japan, tobacco consumption decreased even though the restrictions were very small. We conducted a survey to find out the impact of GHW, and the result indicated that GHW had no impact on consumption. When restrictions became severe, brand building became difficult to

do. After display bans consumers tended to go for lower price products, since there were not much difference in the packaging.

1.4) *Pavuth: What are the major barriers for your firm?*

E17: Tax increase was the biggest barrier that destroyed the market. It was too expensive for consumers to buy. Also, there was tax discrimination consisted of two tiers. Cigarettes with retail price below 60 Baht per pack were entitled to pay 20% excised tax, while those above 60 Baht per pack had to pay 40%.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

E17: I understood that even showing brand visibility was not allowed. We tried to argue with this issue. We just wanted to provide information to consumers at POS. Most regulations did not state clearly what firms could or could not do. They all depended upon judgements of government authorities.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E17: Since regulations did not state clearly, we tried to get clarification from the central government. However, local authorities interpreted regulations differently. It made our jobs a lot more difficult. There was no standard system to communicate among government people.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E17: The most severe restriction was display ban. Our investments and brand value were lost because of this ban. We had to complete and pay a lot of money to get self-space and build our brand. Now there was no brand visibility at POS.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E17: They are likely going for 'plain packaging'. Thai ministry of health (MOH) is one of the most active organization. Currently GHW in Thailand was the biggest in the

world (85%). Health Promotion was set up to get this special tax directly from alcoholic and tobacco companies. They tried to help Vietnam government set up a similar organization.

3.1) *Pavuth: How have regulatory changes affected your business?*

E17: Regulations were issued and companies were notified in the short period, mostly effective in 30 days. It was hard for companies to manage inventory and end up with large dead stocks. The products during shipments became illegal.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E17: Display ban was the most recent regulation and had the most impact on sales. GWH (85%) probably had the most negative impact on brand value. GHW and display ban were not much different in terms of the impact on business.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E17: GHW had the most impact on both sales performance and brand value.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E17: We tried to be more creative in our strategies. Regulations prohibited us to do brand communication including the ban of promotional girls.

4.2) *Pavuth: How have you responded to these restrictions?*

E17: We developed shop assistant (SA) model to help retailers provide product information. We consulted and got approval from the government about this new direct

communication approach. These shop assistants helped retailers to sell all products in their stores including provide our product information to potential customers. We were the only company do this approach.

4.3) *Pavuth: How has your organization structure changed?*

E17: We shifted to focus more on managing SA team. Most of traditional marketing tasks could not be done.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E17: All competitors complied with all regulations.

4.5) *Pavuth: How have your customers responded to your decisions?*

E17: We priced our products from the highest to the lowest respectively; Mevious, Camel, and Wilson. After we lowered Camel price cheaper than Wilson, Camel sales took off.

5.1) *Pavuth: How has advertising helped your business?*

E17: Advertising helped build brand awareness. Without advertising, it took us a long time to change our International Cigarette Brand C to a new brand name. There was not much we could do, except use word-of-mouth (WOM).

5.2) *Pavuth: What have promotions done for your company?*

E17: All consumer promotions were banned. We were only allowed to have trade promotions, consumer promotions were not allowed. New regulations prohibited firms to engage with all kinds of CSR activities.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E17: Tobacco companies were not allowed to advertise and promote their brands. Thus, having strong brands was essential. We managed and train our sales assistant teams to have direct communication consumers in order to sustain our brand value.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E17: Don't know exactly, but they were decreased significantly.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E17: After the most recent regulations, all BTL budgets shifted to direct communication.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E17: Because of the bans, we had to do indirect marketing approach. For example, we created buzz to make WOM and viral in digital marketing. Try to build brand awareness from all the crisis in the media.

6.2) *Pavuth: How do you define your "successful" strategies?*

E17: Every strategy was decided by sales result. It must increase our sales.

6.3) *Pavuth: How are these strategies created within your firm?*

E17: We conducted brainstorm sessions from corporate affair, marketing and sales department.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E17: Some strategies failed, some of them succeeded. For example, we changed retailer programs to wholesaler programs. This changes in strategies failed.

6.5) *Pavuth: Has your employee base had to change?*

E17: n/a

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period.*

E17: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E17: I think creativity is the most important. We had to be able to cope the constant changes in the industry. Cigarettes were not like other products, ministry of health always change their regulations. We had to know and think quickly. If you knew late, business already damaged. We had to think and do faster than competitors. Agility was important.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E17: Any direct communication to end-consumers should be increased.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

E17: Large events should be stopped because we sold only little. Brand awareness was also small.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E17: Leverage international advertising. For example, airline advertising was considered out of country advertising.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E17: Trade promotions were given to retailers, and they could not push our products to consumer. Retailers did not put efforts to push our products. Thus, we need to have our SA to drive our products.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E17: Before the bans, building relationship with key accounts like 7-11 was important to get display and shelf spaces. Now, we really did not rely on them anymore after the display ban.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E17: Event was not working for us, because consumers carried their own cigarettes to the event.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

E17: Digital marketing still provides some opportunities, and we are studying this.

9.1) *Pavuth:* What are the drivers of your sales performance?

E17: We need to have a trainer to train our sales force. Corporate affair also conduct training what could and could not say

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E17: We measured from sales results.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E17: We beat our competitors' right after the announcement of display ban, because we had better and well-plan strategies.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E17: We set sales target, and these targets must be achieved.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E17: Trade promotions still help some sales.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E17: n/a

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

E17: No.

Company: **Tobacco Distributor #2**
Participant Code: **E18**
Title: **Regional Sales Manager**
Date: **August 29, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

E18: New generation consumers smoke less cigarettes because of the healthy trend. The medium up segments were exercising a lot more. Consumers seemed to socialize less, drink less and smoke less. The major volumes for Thai cigarettes were in lower-end market (Thai cigarettes). Price was the key driver in the low-end market. For example, International Cigarette Brand D dumped price in the last quarter, sales increased by four times. In my opinion, price point was more important than brand under the restrictive market. Firms seemed to be focused on driving sales rather than building brand, and became sales-driven organization. I have seen many surrogate advertising in the market, especially beer products.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

E18: We could not do pull strategy. We were allowed to do push strategy only. Every companies measured ROI in their push strategy.

1.3) *Pavuth: What are the main drivers of your industry?*

E18: On-premise was still the only channel to build brand awareness, even the volumes were low.

1.4) *Pavuth: What are the major barriers for your firm?*

E18: When our company became financial driven, and focused on ROI only. In my opinion, expatriate management came to work here for few years then they moved on. These managers tended to focus mainly on short-term financial performance which was mainly sales revenues.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general*

E18: To reduce new drinkers nor smokers in the market.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

E18: We could not do promotions nor show our brands. Promotional girls (PG) had to be trained how to communicate and present to potential consumers. It was harder to remember our brands, and almost impossible to launch new brand. It was difficult to switch brand for alcohol and cigarette products. For example, Tobacco Distributor #3 just closed their company last year.

2.3) *Pavuth: In your market, what is the most severe restriction?*

E18: Promotion bans was the most severe because they impacted sales directly.

2.4) *Pavuth: What do you expect the future of regulation to be?*

E18: I expect to be more restriction. It is likely that cigarettes would be plain packaging.

3.1) *Pavuth: How have regulatory changes affected your business?*

E18: We had to increase distribution in on-premise channel, and had shop assistants (SA) to drive volume. Day-trade channel had many brands available, and there were only two-to-three brands available in night-trade channel (on-premise). It was high competition in day-trade channel.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

E18: Promotion bans had direct impact on sales volumes. Brand image communication was less important than product sampling for cigarettes. On-premise outlets and events compensate for sampling bans.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

E18: All restrictions had direct impact to sales.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

E18: The BTL activations was increased. We focused on having SA at retail shops but there were less because it was costly to maintain. If ROI was measured, it would not justify the investments.

4.2) *Pavuth: How have you responded to these restrictions?*

E18: We started from training outlet's staffs instead, because we had less SA.

4.3) *Pavuth: How has your organization structure changed?*

E18: Yes, we changed a lot. Our SA were reduced by 70%. Our marketing team was increased, while sales teams were decreased. We set a new company called 'field marketing' to implement our trade marketing at each regions throughout the country.

4.4) *Pavuth: How have your competitors responded to your decisions?*

E18: They all did the same things.

4.5) *Pavuth: How have your customers responded to your decisions?*

E18: Our customers were happy with our field marketing activated services or events.

5.1) *Pavuth: How has advertising helped your business?*

E18: Advertising helped build image, but we could not do it.

5.2) *Pavuth: What have promotions done for your company?*

E18: Promotions build awareness and sales. Consumers could try our products easier. Distributions were important for us to create trails and purchases. However, most of purchases were done in day-trade channel. Consumers tended to buy cigarettes in a day time, and carry them throughout a day.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

E18: We trained outlets' staffs to replace our SA in order to act as our brand ambassadors and sell our products.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

E18: n/a

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

E18: Don't know. Budgets were given to me.

6.1) *Pavuth: What marketing strategies do you use to navigate through a dark market to drive and improve sales performance? Please list them.*

E18: Start with training outlets' staffs and increase distribution. Our team keep visited potential outlets, and asked them to list in our products in small quantities. They could

sell, and eventually they delisted competitors' products because they never visited outlets.

6.2) *Pavuth: How do you define your "successful" strategies?*

E18: It generated trails and awareness.

6.3) *Pavuth: How are these strategies created within your firm?*

E18: The strategies were created from top-down.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

E18: I could only think of relationship marketing and personal selling.

6.5) *Pavuth: Has your employee base had to change?*

E18: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period.*

E18: n/a

7.1) *Pavuth: Which of those strategies do you consider to be key program elements? Please provide a justification for your response.*

E18: **Again**, relationship marketing and personal selling were the key programs.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

E18: Get close to the market by visiting markets more.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

E18: I think the internal problems.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

E18: Increase distribution. Relationship was the most important in this business.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

E18: Trade marketing should provide more supports to on-premise channel. They currently only supported day-trade channel.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

E18: Build sincere relationship with customers. Sales force were familiar with incentives, without incentives they would not build any relationship.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

E18: Events build brand image, but brand image is hard to measure. When ROI was measured, events were not justified.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

E18: We did not have DM team.

9.1) *Pavuth:* What are the drivers of your sales performance?

E18: We had trade promotions for day-trade channel, and relationship marketing for night-trade channel.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

E18: It achieved sales targets.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

E18: Do not know.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

E18: Sales growth compared year-to-date (YTD).

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

E18: Advertising build awareness and image, but could not do it in our business. We could only rely of viral and WOM only. Try to work outlets that had good influencer marketing to spread WOM.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

E18: n/a

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

E18: No.

Appendix 3B – Interview Transcripts (the On-premise Customers)

Customer (Segment): Outlet #1 in **ENZ (Energy Zone)**

Participant Code: **C1**

Title: **Owner, CEO**

Date: **August 16, 2018**

The interviewer was in all cases the same person "Pavuth." The transcribed interviews while not always grammatically correct are a direct Thai to English translation. The substantive meaning of the informants' responses are accurately transcribed rather than grammatically precise.

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C1: We had to adapt our business plan in some aspects when the regulation on alcohol control policies became effective. The majority of our customers' ages were 18-19 years old, but we had to change to focus on the age of 20+ years old instead due to the regulation. The outlet was changed its character, mood and tone, and activities' theme to serve new targets. We put more focus of the outlet's image and appearance than the price or promotion because we believed that the image and appearance of the outlet was a key factor to draw the attention of 20+ years old customers. Thus, advertising bans did not affect us too much.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C1: As we mentioned above that we focused more on the outlet's image and appearance than advertising and promotions, there was no restriction or ban affecting our communication plan to the market. We were even agreed with some restrictions i.e. the promotion bans because that made us not to be concerned about the price competition.

1.2) *Pavuth: What are the main drivers of your outlet?*

C1: The capabilities of outlet's owner, the skills of our staff, and activity plans are the main drivers of our outlet. The government cooperation is one factor that we have been waiting for. If the outlets and government can work together to find good ways to work together regarding to regulations, we are confident that the government cooperation will be another main driver of our outlet.

1.4) *Pavuth: What are the major barriers for your firm?*

C1: The government cooperation and the organization management are the major barriers for our firm.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C1: It is the campaign against drinking alcohol and smoking so as to encourage people's good life and health.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C1: Lack of flexibility is the barrier we are facing. The customers' behaviours always change, as the restrictions are still exist and effective. Therefore, it is quite difficult to keep adapting our strategy to meet our customers' needs under the control policies.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C1: The excessive drinking is the most severe restriction for us because we are not able to monitor every customer how much they drink. Most customers open and consume whiskies by the bottles and sharing among their friends.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C1: We expected that there is more flexibility in the future of regulation.

3.1) *Pavuth: How have regulatory changes affected your business?*

C1: The regulation had influence on people's drinking behaviours. They were more concerned about their life and health which certainly affects our business.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C1: Since we planned to use the outlet's image and appearance as our key driver, the advertising and promotion bans have no any impact on our business.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C1: In the general, the promotion bans could be the most impact on sales performance and the advertising bans could be the least one.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C1: The control policies had changed our marketing strategy in a good way. We could save almost 100% of the sales promotion budget due to the promotion bans which led to more profit of our business.

4.2) *Pavuth: How have you responded to these restrictions?*

C1: We had determined to be aligned with those restrictions. We had developed our strategy and business plan to be compatible with them. Instead of keeping concerned

about the price and promotion, we had focused on the improvement of entertainment elements: dancers, DJs, mood and tone of outlet which are benefits for our customers eventually.

4.3) *Pavuth: How has your organization structure changed?*

C1: There was no any effect to our organization structure, but our suppliers have been affected 100% because we stopped ordering gifts or premium from them due to the promotion bans.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C1: We were proud to be a role model of brand building for other outlets. They had tried to create good image of their outlets like ours because they found that this kind of strategy can cope with the restrictions effectively.

4.5) *Pavuth: How have your customers responded to your decisions?*

C1: Our customers had given us good feedbacks regarding to our decisions. They loved to hang-out at our outlet, and generated good results in term of sales performance.

5.1) *Pavuth: How has advertising helped your business?*

C1: The advertising helped to build brand awareness of customers to our business.

5.2) *Pavuth: What have promotions done for your company?*

C1: The promotions helped leveraging our sales volume.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C1: We have used social network to communicate with our market. Initiating unique events is one of our important tools to differentiate ourselves as well.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C1: We rarely spend money on advertising and promotions due to the restrictions. The strategy we have used is kind of personal communication or direct marketing.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C1: We allocate our marketing budget only in BTL activities: DJ, events, festive seasons.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C1: Trade incentive or commission is the marketing strategy that our sponsors implement to drive and improve sales performance.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C1: We define our sponsors' successful strategies as the increased sales volume.

6.3) *Pavuth: How are these strategies implemented in your outlet?*

C1: They use the symbol of the products i.e. colours, characters, designs to display in our outlet to represent their brands.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C1: These strategies had not changed much with increasing regulation. As we mentioned above, they have tried to use the symbol of the products instead of displaying trademarks which is not in compliance with the regulation.

6.5) *Pavuth: Has your employee base had to change?*

C1: No.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C1: Product knowledge training, going abroad on a tour of inspection, and tasting were the skills we need in the dark markets.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C1: Each sponsor will use different strategies depending on the market situation at that moment. Leading brands normally use the strategy to drive sales volumes, whereas following brands prefer to focus on brand building strategy.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C1: Creative events and activities are the strategies that we recommend to be sustained and scaled up.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C1: Trade incentive or commission is the strategy we think they should be discontinued because this kind of strategy sometimes exploits customers and decreases our profit.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C1: We use the digital marketing as one of our strategy when facing a more restrictive environment.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C1: We don't recommend any strategy to be implemented in trade marketing because it often takes advantage of our customers and the outlets.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C1: To build or maintain friendship as a family and have more communication among us are the strategy we recommend to be implemented in relationship marketing.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C1: To customize an event for each outlet so as to build the uniqueness.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C1: To create “night market” applications is the strategy we recommend. We believe that it can be a community of people who enjoy the night life

9.1) *Pavuth: What are the drivers of your sales performance?*

C1: Economy and the number of tourists are key factors affecting our sales performance.

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

C1: We measure it by considering the proportion of our profit margin.

9.3) *Pavuth: How do you perform relative to your competitors with respect to sales performance?*

C1: We have better sales performance than our competitors and we are quite confident that we have the strong management in our organization.

9.4) *Pavuth: How do you rate the quality of your sales performance?*

C1: We rate the quality of our sales performance as very good. We have not focused on the sales volume but the percentage of our margin.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C1: Yes, it does in term of advertising; but there is no need to do sales promotions in our outlet so we don't think the promotions improve our sales performance.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C1: In our view, the advertising and promotion bans have no any impact on our sales performance.

10.1) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C1: Our expectation is to have the clarity of regulations, the more government cooperation, and flexibilities of restrictions which these key factors can lead our dark market to meet the international standard like USA, Singapore, and Korea.

Customer (Segment): Outlet #2 in **ENZ (Energy Zone)**

Participant Code: **C2**

Title: **Owner, CEO**

Date: **August 15, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C2: It certainly affected our sales, but we can live with that. Our business would not collapse because of restrictions. They only annoyed us sometime. If you ask me there was no restrictions, of course it would be better. I believed that it affected my business less than brand owners. Also, it may affected us when we had events, but they were very small

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C2: We need a regulation clarity. Today, it was not clear what we can or cannot do. When customers come to my outlets, they concern about my offerings such as atmosphere, food & beverages, and service. There are some difficulties with restrictions when we have promotions.

1.3) *Pavuth: What are the main drivers of your outlet?*

C2: Time is the main driver. If my outlet is closed at 6.00am, imagine what we could sell. Secondly, if age is changed to 18 years old, number of our customers could double easily. For example, outlets in Korea closed in the afternoon, Cambodia at 6:00am. Thirdly, price must be reasonable and trustworthy.

1.4) *Pavuth: What are the major barriers for your firm?*

C2: I think time is also a barrier. I don't understand why they have to limit the opening hour since all consumers coming to my outlets are all adults.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C2: They want to reduce number of drinkers. In fact, I think it is a propaganda, because those regulators are still drinking.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C2: Promotion ban is the main barrier. Consumers would come to my outlets with or without advertising anyway. Once they are in my outlets, promotions are the key sales driver.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C2: Price promotion has no impact, but banning of promotional girls (PG) certainly affects my sales. Today, I showed pictures in my menu, they said it was illegal. If I don't have pictures, how Chinese tourists would know what we have in our outlets. How do they expect us to sell?

2.4) *Pavuth: What do you expect the future of regulation to be?*

C2: Certainly, it will be more. If all other countries are moving another direction, you can't be a black sheep. If there are too much pressure, I will change to do other businesses. For example, cigarettes are now only seen in 7-11.

3.1) *Pavuth: How have regulatory changes affected your business?*

C2: It has no affect to my business. We would find ways to draw traffic to our outlets.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C2: Promotion ban had the most impact. Consumers ordered only their familiar brands. Those new brands would have no chance to sell. It was difficult for new brand to enter the market, and old brands would have big advantage.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C2: Promotion girls had the most impact on sales performance.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C2: For example, we could not have branding in our events or include in our digital branding. Brand communication from our outlets were decreased. I am quite worry if the brand displayed in our social media, because these are the evidence that may cause future problems.

4.2) *Pavuth: How have you responded to these restrictions?*

C2: We tried to avoid branding in our events. Communication ban only be done in selected media such as LINE group. This communication was considered to be close group, and it spread through consumer WOM.

4.3) *Pavuth: How has your organization structure changed?*

C2: It affected the tasks on event operation rather than organization structure. Numbers of events are decreased.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C2: I think they all did the same. But the lost businesses shifted to those night hawker or street food, because they all could open all night long.

4.5) *Pavuth: How have your customers responded to your decisions?*

C2: No impact on our customers. Night business depends on what attractions you can offer to customers. If you have good looking crowd in your outlet, people will come.

5.1) *Pavuth: How has advertising helped your business?*

C2: Brand advertising did not help my business, except the advertising was talking about my outlets.

5.2) *Pavuth: What have promotions done for your company?*

C2: Certainly, promotions help our sales and traffic.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C2: Improve our outlet to be at the best conditions. Entertainment and atmosphere must be excellent. We never focus on alcohol brands as the selling point.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C2: Never do that. It is depend upon time and situation. When sales are good, I stop all activities. I rather focus on offering better consumer experiences such better atmosphere, toilets or entertainments. I even think of having concerts every day.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C2: Advertising can only be done through digital media such social media, LINE, YouTube. Direct communication and WOM are important. I stopped all old media; TVC and magazines.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C2: We can only do activities inside our outlets, and digital marketing. Nothing else.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C2: Do the best. Atmosphere, entertainment, and good services. You have to understand and offer what your customers want.

6.3) *Pavuth: How are these strategies implemented in your firm?*

C2: It created from team brainstorming. Customers are driving our business. Human has a lot of hidden needs they don't tell you, you have to find out yourself.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C2: If what you think was not right, you could not be stubborn. You had to understand your business well. Atmosphere, performance and time

6.5) *Pavuth: Has your employee base had to change?*

C2: n/a

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C2: n/a

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C2: Atmosphere, performance and time are my main strategies. What you like may not be what consumers like.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C2: Increase entertainment or events.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

C2: I saw some events that were wrong, consumers felt badly about your brands.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C2: I can't answer you today, until that day come true. I still believe in good performance (entertainment).

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C2: If you can find some way to increase direct communication to end consumers, I think it will drive sales.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C2: It is important. If you can make customers feel happy or important, they will be loyal to you. I don't emphasize membership, and I don't like to divide my customers into classes.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C2: We should have more events with or without branding.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C2: It is good. It is the only channel to communicate with my customers. If you posted good contents in social media, they don't really care who your sponsors are.

9.1) *Pavuth:* What are the drivers of your sales performance?

C2: Time and entertainment. I think time is more important.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C2: Sales revenue per day.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C2: I set my position not too high and not too low. I don't want to be number one, and not far distance from number one.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C2: This kind of business only have two options; over-performance and under-performance.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C2: n/a

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C2: Promotions inside our outlets definitely drive our sales.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C2: Government should be more open and listen to businesses more.

Customer (Segment): Outlet #3 in **ENZ (Energy Zone)**

Participant Code: **C3**

Title: **Owner, CEO**

Date: **August 19, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C3: We got the freedom of advertising and sales promotion in the pre-ban period, so it was easy to promote our events or activities. We could drive our sales volume by using sales promotion. On the other hand, we were now restricted by the regulation of alcohol control policies; our sales performance was affected inevitably. However, we believed that the sales volume will be increased or decreased depending on the customers' attitudes and behaviours, personal perceptions towards alcohol and lifestyles rather than the restrictions.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C3: Yes they had an impact on our communication plan. They reduced our traffic when we had an event.

1.3) *Pavuth: What are the main drivers of your outlet?*

C3: The mass media (i.e. Channel V, Ta Lui Party) and price promotion were the main drivers of our outlet.

1.4) *Pavuth: What are the major barriers for your firm?*

C3: The promotion bans are the major barriers for our firm.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C3: n/a

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C3: The control policies decreased our ability to communicate to our market. It was quite difficult to promote our events or activities which led to the declining number of customers. When sales promotion were banned, it was quite difficult for us to deliver our target volumes.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C3: The promotion bans is the most severe restriction in our market.

2.4) *Pavuth: What do you expect the future of regulation to be*

C3: n/a

3.1) *Pavuth: How have regulatory changes affected your business?*

C3: The regulation on control policies affected our business in terms of communication to the market and driving the sales volume by using the sales promotions.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C3: The promotion bans had the most impact on our business.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C3: The most impact on our sales performance was price promotion. The least one might be the advertising depending on brands. I would say that if the brand was strong or well-known advertising bans had small effect our sales performance.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C3: We need to create unique events and build brand image as the international standard to make our customers feel special in the event of world class experience.

4.2) *Pavuth: How have you responded to these restrictions?*

C3: We had initiated new events or activities for our customers. This kind of strategy helped us drawing the customers' attention and motivating them to come and join the events.

4.3) *Pavuth: How has your organization structure changed?*

C3: There was not much effect on our organization structure. We had just rotated our staff and adapted their roles.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C3: We always found new ideas of events or activities initiation to overcome our competitors.

4.5) *Pavuth: How have your customers responded to your decisions?*

C3: Since we had conducted surveys in order to create events or activities to meet our customers' need and make them feel so special to experience world class events, our customers normally gave us good feedbacks.

5.1) *Pavuth: How has advertising helped your business?*

C3: The advertising had helped in term of brand awareness, and it can help driving our sales volumes if we have brand sponsors as a partner.

5.2) *Pavuth: What have promotions done for your company?*

C3: The subsidy to outlets' events was the useful promotion that we got from our sponsors and it really works.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C3: We had initiated events or activities as world class experience to impress our customers.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C3: Our advertising and promotions budget was allocated by working with our sponsors.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C3: We normally work with our sponsors regarding budget allocation, so it depends on the annual budgets we receive from our sponsors.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C3: Channel leadership, locking out, relationship marketing and events/activities are the marketing strategies that our sponsors implement and drive our sales performance.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C3: We defined our sponsors' successful strategies as the increased sales volume.

6.3) *Pavuth: How are these strategies implemented in your outlet?*

C3: These strategies can drive our sales volume effectively.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C3: n/a

6.5) *Pavuth: Has your employee base had to change?*

C3: No.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C3: n/a

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C3: Locking out, relationship marketing and events are the key program elements of our sponsors' strategies.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C3: Events and activities plan and the subsidy are the strategies we recommend to be sustained and scaled up.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C3: The events held by the brand/sponsor should be discontinued because these kind of strategies affected the outlets' sales volume.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C3: We aren't concerned much about more restrictive environment because we are confident that we can cope with it. For example, we still use symbol of products: colours, characters to represent our sponsors' brands.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C3: Events and activities strategies we recommend to be implemented in trade marketing.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C3: We should build closer relationship with our customers, create new networks, and build outlet's brand loyalty.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C3: We suggested big event activation to be implemented because it creates a big picture for the brand and is important to outlet's image.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C3: We recommended the initiation of "art and simple" contents on social networks to be implemented in digital marketing.

9.1) *Pavuth: What are the drivers of your sales performance?*

C3: Events and price promotions are the drivers of our sales performance.

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

C3: n/a

9.3) *Pavuth: How do you perform relative to your competitors with respect to sales performance?*

C3: n/a

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C3: n/a

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C3: Yes.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C3: The price promotion bans have had the biggest impacts on our sales performance.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C3: No.

Customer (Segment): Outlet #4 in **ENZ (Energy Zone)**

Participant Code: **C4**

Title: **Owner, CEO**

Date: **August 29, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C4: Before, the market was driven by advertising. Many suppliers completed heavy to build lower-end whisky categories. Outlet owners did not need to think of any plans, and suppliers would provide them with the careful plans. After the restrictions, everybody was looking for strong brands to sell. Advertising budgets were shifted to BTL activities. It was good for those owners who knew how to leverage this budget shifts.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C4: We emphasized service quality and shifted to direct sales, and were more selective to find the right products that were well-known to our customers. We would not consider new brands.

1.3) *Pavuth: What are the main drivers of your outlet?*

C4: Our customers.

1.4) *Pavuth: What are the major barriers for your firm?*

C4: Regulations.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C4: To reduce consumption.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C4: Communication problems.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C4: Advertising bans.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C4: I think it is too much already.

3.1) *Pavuth: How have regulatory changes affected your business?*

C4: It changed our customers and strategies.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C4: Advertising bans reduced our ability to build store brand, promotion bans decrease our ability to drive sales.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C4: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C4: We changed our target groups of customers.

4.2) *Pavuth: How have you responded to these restrictions?*

C4: Adopted our strategy to serve new target group.

4.3) *Pavuth: How has your organization structure changed?*

C4: Not in terms of headcount, but we have to train our people to be closer to our customers.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C4: They did not comply with the law.

4.5) *Pavuth: How have your customers responded to your decisions?*

C4: Our target customer had been changed, and our strategies must also be changed.

5.1) *Pavuth: How has advertising helped your business?*

C4: I helped us build our store brand since we could not communicate product brands (supplier)

5.2) *Pavuth: What have promotions done for your company?*

C4: Promotions helped consumer make their purchase decision faster, but they have no long-term impact.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C4: We changed our direction and strategies to target new and different groups of customers. We anticipated that the restrictions were coming, and they changed our whole organization.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C4: Yes we have, but allocate by the total amount per year.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C4: Yes, we do allocate like that.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C4: Increase strategy to drive our staff motivation. Before, suppliers had the plan and strategies. Now they just give us money we will think and prepare the plan ourselves. We convert trade deals to offer discounts and staff incentives.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C4: I still think big events outside on-premise channel is the way to build brand popularity. When suppliers have strong brands, it is easier for us to sell their products. Also, tourists like to follow local people drink choice when they are in our place.

6.3) *Pavuth: How are these strategies implemented within your firm?*

C4: Now strategies are changed from sponsor-led strategy to outlet-led strategy. Main strategy is now to drive staff motivation. For example, Barcadi gives us flexibility to communicate and build their brands.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C4: Flexible strategies to communicate and build brand. The world was changing fast. We were now the determinant of sponsor strategy. The old way, sponsors provided their one-size-fit-all strategy to all outlet. The new way, outlet-led strategy was more successful.

6.5) *Pavuth: Has your employee base had to change?*

C4: Not in terms of headcount, but need to improve our staff capabilities by 200%

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C4: Product knowledge, foreign language, and selling skills.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C4: Trade deal is the only key program now. The rest is depend on how develop our programs. We even write our own programs and developed our own app.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C4: I want suppliers to come to see how they can increase brand value in our outlets. Most people follow the majority brand choice in that outlet.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C4: I can't think of any because most of them were already stopped.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C4: Good strategy, clear and smart one.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C4: Nothing. Trade deal is the thing suppliers do to create brand value.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C4: There are two types of relationships. Trust is the most important one between outlet and suppliers. Capability development to improve customer interaction is important between outlet and customers.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C4: We are more confidence in our in-house event team than our sponsors.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C4: It is the future. It is very important use technology to speed up service and payment.

9.1) *Pavuth: What are the drivers of your sales performance?*

C4: Strategy, of course.

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

C4: Spending per head.

9.3) *Pavuth: How do you perform relative to your competitors with respect to sales performance?*

C4: I don't care. I think each outlet strategy is different. There is no benefit to compare other strategies.

9.4) *Pavuth*: How do you rate the quality of your sales performance?

C4: Spending per head.

9.5) *Pavuth*: Do advertising and promotions improve your sales performance?

C4: Yes, advertising helps to build group activities and social gathering moments.

9.6) *Pavuth*: What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C4: n/a

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

C4: No.

Customer (Segment): Outlet #5 in **CGHO (Cool Gang Hang Out)**

Participant Code: **C5**

Title: **Owner, CEO**

Date: **August 30, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C5: Previously it was easier to organize activities, parties with the supports from the supplier. We mainly used the activities to promote our business. We were using promotion, reduced our price to draw traffic. We didn't care much about the image. We wanted our customers have fun and feel that it was worth to spend money here. We achieved by providing good music, nice atmosphere and good service. Eventually our customers will spread good WOM

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C5: We focused on social media by the mobile phone to highlight female customers having fun and good times in our event. We show the fun party, fun moments then this will get viral from consumer experiences, people like to share this kinds of moments.

1.3) *Pavuth: What are the main drivers of your outlet?*

C5: Thai people like to have fun and be happy. This is the place they would like to come. Profit. We take our profits to expand our business

1.4) *Pavuth: What are the major barriers for your firm?*

C5: Government authorities interfere and interrupt our business. Also the closing times are always changing.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C5: Consumers have negative perception about alcohol and cigarettes. It doesn't matter we have restrictions or not people still consumer anyway. They affect business operation and not affect consumption.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C5: Outlet connection to consumer becomes difficult. We cannot connect or communicate to the customer. We use internal communication to spread WOM. The most effective is social media. We use our staffs for internal communication, and social media for external communication.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C5: I think to limit the time of selling alcohol, because consumer still find other places to drink more.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C5: It is mostly up to the government how they see this business as positive or negative. New government may consider this industry is important and change the favourable laws.

3.1) *Pavuth: How have regulatory changes affected your business?*

C5: It would mainly effect our sponsors. For example, customers always ask for deal or promotions. If we could not provide promotions, it mainly effected our sponsor' brands because our customers still order some other drinks anyways.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C5: Time had the most impact. Trademark ban had the least impact only impact

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C5: Time.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C5: Yes. We used social media to communicate lifestyle moments without branding.

4.2) *Pavuth: How have you responded to these restrictions?*

C5: We mostly complied the law. Our outlets were located outside of Bangkok, the enforcement are not as strict as inside of Bangkok.

4.3) *Pavuth: How has your organization structure changed?*

C5: No it did not effect.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C5: Sometimes they copied my strategy. Before our outlet was open, nobody was doing any promotions in that area, now they all had activities.

4.5) *Pavuth: How have your customers responded to your decisions?*

C5: After they understood our intention, they started to have fun.

5.1) *Pavuth: How has advertising helped your business?*

C5: It helped our customers remember our outlet or promotion. It builds brand awareness.

5.2) *Pavuth: What have promotions done for your company?*

C5: It made customer make the decision easier and spend more.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C5: I'm building a fun atmosphere inside my outlet. Also, price is important. We constantly organize events to keep the active perception in our consumer mind.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C5: Yes we do. Before our previous outlets we spend all our sponsor budgets to promote our business. Now we have to analyse what they are necessary first before we allocate any budgets. If certain program does not have enough funding we add more money. It is around less than 10 percent now.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C5: We didn't separate them clearly like that. We set up budget for event and social media. At the beginning, social media budget was higher. Now we spend most money on events.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C5: Before we get long-term target from sponsors, now we work on with short-term targets. Short-term targets are more flexible, but they are not that high. This approach we can sell or work with many suppliers.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C5: Every event must generate profit for my business and customers are happy

6.3) *Pavuth: How are these strategies implemented within your firm?*

C5: For example, when I organize an event, supplier will provide a budget with target volume. We need to keep the customer happy. Service is the most important. And we would not specific to just one group of customer. We are aiming for all kind of customer. We use music band from Bangkok. I have direct connection to the sponsor. all this would make me stand out more than others.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C5: Focus on customer satisfaction by providing good service. We targeted few groups of customers, not rely on only one group. Our customers group are A (working adults), B (students), C (family), D (walk-in customers). For example, we had ETC concert, ETC fan club came to my outlet, if they like it they would come back again. We differentiate our outlet by offering good music.

6.5) *Pavuth: Has your employee base had to change?*

C5: Change quite often, because they were students working part-time basis.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C5: I trained them. Customer Needs, good service, and cost control

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C5: Large event. Now the bigger the event, the more people talk about in social media.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C5: They should take better care of customer relationship. They should come to visit us more and help us think.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C5: I can't think of any now.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C5: Organize our own event. Duplicate sponsor event to make it differently.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C5: Now the industry is shifting to lower price segment, sponsors from premium segment are having difficulties to support budgets. We understand this.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C5: I think sponsors do not collect and share customer information with us.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C5: Support budgets are too low, but the target volumes are too high.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C5: The budgets for social media marketing are still low. Contents must be good.

9.1) *Pavuth:* What are the drivers of your sales performance?

C5: We calculate how much profits we make before offer promotions.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C5: At the end of the month, we have P&L statement

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C5: We are number one in the area.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C5: Sales revenues against budgets.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C5: Yes.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C5: Restriction on promotion. It affected sales.

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

C5: No.

Customer (Segment): Outlet #6 in **CGHO (Cool Gang Hang Out)**

Participant Code: **C6**

Title: **Owner, CEO**

Date: **August 21, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C6: In the past, regulations on control policies were not clear. There were few competitors in the market. Thus, communications to consumers could be done in all sorts of forms; television, radio, magazines, and flyers.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C6: In the initial stage, I was very stressful because I was not sure how the government officials would enforce the laws. Advertising were bans, therefore, I had to change to direct communication. Word of mouth became my communication strategy. During that time, mobile phone was used as the main communication tool, by sending SMS to customers via BB platform. Communications became harder thing to do in our business. They became narrow and available to few communication channel only. There were more and more competitors entering into the markets, survival in business was more difficult. Promotions were bans, thus, I had to do more events to draw traffic to my outlets.

1.3) *Pavuth: What are the main drivers of your outlet?*

C6: My store brand was the most important thing, as well as product brands from my sponsors such as International Whisky Brand (A) or Domestic Beer Brand (B). These product brands had signage that created good visibilities to the right target groups. I

promoted both my store brand and product brands together to build brand awareness and brand image. I used my staff to do PR works more. Relationship marketing became essential part of my business, my staff had to contact their customers and build strong network to stay close interaction and communication with them. Outlet manager now became an AE that has to find new customers and talk to them.

1.4) *Pavuth: What are the major barriers for your firm?*

C6: The number one was regulations. The number two was the time, opening hours was shorter.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C6: Advertising and promotion bans were not the solution to solve the problem. The government should focus more on drink don't drive or responsible drinking instead.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C6: It created negative impacts on businesses. There were many outlets that followed the law in the market, and they could not control them. The laws affected consumption only the short-term, but the businesses were all damaged for sure. May be the control policies should focus on the limiting supplies from importers instead.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C6: Promotion bans was the most serious, but the law enforcement was not fair. Some business segment like hotels could still do some promotions. Certain tourist cities some provinces had more privilege.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C6: Probably, it is the maximum level or perhaps it will be less restrictions in the future. More economy development, it hurts the tourism industry.

2.5) *Pavuth: How have regulatory changes affected your business?*

C6: They affected my customers and my sponsors. It is harder to compete with other brands.

3.1) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C6: Of course, promotions had the direct impact on my sales.

3.2) *Pavuth: Which have had the most and the least impact on your sales performance?*

C6: I thought promotion bans on selling procedures was the most serious, and packaging control had no impact to me.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C6: It impacted only new outlets, because existing outlets people already know. Before, you could have logo outside your store, now you cannot. Consumers do not know what you are selling.

4.2) *Pavuth: How have you responded to these restrictions?*

C6: I changed my marketing activities and communication channel. I used signage and color to represent brand logo. Finding right wordings to deliver message as indirect communication way.

4.3) *Pavuth: How has your organization structure changed?*

C6: No change.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C6: We all do the same approach and same direction. Nobody wanted to go against the laws.

4.5) *Pavuth: How have your customers responded to your decisions?*

C6: Consumer response was the problem for new outlets, existing outlets were already established.

5.1) *Pavuth: How has advertising helped your business?*

C6: It generated growth for my businesses. More people knew about my outlets, and sales were higher.

5.2) *Pavuth: What have promotions done for your company?*

C6: Promotions was essential to consumers to make purchase decision especially in today economy. However, promotions has to go together with advertising.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C6: Network is very important in our businesses. Direct marketing is my strategy. I use many AE to build higher network to create traffic to my outlets.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C6: Before I spend around 8%, now increase to 15%.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C6: I do not allocate that way.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C6: They mainly provide trade promotions by offering trade deals to compete with other brands.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C6: Successful strategies mean "differentiation". Marketing has to be unique, and different from others.

6.3) *Pavuth: How are these strategies implemented in your outlet?*

C6: In the past, the most successful event I had was "Black Valentine". Most people think of Valentine as Red, but my event was Black. People still remembered till today.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C6: Strategies followed the changes in laws. The costs of communication are higher today.

6.5) *Pavuth: Has your employee base had to change?*

C6: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C6: I had to train my staffs about the changes in regulations and consumer behaviours. Direct communication becomes my main strategy. My staffs need communication skills to contact their regular customers. For example, they need to know the difference between draft and craft beers.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C6: Drawing traffic to my outlets are salient to my business. I do by building network by using AE and customer information.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C6: We should do more event marketing and relationship marketing. After the bans, we used events to build brand visibility, create word-of-mouth, and generate consumer network. Advertising creates awareness, but relationship marketing wins the heart of customers.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C6: Stop promotions that create price war. Sponsors have events outside on-premise outlets. These large events draw big traffic away from their outlets especially on the weekend.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C6: It is difficult to answer. I think you need to have events, relationship, and network marketing.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C6: Trade marketing has impact on business. Who has more money, can have heavier promotions.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C6: Relationship marketing is the most important to build loyalty in the long run since you cannot communicate freely. Build relationship with customers on their special days like birthday or anniversary. Staff capabilities are not the same as before, they need to have product knowledge and direct marketing skills.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C6: Events create buzz for outlets and build awareness. Events combined with net-idol who has the large numbers of followers are very effective to create word-of-mouth.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C6: Digital marketing is very important now especially influencer marketing that aims to target particular groups of people.

9.1) *Pavuth: What are the drivers of your sales performance?*

C6: All kinds of promotion activities such as price promotion, giveaway, sweepstakes.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C6: I evaluate each AE sales performance against their targets.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C6: My outlets were the top outlets in my area.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C6: I look at the total monthly sales and weekly incomes. Any weekends that had low sales.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C6: Yes, advertising and promotions together drive my sales performance

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C6: Promotions has the biggest impact.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C6: No.

Customer (Segment): Outlet #7 in **CGHO (Cool Gang Hang Out)**

Participant Code: **C7**

Title: **General Manager**

Date: **August 29, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C7: Before the bans, we could communicate anything and delivered any target numbers. After the restrictions, we were handicapped in many aspects and our sales dropped. Our sponsorship budgets and incentives were decreased as the result of this. It was to harder to push or promote any products.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C7: A bit tricky. We did not put any poster or visibilities. We changed to direct approach as verbal communication. The impact was not as the mass communication.

1.3) *Pavuth: What are the main drivers of your outlet?*

C7: In fact, business owners had to find new ways, opportunities or new alternatives to draw traffic and sales such as new products or entertainment.

1.4) *Pavuth: What are the major barriers for your firm?*

C7: Promotion bans is more severe, because we cannot convince them to consume more. Without good deals, there are no spending. Worth for money.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C7: They try to reduce consumption. In reality, they cannot do it. Economic, stress, and work pressures are major factors that drive this consumption.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C7: Harder to convert sales, harder to communicate.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C7: Promotion bans were the most. Packaging control was the least.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C7: There will be more. They will increase more restriction. Health Promotion is doing a job to educate the public.

3.1) *Pavuth: How have regulatory changes affected your business?*

C7: It reduced our sales. We could not drive our targets to achieve our targets. Especially during low season, it was the worst. We had to use our staffs to communicate.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C7: Promotion bans.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C7: Selling procedures control had the most impact.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C7: We changed our communication strategy by using our staff and social media.

4.2) *Pavuth: How have you responded to these restrictions?*

C7: We had to some ways to navigate through these restrictions.

4.3) *Pavuth: How has your organization structure changed?*

C7: Not us. It affected our sponsors' structure more.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C7: There were different approaches depend upon how dare they are.

4.5) *Pavuth: How have your customers responded to your decisions?*

C7: Most customers were happy with outlets that do promotions, because consumers were not wrong to buy promotions.

5.1) *Pavuth: How has advertising helped your business?*

C7: It persuaded consumers to buy. Outlets that do advertising looked active in consumer perception.

5.2) *Pavuth: What have promotions done for your company?*

C7: It helped drive traffic and increase spending.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C7: Creativity. We have to be more creative and think more or think outside the box.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C7: It is estimated 20% online and offline events.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C7: Not that clear. We divided them to media and events.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C7: Sales target with incentive or trade deal.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C7: Strategies create wow moments and grate impacts.

6.3) *Pavuth: How are these strategies created within your firm?*

C7: We use trade deals to subsidize price. We encourage sales staffs to drive revenues with commissions.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C7: Convenience and communications were harder to do

6.5) *Pavuth: Has your employee base had to change?*

C7: No impact.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C7: We had to rely on our staffs' communication skill. They needed more trainings.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C7: Trade deals to convert to buy two get one by verbal communication.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C7: Outlets have to communicate and convince with good contents such as good foods, music and entertainments. Try harder.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C7: Too heavy promotions should be stop because they destroy other outlets. Offers that are not attractive for outlet to execute.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C7: Outlet has to think of other core value. For example, our outlet emphasize music and entertainment rather than drink promotions.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C7: Convert trade deals to have brand movements.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C7: Loyalty program. For example, the mother day promotion offer the winner the vocation trip.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C7: Suppliers should have more booths or events with PG. Concerts also drive sales.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C7: Digital marketing is important, internal communication covers only the existing customers, but social media can recruit new customers.

9.1) *Pavuth:* What are the drivers of your sales performance?

C7: Product with good brand. It must be good product consumers will always ask for it

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C7: Sales reports, we just monitor the order quantity I can tell.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C7: We are the leader in this restaurant category.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C7: Depends on area, we evaluate by outlet.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C7: Promotions help a lot more, hit to the point, right to consumers.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C7: Promotion bans can't drive sales during festive season.

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

C7: No.

Customer (Segment): Outlet #8 in **CGHO (Cool Gang Hang Out)**

Participant Code: **C8**

Title: **Owner, General Manager**

Date: **August 21, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C8: The marketing environment was quite free of sales promotions and the majority of our customers have no spending concerns due to the good economy. The restrictions that we faced at that period were opening hours and advertising that had to be launched after 10pm.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C8: We had no restrictions for our communication plan to the market because we built the market awareness by using personal connection. Since one of our partners was a celebrity, we used the strategy of celebrity endorsement to leverage our communication plan to the market. In addition, the personal connection helped us having our media in hand which they supported us for TV advertisement and event promotions.

1.3) *Pavuth: What are the main drivers of your outlet?*

C8: Brand communication by using celebrities was the main driver of our outlet. We used the mass media to promote our brand. Moreover, we used “Feel like home” strategy to treat our customers as our family.

1.4) *Pavuth: What are the major barriers for your firm?*

C8: The major barriers for our firm were police, regulation and opening hours respectively.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C8: The advertising/promotion restriction was that the government would like to reduce the communication to people about alcohol industries. They have been trying to show the negative effects of these kinds of products to people's health.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C8: Not allowed to sell the alcohol drink after midnight was the barrier we faced under the control policies

2.3) *Pavuth: In your market, what is the most severe restriction?*

C8: The most severe restriction for our outlet was opening hours and ages of customers.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C8: The future of regulation tends to be more aggressive in many aspects i.e. opening hours, no branding, no advertising, sell area limitation.

3.1) *Pavuth: How have regulatory changes affected your business?*

C8: The regulatory changes had directly affected our sales volume because we are not allowed to do any sales promotion. Even though we could advertise our outlet or events, sales promotion bans is the key factor impacting on our sales volume.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C8: The promotion bans had the most impact on our business because the customers were now concerned about the price and promotion when they planned to hangout.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C8: The most impact on our sales performance was promotion bans and there is no the least impact for me because the restriction has a lot of effects to our business indeed.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C8: We had built more personal relationship with customers so as to encourage them to spend more in their special occasions i.e. welcome drink, buy 1 get 1 free in birthday parties as a personal complementary not sales promotion. In addition, we had tried to initiate brand new activities or events so as to build new networks or connections.

4.2) *Pavuth: How have you responded to these restrictions?*

C8: We avoided doing sales promotions by changing to create “sales package” instead i.e. birthday package which we tried not to against the regulations.

4.3) *Pavuth: How has your organization structure changed?*

C8: There was no organization structure changed in our business.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C8: Our competitors had no any response to our decisions. They still ran their businesses in the way they did.

4.5) *Pavuth: How have your customers responded to your decisions?*

C8: Our customers felt that it was worth to spend money in our outlet.

5.1) *Pavuth: How has advertising helped your business?*

C8: The advertising helped our business in term of brand awareness. It can make customers know more about our outlet.

5.2) *Pavuth: What have promotions done for your company?*

C8: The promotions had leveraged our sales volume.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C8: We made customers feel that they were so special for us by talking to them friendly, giving them special gifts/packages/services so as to impress them and get the repeat orders.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C8: 10% for marketing only and 20% if it was included entertainment.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C8: We did not allocate the marketing budget like that. We budget it as a lump sum.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C8: They provided events to drive and improve sales performance. The events could build up more traffic in the outlet which generated the growth of sales volume and brand awareness effectively.

6.2) *Pavuth: How do you define your sponsors' "successful" strategies?*

C8: People talk much more about events/outlet, there are a lot of compliments on events, and of course, there is more growth of sales volume.

6.3) *Pavuth: How are these strategies implemented in your outlet?*

C8: We discussed with our sponsors about the concept/theme and consequence of the events which we focused on "win-win" strategy for the success of both side: our outlet

got more traffic and sales volume, and our sponsor got good brand image and higher sales performance.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C8: There were much more restrictions which were applied not only on advertisement on mass media, but also on point of sales in our outlet.

6.5) *Pavuth: Has your employee base had to change?*

C8: There was no any effect on our employees.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C8: Digital marketing and direct selling were skills that we need.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C8: The key program elements of sponsors' strategies were events and incentive trips.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C8: To create more networks and branding are the strategy that we recommend to be sustained and scaled up.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C8: To launch big events especially on Friday and Saturday nights is the strategy that they should be discontinued because the events cause less traffic on outlets.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C8: To create more networks is our different strategy. We now have 6 outlets as the confederation. We all help each other supporting on marketing i.e. event promotions.

8.1) *Pavuth:* What marketing strategies would you recommend to be implemented in trade marketing?

C8: There is no any suggestion in trade marketing.

8.2) *Pavuth:* What marketing strategies would you recommend to be implemented in relationship marketing?

C8: Incentive trip is the strategy that we recommend because this strategy can build up the brand loyalty.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

C8: Trendy event is the strategy we recommend.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C8: There is no any advice in digital marketing.

9.1) *Pavuth:* What are the drivers of your sales performance?

C8: Since we always emphasize on good service, staff is the driver of our sales performance.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C8: In term of our staff, we measure by calculating sales volume per person per day. In term of customers, we evaluate by checking spending per person and total sales.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C8: We are top three of this area.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C8: We rate the quality of our sales performance by checking how many repeat and new customers we have each day and how much discounts we gave to our customers.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C8: Of course, both of them improve our sales performance. The sales promotions could motivate our customers to make decision to buy products easier. The advertising could help building up the brand awareness among customers.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C8: Sales promotion bans have had the biggest impact on our sales performance.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C8: No.

Customer (Segment): Outlet #9 in **MAE (Meal and Entertainment)**

Participant Code: **C9**

Title: **Owner, CEO**

Date: **August 29, 2018**

Person: Transcription

In-Depth Interview Guide (Semi-Structured Questionnaire for the On-Premise Customer)

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C9: Before, it was easy to sell, we could sell anything. No need to any communication much, we just put posters inside our outlets. Menu could be an easy communication tool. After restrictions, we could not even put pictures in menu. My solution was direct sales approach.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C9: I used my staffs to do direct sales and communication, it took longer and efforts. We had to set commissions and incentives to push them. At the end, our staffs became the major tool.

1.3) *Pavuth: What are the main drivers of your outlet?*

C9: Our outlet brand is the first traffic driver, and our sales with commission are sales drivers. Secondly, price should be reasonable to target consumers. We segmented clear target customer into 3 groups; new customers, current customers, and trading up customers. We expand our customer base to drive our growth.

1.4) *Pavuth: What are the major barriers for your firm?*

C9: Regulations 100%. Something, it is too much. Enforcements have no standard, mainly executed by emotions of some government authorities based on their wrong judgements. I think all businessmen want to comply all laws. For example, we all want to get license, but the laws are not allowed except venues have to in zoning. We could not get license, but we have to pay all kinds of taxes.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C9: I still do not know until today. There are no standard at all.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C9: I don't understand why they prohibit us. Are these policies are banning or restrictions. They seemed like banning all activities, not controlling us.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C9: No communication.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C9: They should with good reasons. They should set new standard.

3.1) *Pavuth: How have regulatory changes affected your business?*

C9: Of course, advertising. But we had to find our own ways to communicate and sales.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C9: Too many regulations. There were not clear.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C9: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C9: We used the old strategies, of course it affected our business. We had to change our strategies, change our communication methods. We have to use more resources such more selling skills of our staffs.

4.2) *Pavuth: How have you responded to these restrictions?*

C9: We were not setting the laws, we had to follow the laws. We could not change the law.

4.3) *Pavuth: How has your organization structure changed?*

C9: Yes. Entertainment business was all different in terms of services. Night entertainments had to service customers all the way until they pay the bills. Increase skills and incentives. It was hard to find quality staffs now, we had to increase our payroll by 30%.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C9: Different people, different thinking. I never think who our competitors are. We completed against ourselves.

4.5) *Pavuth: How have your customers responded to your decisions?*

C9: Better now. We had closer relationship with customers because of higher interaction with them.

5.1) *Pavuth: How has advertising helped your business?*

C9: Customers got to know us through external communication before they came to the stores.

5.2) *Pavuth: What have promotions done for your company?*

C9: It was very difficult to do now. We mainly used commission to drive our staffs to push sales and switch brands. Lower season, higher commission.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C9: Sponsors must shift more their large ATL budgets to do more activations in our outlets. Set the targets for us to deliver the numbers.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C9: We set monthly targets with our sponsors.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C9: We don't do that way.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C9: We need to have co-activation events. We need to work together to drive brands.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C9: Events and salespersons or promotional girls (PG). Sponsors do not have good control of their PG. Their performance are lower than our outlet staffs.

6.3) *Pavuth: How are these strategies implemented within your firm?*

C9: Almost every big concerts, we could calculate how many people would come.
We can estimate brand exposures.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C9: It was more difficult to do business, we need more budgets to push sales.

6.5) *Pavuth: Has your employee base had to change?*

C9: It affected recruitments process and salaries.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C9: Product knowledge, selling skills

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C9: Provide and support budgets. The more I get, the more I push that products.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C9: We need to build stronger brand image and right price. Prices escalate every year.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C9: Some visibilities such as umbrella. They always change their visibilities. They have no consistency.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C9: I don't know. We look at the end tunnel. We have to find the right selling model.

8.1) *Pavuth:* What marketing strategies would you recommend to be implemented in trade marketing?

C9: They should know how difficult to do business today. They should know what to provide to their business partners.

8.2) *Pavuth:* What marketing strategies would you recommend to be implemented in relationship marketing?

C9: They should give more rewards if we achieve the targets and objectives.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

C9: It is good to have. But they should ask outlets first what they want. Not thinking everything by themselves. Every outlet is different.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C9: It helps and very important now to ask many pages to promote our events.

9.1) *Pavuth:* What are the drivers of your sales performance?

C9: Commission for outlet staffs and sponsor budgets.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C9: Average spending per head per day, monthly average, and yearly average.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C9: I don't know, I never see other competitors.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C9: We set low price to sales more volumes. We focus on volumes mainly.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C9: Very little now. Price is the main driver now for our outlets. I use most of budgets to subsidize our selling price.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C9: Little impact only.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C9: No.

Customer (Segment): Outlet #10 in **MAE (Meal and Entertainment)**

Participant Code: **C10**

Title: **General Manager**

Date: **September 01, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C10: The bans allowed big players to create barriers, small players could not enter the market.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C10: We had to do communication at POS, while other brands used surrogate marketing. We created our retail shops as the flagship stores to build our brand, HOB (House of Beer). This new retail concept became the new premium beer restaurant that many people tried to copy.

1.3) *Pavuth: What are the main drivers of your outlet?*

C10: Atmosphere, decoration, and education. We try to create new drinking culture for beers, food pairing, and glassware. We use different glass shapes to serve different kinds of imported beers as the perfect serve.

1.4) *Pavuth: What are the major barriers for your firm?*

C10: Our imported beers are expensive.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C10: They try to reduce consumption and pull down brand popularity.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C10: Brand communication becomes difficult. We cannot stimulate senses of drinking or call-to-action to convert consumption.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C10: The bans of trade mark advertising and product display. It is now almost impossible to build new brands.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C10: It cannot be more, because we are living in the free market. In reality, they cannot enforce the laws. I think it could be some firm' strategy to become monopoly.

3.1) *Pavuth: How have regulatory changes affected your business?*

C10: Firstly, we need to adjust our communication strategy. Before the budgets were in ATL, now we shifted to BTL at POS. Some people shifted their budget to subsidise their price or trade deals.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C10: Promotion bans affected existing brands in terms of sustaining the sales. Advertising affected new brands.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C10: Promotion bans were the worst.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C10: We shifted our more budgets to do activations at POS. Our direct communication highlights influencer and online marketing.

4.2) *Pavuth: How have you responded to these restrictions?*

C10: We developed the innovative media. Instead of placing traditional light boxes, we build new brand visibility such as painting to blend in with the interior design or decorations.

4.3) *Pavuth: How has your organization structure changed?*

C10: Our brand teams were decreased, while trade marketing and sales team were increased.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C10: They tried to be like HOB.

4.5) *Pavuth: How have your customers responded to your decisions?*

C10: Customers preferred to have more choices or product varieties. Their behaviors changed from drinking whiskies to craft / imported beers or wines.

5.1) *Pavuth: How has advertising helped your business?*

C10: Advertising was very important to generate awareness and provide product information. It helps brand positioning to target the right consumer profiles.

5.2) *Pavuth: What have promotions done for your company?*

C10: It helped consumer make purchase decision faster. It also help our product turnovers and have less expiring products. Our beers are always fresh.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C10: We differentiate by the signature design stores in order to build our image to attract premium consumer segment.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C10: At the beginning was 15%. After that 10%-13%.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C10: ATL 15%, digital marketing 15%, and BTL 70%.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C10: We had our trade secret to make our beer quality stand out.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C10: They must create trails, keep product quality, and achieve sales targets.

6.3) *Pavuth: How are these strategies created within your firm?*

C10: We had training protocol to train our staffs about perfect serve.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C10: They changed to direct communication and micro influencer now.

6.5) *Pavuth: Has your employee base had to change?*

C10: We turned to digital marketing, and increased headcount for this team.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period*

C10: Digital literacy. Train them how to communicate to the new world.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C10: Big events build consumer experiences and change drinking behaviors. It is about consumer lifestyles events that induce new drinking behaviors.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C10: Education programs for product knowledge.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C10: Discounts. They created price war among restaurants, and high investment outlets had to dump their price.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C10: Digital and direct communication to micro marketing.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C10: Trade deals must not create price war. Be more selective in partnering with right outlets.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C10: We have to work closer or cooperate to develop new uniqueness. Strategies must be customized by both parties.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C10: Lifestyle events or concerts are good for brand building. We also have outbound events to drive extra sales similar to event-food catering.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C10: Digital marketing can also drive sales. Communication is used to drive outside-sales such as home delivery.

9.1) *Pavuth: What are the drivers of your sales performance?*

C10: Atmosphere, beer tastes, and food & beverages promotions.

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

C10: We see daily sales reports to monitor sales revenues, numbers of customers, spending per head, server performance.

9.3) *Pavuth: How do you perform relative to your competitors with respect to sales performance?*

C10: We are number one in this type restaurant. Our spending per head is very high.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C10: Spending per head mainly and number of customers, as well as growth rate.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C10: They drive higher sales.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C10: Promotion bans.

10.1) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C10: No.

Customer (Segment): Outlet #11 in **MAE (Meal and Entertainment)**

Participant Code: **C11**

Title: **Owner, CEO**

Date: **August 23, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C11: When I started this business, the restrictions were already implemented.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C11: We used our staffs as sales together with pricing strategy as our sales driver. We did not communicate through any media to outsider, because we were not allow to.

1.3) *Pavuth: What are the main drivers of your outlet?*

C11: Actually, advertising is the main driver. We use concert events to promote and draw traffic. Customers have to make table reservations with predetermined whisky brands. It is a force choice sales.

1.4) *Pavuth: What are the major barriers for your firm?*

C11: It is difficult to make customers know about new product. For example, one of our beer sponsor launched a new beer brand, nobody knew this brand and we could not sell. Thus, I asked for additional budgets to do brand visibility by placing product bottles in Eiffel tower shape to attract consumers.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C11: Banning advertising, banning promotions, banning underage drinking, banning unappropriated places.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C11: Communication problem. We want to sell our new food paring, but we can't communicate this promotion.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C11: Selling procedures control is the most severe.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C11: Not more.

3.1) *Pavuth: How have regulatory changes affected your business?*

C11: It affected our sales.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C11: Promotions bans.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C11: Promotion bans had the most, and age had the least.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C11: Yes, only a little. Our strategies were changed mainly because of our competitors.

4.2) *Pavuth: How have you responded to these restrictions?*

C11: We had to check when they will audit us. We used our outlets to create right drinking environment. We used influencer marketing and food bloggers to spread WOM to PR our food and atmosphere. We also used LINE ad.

4.3) *Pavuth: How has your organization structure changed?*

C11: Yes we were thinking expanding our outlets. We had to build stronger brand before we can expand.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C11: Sometime they followed us. Sometime they completed us.

4.5) *Pavuth: How have your customers responded to your decisions?*

C11: They were happy when we had promotions. They came mainly for promotions.

5.1) *Pavuth: How has advertising helped your business?*

C11: Advertising helped a lot. It builds brand awareness for our outlets. Customers can see the atmosphere before they come.

5.2) *Pavuth: What have promotions done for your company?*

C11: It helped drive sales. But not sure, it also increased the costs. It could be a traffic driver.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C11: Service quality, food quality, atmosphere, decoration and pricing.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C11: It depends on how much our sponsor give us budgets. We use sponsor budgets to be our A&P expenses.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C11: ATL very little, mainly BTL. We invested a lot on atmosphere and music equipment.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C11: There are two things; trade deals and concert events. I think trade deals are better to convert to sales.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C11: It drives higher sales values.

6.3) *Pavuth: How are these strategies implemented within your firm?*

C11: They give use trade deals and we are free to think of outlet promotion mechanics.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C11: It was harder to execute our activities. We need to have a careful plan

6.5) *Pavuth: Has your employee base had to change?*

C11: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C11: Staff trainings at all levels.

7.1) *Pavuth:* Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.

C11: Trade deals.

7.2) *Pavuth:* What strategies do you recommend to be sustained and/or scaled up?

C11: Rebates. They should increase this.

7.3) *Pavuth:* What strategies do you think they should be discontinued?

C11: Premiums. They are not necessary.

7.4) *Pavuth:* What are the different strategies you use when facing a more restrictive environment?

C11: How to satisfy customers' needs better. Make them happy, they will come back.

8.1) *Pavuth:* What marketing strategies would you recommend to be implemented in trade marketing?

C11: I am ok with present trade deals. Some trade deals don't have enough values.

8.2) *Pavuth:* What marketing strategies would you recommend to be implemented in relationship marketing?

C11: It is important to have close relationship to share ideas and have more understanding to support each other.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

C11: Events help promote our awareness.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C11: We do it ourselves in social media and LINE.

9.1) *Pavuth:* What are the drivers of your sales performance?

C11: Drink quality.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C11: Break-even point and profit margin 20%

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C11: One of the top in Thonglor area.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C11: Achieve sales targets.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C11: Yes.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C11: Promotion bans.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C11: No

Customer (Segment): Outlet #12 in **MAE (Meal and Entertainment)**

Participant Code: **C12**

Title: **Owner, CEO**

Date: **August 16, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C12: Flexibility to do communications with customers was decreased.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C12: Brand conscious (awareness) and restrictions were both important. Today we had to use direct approach or direct communication by using pretties to interact with our customers.

1.3) *Pavuth: What are the main drivers of your outlet?*

C12: Numbers of customers and the right consumer profiles. Right targets, right activations, and right social networks.

1.4) *Pavuth: What are the major barriers for your firm?*

C12: We cannot say it out because of restrictions. For example, we can't put any signs or logo, customers do not know what we are selling inside. Other countries, when you walk around the streets you have what each restaurant is selling.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C12: Stupid. Everywhere in the world, alcohol is part of your We are in multi-culture and multi-religion country, we should not have this kind of restrictions. Our religious does not even prohibit us to drink. In fact, Thailand's main incomes come from tourists, and now they are telling them they cannot drink.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C12: Visibility, brochures, and table stands are prohibited. I can't do promotions, I can't even do my digital marketing communication.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C12: I think time. For me I do the cold cut. In every tourist countries, they drink wines and campaign during their meals, but we have to stop selling in the afternoon. That is the major obstacles for my restaurants because we offer cold-cut, cheese and wines. If you can't sell in 7-11, you can't sell anywhere too. All restaurants that sell food pairing, have the same problem. People eat oysters with Champaign but you can't sell alcohol in the afternoon.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C12: They should cancel these restrictions. They should be strict at responsible drinking. In Europe, they drink all day, but they have less car accidents than us.

3.1) *Pavuth: How have regulatory changes affected your business?*

C12: Already told you. Anything with communication new or old media, we could not do. It was a big communication barriers.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C12: Sure they affected our sales and business hours.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C12: Online marketing had the most impact.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C12: It changed our communication strategy.

4.2) *Pavuth: How have you responded to these restrictions?*

C12: Try to be creative.

4.3) *Pavuth: How has your organization structure changed?*

C12: No impact.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C12: They used price promotions.

4.5) *Pavuth: How have your customers responded to your decisions?*

C12: They did not know until they come. Customers were lack of information.

5.1) *Pavuth: How has advertising helped your business?*

C12: Online was very important, and visibility to build awareness.

5.2) *Pavuth: What have promotions done for your company?*

C12: Promotions also helped awareness and sales.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C12: We have to use other ideas such as decorations or social networks. We use personal networking to replace the restrictions.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C12: Around 10%.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C12: We focus BTL only such as PR, AE and events.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C12: Buy one get one free or dumping price.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C12: Strategies that drive sales such as price.

6.3) *Pavuth: How are these strategies implemented in your firm?*

C12: They offer us trade deals, and we try to push all their beers.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C12: They increased trade promotion budgets.

6.5) *Pavuth: Has your employee base had to change?*

C12: No

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C12: Nothing.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C12: Direct communication with owner and build relationship with owners to get trade supports.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C12: They should support all events, every event there is highlight to promote their brands.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C12: Nothing. Strategies should not be stop.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C12: Trade deals and support outlet's equipment such as cool room or refrigerator. Or anything that related to their products.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C12: Sponsor budgets upfront. Offer insurance to be successful during for start-up period.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C12: May be provide rewards for customers and owners similar to MLM business.

8.3) *Pavuth:* What marketing strategies would you recommend to be implemented in event marketing?

C12: Same thing. Invite owners or staffs to their events.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C12: This is very important. They should support all digital marketing. Even without branding, we are selling and communicating products to their customers.

9.1) *Pavuth:* What are the drivers of your sales performance?

C12: Social groups, ambient, location, interior design.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C12: Spending per head.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C12: We monitor traffic in term of numbers of customers.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C12: By sales revenues.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C12: Of course, people buy good quality with better deals or cheaper price. It is value for money.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C12: Brand awareness. Because I am in tourist shopping area at Asiatique, but I can't show Domestic Beer Brand (A) or Domestic Beer Brand (B) logo there.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C12: No.

Customer (Segment): Outlet #13 in **CFC (Casual Food and Chat)**

Participant Code: **C13**

Title: **Owner, General Manager**

Date: **August 28, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C13: Regulations not only involved restrictions, but also included other issues such excise tax department, health department, and police department. All information are linked. If you broke some rules, they would linked to revenue department, and we would be in trouble. Thus, we are trying not to do anything wrong.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C13: Most of target customers were now tourists, especially Chinese. Thai products or local drinks were their favourite's choice. We could not put pictures in our menu. Thus, we displayed the products on the shelf as decoration items and for sales.

1.3) *Pavuth: What are the main drivers of your outlet?*

C13: I think communication is the most important, not only owner but also our staffs. When one table order one brand, the rest of the tables would order the same brand. Chinese tourists seem to prefer local alcohol brands than those of international brands such as Domestic Whisky Brand (A) or Domestic Whisky Brand (C). They also like to purchase and bring back home.

1.4) *Pavuth: What are the major barriers for your firm?*

C13: The only external factor we cannot control is political stations. All regulations we can find ways to cope with them.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C13: I think restrictions are paper tiger. They are written to scare businessmen, but the enforcement are very weak. Most of these laws were issued during after the coup. It was funny that Health Promotion was set up by groups of doctors, they wrote their own laws, and asked the government to approve them. Normally, laws should be written by lawyers or legal department.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C13: I don't think there is any barrier. I think it is a joke. They ban restaurants to sell alcohol during certain time, but next it there is another restaurant inside the hotel allowed to sell freely. They claim hotel business serves tourists, my restaurant also sells to tourists. In the legal point of view, laws must be standard applicable to all people equally.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C13: Time is the most severe restriction. One or two difference makes a lot of different. It is a joke for tourists, when they are drinking at 2:30pm, then we are not allow to sell at. 3:00pm.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C13: It will be more funny and strange regulations. They are hard to do and comply with the laws.

3.1) *Pavuth: How have regulatory changes affected your business?*

C13: We had to answer a lot of questions to tourists why we could not sell during religion holidays or disallow to sell during afternoon.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C13: Day and time control were the most impact. Packaging control had the least impact.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C13: Day and time control were the most impact. Packaging control had the least impact.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C13: Not much. We still had to sell and adopt according to situation.

4.2) *Pavuth: How have you responded to these restrictions?*

C13: We used to it now. We emphasized on our staffs to do more communication to customers. We were more selective to recruiting staffs with good service minds.

4.3) *Pavuth: How has your organization structure changed?*

C13: Our headcounts were decreased, but we hired more qualified staffs who could speak few languages with higher salaries. In service industry, communication was the most important success factor.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C13: Most of them like to do price war.

4.5) *Pavuth: How have your customers responded to your decisions?*

C13: If communication was clear and services were good, they were willing to pay for it.

5.1) *Pavuth: How has advertising helped your business?*

C13: In my opinion, how to PR and made people want to come to our restaurant to taste our foods and services.

5.2) *Pavuth: What have promotions done for your company?*

C13: Promotions helped you make purchase decision faster at POS.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C13: We use gift voucher specified discount on certain products or brand. This direct communication is the best to keep customer coming back. I think this program was very successful for me.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C13: At the beginning it was around 10%, after 2-3 years it was reduced to 5%.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C13: We do not allocate that way.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C13: Sales increase normally comes from seasonal, not much from strategies. If you do promotions during low season, your sales are still the same. During high season, your sales will be increased without any promotions.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C13: The most important thing is going back to basic 4Ps of marketing mix. I focus my team to keep our customers (customer retention) and encourage them to create good WOM. I stop using Facebook now. I think the most active now is Instagram because they always posted the happy moments, unlike Facebook a lot of negative and sad emotions now.

6.3) *Pavuth: How are these strategies implemented within your firm?*

C13: I normally implement activities during high season. The most successful promotions should be done during high season.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C13: Again, back to basic. WOM was the best communication tool.

6.5) *Pavuth: Has your employee base had to change?*

C13: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C13: I emphasized product knowledge training. For example, after wine training our sales always were increased.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C13: Trade deals.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C13: I still think trade deals are effective for both outlet owners and outlet staffs.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

C13: Brand visibilities at indoor or outdoor. They are prohibited anyway.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C13: Relationship between salesperson and outlet owners are the most critical factor.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C13: Increase trade deals, you can expect to be immediate results.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C13: It is very important to use relationship to expand all angles of business. The more restrictions we have, the stronger relationship we need.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C13: At present, sponsors' events are essential to build big brand. For big events, a lot of people know and talk about the brand. Small events can be stop because they are not working.

8.4) *Pavuth:* What marketing strategies would you recommend to be implemented in digital marketing?

C13: Most international brands are driven by good story. Digital marketing is a good story teller.

9.1) *Pavuth:* What are the drivers of your sales performance?

C13: Our staffs and good incentives. For example, seafood sets with 100 Baht incentive were a big success.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C13: We have a sales record system from our POS system.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C13: We are at top 5 in our area.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C13: We look at our profit margin mainly. Some months, our sales were very good, but no profit because too many promotions.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C13: Yes, advertising generates awareness and promotions help increase sales. I think both improve our product flow.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C13: For me, no impact.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C13: No.

Customer (Segment): Outlet #14 in **CFC (Casual Food and Chat)**

Participant Code: **C14**

Title: **Owner, Managing Director**

Date: **August 24, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C14: Before it was a lot easier. There were only two leading brands in the market; International Whisky Brand (B) and International Whisky Brand (A). They saw a lot of TV advertising. International Whisky Brand (B) was the leading brand because of heavy TV advertising. Advertising changed consumer behaviour.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C14: We used our outlet staffs and our DJ to communicate any activities.

1.3) *Pavuth: What are the main drivers of your outlet?*

C14: Atmosphere with good entertainment to drive experience. I also emphasize decoration to build outlet image. We study our target groups before we design our outlets.

1.4) *Pavuth: What are the major barriers for your firm?*

C14: Economy and police alcohol checks.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C14: I think they want to reduce consumption.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C14: Communication barrier. It is harder for new brand to enter the market.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C14: Advertising bans. I think advertising drive awareness and familiarity.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C14: They should be adjusted to be more realistic

3.1) *Pavuth: How have regulatory changes affected your business?*

C14: A lot. We could not even put pictures in menu. We had a wine room, but we could not communicate in the menu.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C14: n/a

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C14: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C14: Impact a lot. It affected in all angles.

4.2) *Pavuth: How have you responded to these restrictions?*

C14: We had to change our wine room. They commented because my outlet is closed to Ministry of Health, we could not do that.

4.3) *Pavuth: How has your organization structure changed?*

C14: It increased our headcounts to communicate and service more.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C14: It was similar with others.

4.5) *Pavuth: How have your customers responded to your decisions?*

C14: If customers saw brand visibility, they would order that brand.

5.1) *Pavuth: How has advertising helped your business?*

C14: It helped build awareness and want to buy.

5.2) *Pavuth: What have promotions done for your company?*

C14: It helped a lot. It motivates us to reach a higher target.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C14: Sales motivation by offering good commission and incentives to our staffs.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C14: We do not do that, but we have some budgets.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C14: Not allocate like that.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C14: Trade promotions.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C14: I did not see any yet.

6.3) *Pavuth: How are these strategies implemented within your firm?*

C14: Convert trade deals to do promotions.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C14: Change something new.

6.4)1. *Pavuth: Has your employee base had to change?*

C14: Yes increase more staffs.

6.5) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C14: Product and selling trainings.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C14: Very little now.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C14: Increase budgets to increase our headcounts.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C14: No

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C14: Improve different sets of skills for staffs, and do more homework.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C14: Trade deals are good to drive brand.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C14: I think incentive trip is not ok, because some outlets have many shareholders.

Only ticket for one person, it is not fair.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C14: Good to have events.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C14: Very important. Some people order foods and drinks from us. They like our foods, but they were lazy to come.

9.1) *Pavuth: What are the drivers of your sales performance?*

C14: All restrictions are all our drivers.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C14: We monitor by week.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C14: We are the leader.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C14: It is better than other outlets in this area.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C14: They both help a lot.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C14: Promotion bans.

10.) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C14: They should have people to review the fair regulations for businessmen

Customer (Segment): Outlet #15 in **CFC (Casual Food and Chat)**

Participant Code: **C15**

Title: **Owner, Executive Director**

Date: **August 24, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C15: Restrictions had no impact on cigarette sales in my outlet because consumers could buy elsewhere and cigarette sales contribution to total outlet incomes was very low and not significant. Alcohol products had two problems, advertising bans and government authorities' interference in our business.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C15: Certainly. These authorities came to visit my outlet, and was why we need more careful planning in order to drive sales and get sponsor budgets.

1.3) *Pavuth: What are the main drivers of your industry?*

C15: For alcohol products, main drivers are atmosphere, decorations, entertainment, and food & beverage quality.

1.4) *Pavuth: What are the major barriers for your firm?*

C15: Barrier for cigarette was smoking bans inside, alcohol products were police alcohol check.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C15: Advertising bans, no persuasion allowed

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C15: Regulations were not clear. All owners wanted to comply with the law, but most regulations were written to be subjective to authority judgement.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C15: The control of selling procedures was the most severe, specially all price promotion bans. Enforcement are difficult. If a group of family comes together with underage children, and it is funny that parents are not allow to drink. Regulations were not written to cover all angles of business application.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C15: I hope no more changing, at present it is already difficult to do business.

3.1) *Pavuth: How have regulatory changes affected your business?*

C15: It had no effect on consumption, the effects were on some day and time of selling. In sum, number of our customers did not drop. It increased our operating expenses.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C15: Promotion bans had the most impact, advertising bans only affected brand owner.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C15: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C15: It affected our pricing policy. After restrictions, we had less flexibility to offer different price promotion.

4.2) *Pavuth: How have you responded to these restrictions?*

C15: We complied the laws, but we have to think more at all angles.

4.3) *Pavuth: How has your organization structure changed?*

C15: No change.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C15: They all faced the same problems, they all did the same things.

4.5) *Pavuth: How have your customers responded to your decisions?*

C15: Customers understood and adopted to it, they face the same situation everywhere.
Most of the problem is smoking area.

5.1) *Pavuth: How has advertising helped your business?*

C15: If advertising was allowed, suppliers would complete more to get market shares.
There was less competition in some areas after the bans, and outlets get less benefits from suppliers.

5.2) *Pavuth: What have promotions done for your company?*

C15: Promotions were main sales drivers. For low season, we could not do promotion to maintain our sales revenue. We had to do something else discount or food paring.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C15: We shift to do something else such as atmosphere, entertainment, service, and food presentation. Also, we offer our staff incentives to drive some products.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C15: No budget set like that.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C15: No.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C15: For cigarettes, nothing. For alcohol products. Before suppliers provide trade promotions, promotional girls, and some extra budgets. We convert these budgets to do food paring and discount.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C15: For owner point of view, consumer will come ask for their brand and easy to sell. For example, Regency is the brand consumers always ask for it.

6.3) *Pavuth: How are these strategies implemented in your firm?*

C15: Suppliers pay us money when we hit their targets.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C15: There was no problem for outlet owner. The problem was switching brand choice.

6.5) *Pavuth: Has your employee base had to change?*

C15: Little impact. If there were more PG, we hired less waiters.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C15: Product knowledge training. The problem was waiter's education were low, and their turnovers were high.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C15: Trade promotions. All suppliers provide trade promotions and PG.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C15: PG is the bestselling tool at POS.

7.3) *Pavuth: What strategies do you think they should be discontinued?*

C15: Sometime suppliers asked us to offer price discount, we are not happy to do that.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C15: I think it would not affect any consideration anymore. We still continue to do the same thing.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C15: They need to have new ideas rather than offering trade deal. Be more creative and think out of the box.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C15: I think relationship makes our work cooperation a lot easier. But today all suppliers are talking business not relationship-based. Relationship is very important in our business. For example, if a singer comes to have dinner at my restaurant, I would entertain him to make connection. That is how we do business.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C15: There is no event from sponsor now. All events are organized by us during festive season.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C15: We use LINE and Facebook as the main communication.

9.1) *Pavuth: What are the drivers of your sales performance?*

C15: Persuasion. We focus on our staffs to do sales talk. Promotions can only be done with foods.

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

C15: Monthly revenues and profit margin by brands. Some products can sell but no profits.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C15: We do not have market share information. We survey competitors around this area. In our business, when revenues drop to certain points they will close down. Sales would shift to the remaining outlets.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C15: We look at two factors; growth rate and profit margin.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C15: Yes, they help our customers make purchase decision faster and increase spending.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C15: n/a

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C15: No.

Customer (Segment): Outlet #16 in **UST (Upscale Treat)**

Participant Code: **C16**

Title: **Owner, CEO**

Date: **August 22, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C16: Before the bans my business was small, but now my business got a lot bigger. Today, it sells more volumes than before. Drinking behaviour changed to be heavy consumption. Cigarettes cannot do anything. Our customers are quite closed group. Our communication is done through direct communication by our staffs, because our business is member club.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C16: Every year, we discussed with our sponsors to work out the plan to drive certain brands with target volumes.

1.3) *Pavuth: What are the main drivers of your outlet?*

C16: For our business is the appearance of our staffs. Our competition is about appearance and services. Also, outlet atmosphere, decoration and maintenance are very important. Our outlets cannot look bad or old. Sponsor products and brands are also important. I work with two sponsors one for each outlet. One brand is harder to push than

1.4) *Pavuth: What are the major barriers for your firm?*

C16: Regulations are not clear. There are too many government authorities involved in our business.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C16: The government is trying to educate responsible drinking. I don't understand why the government limit or prohibit us from doing our business. They should provide education to public instead. We have our own integrity in business.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C16: It only involve our business is promotion bans. I think regulations are too strict. Any activities have to be communicate by our sales staffs. Any sales talks are done by our sales team.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C16: Promotion ban is the most severe.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C16: I think it is already at the top. I think it depend upon who are the government. When we have a new government, policies are always changed.

3.1) *Pavuth: How have regulatory changes affected your business?*

C16: It affected our customers. Sometime, it affected their purchase decisions and consumptions. Without promotions, our customers tend to buy the lowest price.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C16: n/a

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C16: Promotion bans had the most impact.

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C16: We have to change drinking format from drinking with mixtures to shot-drinks in order to achieve our sponsors' sales target. We have to think of new drinking format all the time and train our staffs to present and upselling to our customers. Sometime, our customers are the ones giving us the new ideas.

4.2) *Pavuth: How have you responded to these restrictions?*

C16: We complied with all regulations.

4.3) *Pavuth: How has your organization structure changed?*

C16: Almost none.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C16: They all did the same. All member clubs were selling almost at the same price. We completed by offering entertainments and activities.

4.5) *Pavuth: How have your customers responded to your decisions?*

C16: Some customers liked them. Some of them still bought membership at the lowest price.

5.1) *Pavuth: How has advertising helped your business?*

C16: Certainly, advertising brought new groups of customer to our outlets. It grew our customer base. It reminded existing customers about our business.

5.2) *Pavuth: What have promotions done for your company?*

C16: Promotions drove our sales and contributed to the growth of our business.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C16: We changed promotions to activities. Now we are doing online-marketing because we are still allowed to do that. In our industry, all companies communicate their activities through social media and LINE.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C16: We don't allocate like that. We reserve some budgets for every month to do activities.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C16: 100% for BTL.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C16: Mostly, they give us trade deals and allow us to think of our own activities.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C16: Strategies that builds demand for that product. It is easy for us to sell, and generate repeat customers.

6.3) *Pavuth: How are these strategies created within your firm?*

C16: I think of our own events. If our sponsors feel that it is good and going to be successful. They will try to get involved to make it as if it is their own idea.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C16: Today, we mainly had events and digital marketing 100%. Nothing else we could do anymore, except providing more trainings for our staffs.

6.5) *Pavuth: Has your employee base had to change?*

C16: Not many, except one DJ that was used for internal communication.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C16: Training our staffs about digital marketing, selling skills and product knowledge.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C16: Trade promotion is the key program. Recently, they provide extra incentives to push their products.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C16: They have to focus on brand building. It looks like they cannot do anything like before.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

C16: It seems like they have only one strategy which is trade promotions. I think they should be more creative in brand activations and help us more since they are global company.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C16: We emphasize on entertainment or activities that draw traffic to our outlets.

There is a new mobile app that opens membership with us and sell them online. There are many mobile apps that are doing with our business directly and indirectly.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C16: If you ask me whether trade promotion is working or not, I would say yes. But it is too simple, they need to be more creative.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C16: We are member club business, it is our priority to build good and long term relationship to build loyalty. Many of customers never go to other outlets, because they said we have good luxury decorations, good atmosphere and service, and reasonable price.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C16: I think I am one of the top person who can create top events. Our competitors cannot complete with us

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C16: We try to learn and develop our digital marketing skills and knowledge. We have four in-house admin to answer our Facebook fans. We use outsource to do influencer marketing.

9.1) *Pavuth:* What are the drivers of your sales performance?

C16: Our staffs.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C16: We have monthly sales target and measure them every month by sales team and salesperson.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C16: We are one of the top three.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C16: We monitor growth and balance whisky volumes and numbers of drinks.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C16: If we can advertise and promote, they will help our sales and spending.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C16: Promotions have the most impact. ATL advertising becomes less relevant.

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

C16: I think regulation is very important for business.

Customer (Segment): Outlet #17 in **UST (Upscale Treat)**

Participant Code: **C17**

Title: **General Manager**

Date: **August 30, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C17: The first period was free to do anything. It was fun, there were many sponsor budgets from alcoholic and tobacco companies. The second period, they tried to use ashtray with cigarette logo. Finally, when restrictions were at the peak period, companies started to implement surrogate advertising.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C17: Actually, alcohol products and cigarettes were not the main revenues for our business. Companies tried to do surrogate advertising. Outlets were not the one that are responsible to flight this issue to build brands. It was brand owners' responsibilities to do that. They have to find out ways to help outlets to sell their products.

1.3) *Pavuth: What are the main drivers of your outlet?*

C17: In entertainment business, we can divide into 3 categories; (1) pubs and restaurants, (2) clubs or dancing clubs, and (3) member clubs. These groups of outlets are related to alcohol products. We have to know the heart of business.

1.4) *Pavuth: What are the major barriers for your firm?*

C17: Government authorities and corruption.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C17: I think it is a way to get rid of the competitor (international brand).

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C17: I feel that it is a sponsor's problem, but outlets' problem. I think there are way to do promotions. For example, I am having a party this Saturday, I ask for sponsor's booth and it is ok. Now, I think government try to compromise with our industry. With all the restrictions, sponsors cannot do any activities, it is good for our outlet because they have more money left to do in this channel.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C17: Those restrictions are written mainly for public, they are not applicable in my outlet. In fact, I don't think they affect my business.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C17: In Thailand, I think there are many things we do not know. No matter what regulations are, people still consume. The most effected people are low-income groups. Consumer behaviours will change to consume lower price products.

3.1) *Pavuth: How have regulatory changes affected your business?*

C17: If you looked at the real picture, there was nothing affected. Outlets still got their budgets from their sponsors. May be they even get better sponsor budget?

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C17: n/a

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C17: n/a

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C17: We had a closed environment, and had a business license. In fact, I did not think there was any impact at all.

4.2) *Pavuth: How have you responded to these restrictions?*

C17: Chill. Nothing for me to worry.

4.3) *Pavuth: How has your organization structure changed?*

C17: No impact. Actually, my staffs get more incentive benefits from my sponsors.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C17: They all did the same thing internally.

4.5) *Pavuth: How have your customers responded to your decisions?*

C17: Customers were happy when outlets have to do promotions to draw traffic.

5.1) *Pavuth: How has advertising helped your business?*

C17: If we could advertising helped us a lot. It helped support our promotions.

5.2) *Pavuth: What have promotions done for your company?*

C17: Advertising and promotions must go together.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C17: Restrictions impact sponsors or importers, but outlets. My own business drivers are (1) location include atmosphere, (2) staff appearance, and (3) service. Outlet still can promote to create WOM, but sponsors cannot.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C17: I don't have that model. But I think it should be around 10%.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C17: It depends on business structure. But our business, we do not have proper or clear budget.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C17: They give us sponsor budgets to promote our business and drive their volumes.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C17: They must build strong brands and make them popular. Also they need to sign contract with on-premise outlets as much as they can.

6.3) *Pavuth: How are these strategies implemented in your firm?*

C17: Sponsors shift their budgets to on-premise outlets to create strategies for them.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C17: Surrogate advertising. Build popular brand so that people talked about it.

6.5) *Pavuth: Has your employee base had to change?*

C17: No impact.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C17: Train selling skills to outlet staffs.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C17: Build brand image. For example, International Whisky Brand (A) is already a well-known brand, everybody knows this brand. They need to build more brand image.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C17: If you ask owner point of view, of course we want to have higher promotion budget.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

C17: For my point of view, keep going. Don't stop anything.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C17: Build strong brand name.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C17: I think now you can't do much.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C17: Relationship marketing is very important.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C17: Event is controlled by law. For example, when we organize a golf event, we use sponsors' products without showing brand visibility.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C17: Digital marketing is also important.

9.1) *Pavuth: What are the drivers of your sales performance?*

C17: Quality of our staffs. Outlet's promotions

9.2) *Pavuth: How do you measure and evaluate your sales performance?*

C17: We monitor monthly sales and growth with rewards

9.3) *Pavuth: How do you perform relative to your competitors with respect to sales performance?*

C17: We try our best to keep our customers.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C17: We measure daily sales revenues.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C17: Yes, both of them help our business.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C17: For my outlet, there is no impact.

10.0) *Pavuth:* Is there anything else you would like to expand upon or challenge regarding the above questions?

C17: No.

Customer (Segment): Outlet #18 in **UST (Upscale Treat)**

Participant Code: **C18**

Title: **General Manager**

Date: **August 30, 2018**

Person: Transcription

1.1) *Pavuth: Briefly describe the nature of the marketing environment that you are involved in.*

C18: In the past, promotions and events (concerts) were common tools to drive our business. Sales staffs were key a driver to persuade our customers to drink more. We relied on these teams to convince customers to switch brands from one to another. They acted as if our key communications. At present, we need to increase more sales staffs to do internal communication, because external communications were prohibited. We have to drive our sales teams' motivation by providing them cash or incentive trips depend on the situation.

1.2) *Pavuth: What restrictions or bans are in place for your communication plan to the market?*

C18: Today, we used a lot of digital marketing such as Facebook or line to have direct communication with our customers. This communication channel covered all kinds of activities such as events, promotions or anniversaries throughout the year.

1.3) *Pavuth: What are the main drivers of your outlet?*

C18: In the future, the growth will be small, because consumer behaviour have changed. When they get older, they tend to drink less. It is harder to do, but we have to do. Number of tourists are also a driver.

1.4) *Pavuth: What are the major barriers for your firm?*

C18: Incomes and ages are major barriers. When they get older, they tend to drink less. They seem to switch drinking from whiskies to beers. New customers are new generation that normally have lower incomes, they prefer to drink beer because of lower price.

2.1) *Pavuth: What is your opinion of advertising/promotion restrictions in general?*

C18: I think it come from there were many car accidents in our country. That's was why the government introduced regulations to control drinking behaviour. In sum, they tried to create negative perception for this industry and reduce consumption.

2.2) *Pavuth: What are the barriers which your firm is facing under the control policies?*

C18: The restrictions prohibited external communication, therefore, we have to rely more on our sales staffs to do internal communication to our customers. It costs us a lot of money.

2.3) *Pavuth: In your market, what is the most severe restriction?*

C18: Restrictions have no effect on our customers, they would come anyway. The only factor is our staffs. Those bans probably impact other type of retailers more.

2.4) *Pavuth: What do you expect the future of regulation to be?*

C18: I still think there will always be regulation. It will not be more or less. It depends upon circumstance. The government will come out with new policies when new problems arise, but they are not long-term solutions.

3.1) *Pavuth: How have regulatory changes affected your business?*

C18: I believed the economy had more impact than regulatory changes.

3.2) *Pavuth: What kinds of the advertising and promotion bans have had the most impact on your business?*

C18: Advertising and promotion bans had no effect on our business, consumers come to my outlet with the intention to consume.

3.3) *Pavuth: Which have had the most and the least impact on your sales performance?*

C18: Not at all now

4.1) *Pavuth: How have the control policies changed your marketing strategy?*

C18: Very little. In our business, we relied on our staffs to communicate and create WOM.

4.2) *Pavuth: How have you responded to these restrictions?*

C18: We trained our staffs to communicate and increase brand switching for our sponsors.

4.3) *Pavuth: How has your organization structure changed?*

C18: No impact. Our organization structure was rely on numbers of customers. If our customers were increased, we would add more headcounts to serve them.

4.4) *Pavuth: How have your competitors responded to your decisions?*

C18: It depended on how competitors do their promotions or pushing some brands. If they used the same sponsors as our business, we emphasized our sales team to build stronger relationship with customers. It depended on who has stronger relationship will win. We used services and close relationship to complete

4.5) *Pavuth: How have your customers responded to your decisions?*

C18: Customers responded to relationship and service we provided to them.

5.1) *Pavuth: How has advertising helped your business?*

C18: Advertising helped a little. We used advertising to communicate our events or activities.

5.2) *Pavuth: What have promotions done for your company?*

C18: Promotions often were offered in our events or anniversaries to increase spending.

5.3) *Pavuth: Now that you cannot promote or advertise as freely what do you do to differentiate yourself?*

C18: Our key strategy is our staffs, especially their appearance and service quality. Our staffs are key drivers to generate sales and draw customers back. Competition to recruit good staffs is now very high.

5.4) *Pavuth: What share of revenue does your firm spend on advertising and promotions?*

C18: I don't know this figure. But we use around 70% of our sponsor budget to be used for BTL activations.

5.5) *Pavuth: How do you allocate your marketing budget between above-the-line (ATL) and below-the-line (BTL) activities due to marketing restrictions?*

C18: 100% to BTL.

6.1) *Pavuth: What marketing strategies do your sponsors implement to navigate through a dark market to drive and improve sales performance? Please list them.*

C18: We convert sponsor budgets to create events and set rewards for our sales team if they their targets.

6.2) *Pavuth: How do you define your sponsors' successful strategies?*

C18: It must increase sales revenues.

6.3) *Pavuth: How are these strategies implemented your firm?*

C18: Strategies were created by owners and outlet managers.

6.4) *Pavuth: How have these strategies changed with increasing regulation?*

C18: We emphasized on internal and direct communication by our staffs.

6.5) *Pavuth: Has your employee base had to change?*

C18: No change.

6.6) *Pavuth: What sort of skills do you need in the dark markets compare to the pre-ban period?*

C18: We had bi-weekly meetings to discuss and communicate our activities and event plan. Our staffs send our meeting messages through digital marketing.

7.1) *Pavuth: Which of those sponsors' strategies do you consider to be key program elements? Please provide a justification for your response.*

C18: Increase trade promotions to provide us budgets to create special events to drive sales volumes. Some of the budgets will be set for staff incentives.

7.2) *Pavuth: What strategies do you recommend to be sustained and/or scaled up?*

C18: Trade promotions to drive sales and build customer relationship.

7.3) *Pavuth: What strategies do you think they should be should be discontinued?*

C18: None.

7.4) *Pavuth: What are the different strategies you use when facing a more restrictive environment?*

C18: Find sponsors who provide higher budgets.

8.1) *Pavuth: What marketing strategies would you recommend to be implemented in trade marketing?*

C18: I can see anything else.

8.2) *Pavuth: What marketing strategies would you recommend to be implemented in relationship marketing?*

C18: Relationship marketing from our main sponsor is decreasing. We are not happy and considering switch to other brands. If new sponsors offer us higher budgets, it helps to make decision faster.

8.3) *Pavuth: What marketing strategies would you recommend to be implemented in event marketing?*

C18: Sponsor's events cannot be done, most events are set up by our outlet.

8.4) *Pavuth: What marketing strategies would you recommend to be implemented in digital marketing?*

C18: Social media are popular media among our customers. We have our sales staff communicate with through mobile app in order to inform them our monthly activities.

9.1) *Pavuth:* What are the drivers of your sales performance?

C18: Our staffs are number one driver. If our sponsor wants to push one brand, we have to communicate and set incentive for them.

9.2) *Pavuth:* How do you measure and evaluate your sales performance?

C18: We measure our sales by salesperson. Sales results are driven by the quality of relationship with their customers.

9.3) *Pavuth:* How do you perform relative to your competitors with respect to sales performance?

C18: It depends on competitors' capabilities and sponsor' supports. The top three factors to complete are strong brands, good sales staffs, and service quality. We are top three in our industry.

9.4) *Pavuth:* How do you rate the quality of your sales performance?

C18: We evaluate the productivity and appearance of our staffs.

9.5) *Pavuth:* Do advertising and promotions improve your sales performance?

C18: Very little. It is mainly driven by our staffs.

9.6) *Pavuth:* What kinds of the advertising and promotion bans have had the biggest impacts on your sales performance?

C18: Now, very small impact.

10.0) *Pavuth*: Is there anything else you would like to expand upon or challenge regarding the above questions?

C18: No.