

**BEAUTY BUSINESS MODEL UNDER GOOD GOVERNANCE IN
THE DIGITAL ERA**



SIRIPORN WANAME

**A Dissertation Submitted in Partial
Fulfillment of the Requirements for the Degree of
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THE DIGITAL ERA
SIRIPORN WANAME
The Graduate School of Communication Arts and Management
Innovation**

..... Major Advisor
(Associate Professor Bu-nga Chaisuwan, Ph.D.)

The Examining Committee Approved This Dissertation Submitted in Partial Fulfillment of Requirements for the Degree of Doctor of Philosophy (Communication Arts and Innovation).

..... Committee Chairperson
(Associate Professor Anna Choompolsathien)

..... Committee
(Professor Yubol Benjarongkij, Ph.D.)

..... Committee
(Associate Professor Asawin Nedpogaeo, Ph.D.)

..... Committee
(Assistant Professor Warat Karuchit, Ph.D.)

..... Committee
(Associate Professor Bu-nga Chaisuwan, Ph.D.)

ABSTRACT

Title of Dissertation	BEAUTY BUSINESS MODEL UNDER GOOD GOVERNANCE IN THE DIGITAL ERA
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The research aimed to 1) study the external conditions of beauty-product businesses in the digital era, 2) examine the ethics of beauty-product businesses in the digital era, and 3) develop a model for beauty-product businesses in the digital era under good governance. The study is qualitative research, conducted by documentary analysis, i.e., documents, websites from information sources, and key entrepreneurs' websites; and in-depth interviews with entrepreneurs of beauty-product businesses in the digital era, dealers of beauty-product businesses in the digital era, and experts in the beauty business in the digital era and marketing communication. The findings showed that after the decline of the image of online beauty-product businesses in 2018 causing no trust in the businesses and product quality, and the pandemic of Covid-19 crisis, there were beauty-product businesses with one of the four business models that can still be operated up to now: 1) branding orientation, 2) distribution orientation, 3) distribution through the dealership orientation and 4) investment orientation. All of these models are connected and interdependent, while entrepreneurs can adjust their model by their facing business conditions. Codes of ethics in business operations are latent strategies in each component of all four business models since they are crucial factors enabling businesses to survive and transcend changes in external business conditions.

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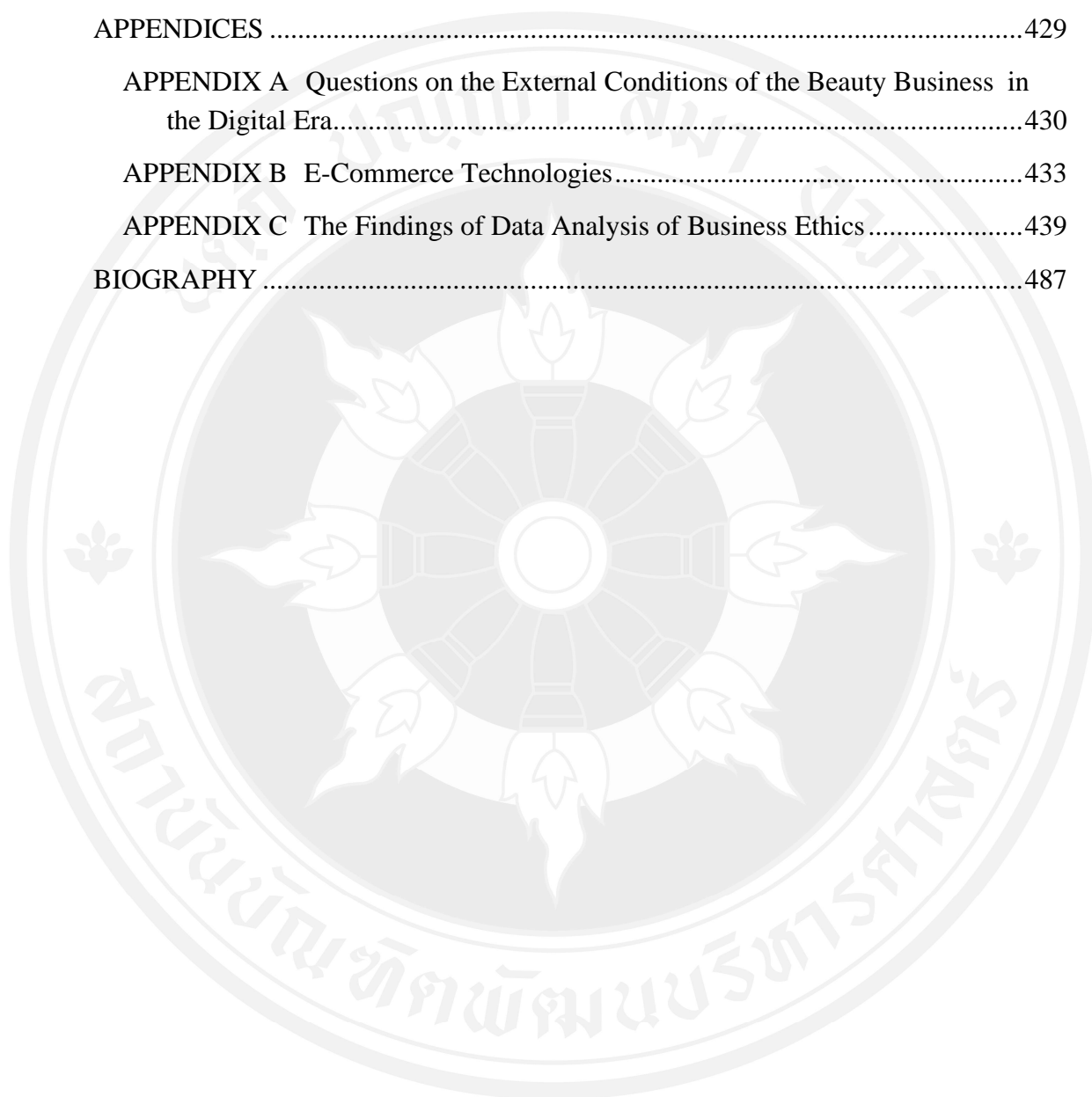
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CHAPTER 1

INTRODUCTION

1.1 Background and Significance of the Problem

The growth of beauty businesses in Thailand has been apparent since 2017 due to advanced information technology and communication, which facilitated business operations and decentralized online marketing communication among MSME entrepreneurs. Such a phenomenon brought about “online vendors or merchants” on social media in Thailand. Besides, consumers’ online information exposure has also been altered by increased communication through social media mainly. Consequently, consumers accept and accredit the image of beauty products of MSME entrepreneurs communicated through online media more openly instead of relying on beauty products produced by a few large-sized entrepreneurs in the market only. Hence, online beauty businesses can introduce more occupations, income, and quality of life development to a large number of people, especially those with low economic and social capital. Seemingly, beauty businesses tend to grow continually every year, which corresponds to the beauty-product market with continuous growth all through these 20 years. In 2019, the Federation of Thai Industries declared that Thai beauty and cosmetic products earned 218 billion baht, or 6.7% higher than last year, with an average of 5-6% growth yearly. (Marketeer Online, 2019, 2021) Such figures excluded the value of health and beauty supplement products with continuous growth tendency every year as well, driven by economic development at the global level widely, i.e., health currents, changes in the population structure, digital lifestyles, technological advancement, economic stability, commerce, elevated education, and the world of urban society, etc. It was found that there were more than 6,300 Thai food supplement companies registered at the Ministry of Commerce in 2017, but among them, there were only 10 large-sized companies that took over 60% of the market share (TMB Analytics, 2018). Moreover, the study of income structure and

market competition of food supplement products found continual growth with quite satisfactory profits and substantial gross profit margin profits, namely 40-50% of the selling prices.

Although health and beauty businesses require specialized knowledge and expertise for product research and development, production, and distribution, it is quite easy to produce and communicate to all groups of consumers in the age where technologies grow very rapidly. Gigantic changes in the beauty businesses thus occurred since Original Equipment Manufacturers (OEM) turned themselves to managing and communicating about their products for entrepreneurs directly without a middleman like before. These OEMs will be hired to produce products as ordered and label them as wished by their customers. Consequently, entrepreneurs unnecessarily establish their factories or buy production machines. They face less risk without high production costs. Furthermore, several OEMs are quite flexible in terms of production volume per production. On the other hand, they provide a variety of components responding to each entrepreneur's needs and budgets. Because of this, it facilitates general people to become an entrepreneur and have a market share in beauty businesses. Unsurprisingly, a lot of entrepreneurs can build their brands. Another important factor enabling beauty businesses to survive is marketing communication. In other words, without such advanced information and communication technologies in the era of social networking systems, general people cannot lift themselves up to run their businesses towards growth and success like nowadays. Therefore, online marketing communication channels help to reduce cost disparity that greatly affects small businesses. Contrarily, they create an opportunity for them to be known and to expand their customer base. However, the key is how to choose digital media that are suitable for their business. Besides, the overflow of new entrepreneurs can also shake the market shares of the existing large enterprises substantially, especially those that cannot adjust themselves to consumers' changing behaviors because of advanced communication technologies. These enterprises may disappear eventually.

Conversely, in the later time, the prosperity, image, and trustworthiness of online beauty products of MSME entrepreneurs dropped drastically. Especially, in February 2018, the social issue of an unethical beauty entrepreneur was witnessed.

Specifically, it was the case in which “Magic Skin, Co., Ltd.,” a successful beauty cosmetic and food supplement company with lump-sum profits was accused by many consumers who claimed and diffused their claims through social media about unstandardized products of the company, including urging related government agencies to find the truth. From the investigation, the company was charged with producing a lot of unstandardized products and violating many business laws. The charge on which people kept an eye the most was its online marketing communication, which hired more than 56 celebrities to participate in its marketing communication activities or so-called, “Influencer Marketing Strategy.” It is the strategy used to lead general people to believe that these influencers or Key Opinion Leaders (KOL) from various circles were its product representatives or presenters who used its products genuinely to create misperception while inducing consumers’ engagement and stimulating its sales. Remarkably, marketing communication strategies and the business model of Magic Skin Co., Ltd. were the lessons learned and published by many news agencies, as follows:

- 1) Positioning (2018) raised the issue of its marketing communication in which the “Influencer Marketing” strategy was applied widely through its headline, “Lessons learned from ‘Magic Skin,’ a no-name brand that used the magic power of influencers to grab huge income.”

- 2) Marketingoops (2018) narrated the moment where Magic Skin was arrested with detailed information, while focusing on marketing communication strategies using Influencer Marketing, with the headline “Lessons learned from Magic Skin: Is it a beginning to a nightmare of Influencer or KOL Marketing?”

- 3) The Momentum (2018) also emphasized marketing communication using Influencer Marketing but added an interview with influencers who did not accept the job as charged. The headline was “Magic Skin: An expensive lesson of “Influencers.”

- 4) MGR Online (2018) persuaded both consumers and dealers to question celebrities’ social responsibility, the roles of consumer protection organizations, i.e., Food and Drug Administration (FDA), and business operational systems that cause damages to dealers, etc. with the headline, “Lessons learned from ‘Magic Skin,’: Never trust the FDA number nor celebrities’ review.”

5) The Standard (2018) reported a similar incident to that of MGR Online by decoding lessons learned into three folds: (1) To have the FDA's numbers does not mean 100% safe, (2) 'rely on yourself' is an iron rule of consumers in the new generation, and (3) a product review must come with ethics. The headline is "3 lessons from Magic Skin: Never use because of a review, never review what is never used, and to have FDA numbers does not guarantee 100% safety."

The said phenomenon was highly paid attention to by general people, while there was a movement towards marketing communication monitoring to ensure its correctness and legitimacy, including a business model operated by good governance of online beauty products in the digital age. Accordingly, it has been an issue to which news agencies give high importance and present frequently. News revealing unstandardized online beauty products has been witnessed constantly and widely, which harms consumers' purchase-decision behaviors and MSMEs' beauty products situation in the digital era, especially their trust in product value, whereas customer relationship, marketing communication, and attitude towards influencer marketing that has been applied widely for a long time, have been disturbed so negatively that entrepreneurs have to adjust their communication strategies abruptly. One of the beauty business models that has been affected is beauty-product dropship since entrepreneurs cannot support their sales through their dropship system under such a circumstance. In addition, most of them have no planning on genuine supply and demand of their products, which causes a lot of products remaining in stock or a lot of dead stocks, a cost burden that agents from a small- to large-scale level have to carry, leading to deficits eventually. Accordingly, the dropship of beauty products is not trustworthy for agents and ultimate consumers.

Despite the failure of the online beauty business caused by a lot of unethical cases, in 2021 there was still a case, introduced by Kalamare or Patcharasri Benjamas, a former well-known newscaster and MC. She broadcasted a clip exaggerating the properties of her food supplement that it can "make your face structure refined and lifted without any dewlap, alter Blepharoptosis to double eyelids, vanish wrinkles over eyebrows, smoothen deep cheek grooves, and shape up your nose. Again, I want to repeat that I never had nose surgery. Now, I have my supplements only." Such a clip was shared with a question about her ethics of business operation. As a result,

Food and Drug Administration (FDA) investigated her products and found that her advertisements on two food supplements, namely Botera Drink and Botera Shot (powdered drink or instant beverage) were unauthorized and charged of advertising deceptive benefits, qualities, and properties, which will be sentenced to be liable to imprisonment for a term not exceeding 3 years or a fine not exceeding 30,000 baht or both, according to the Food Act, B.E. 2522 (1979). Thus, FDA suspended her advertisements and proceeded towards administrative action, including issuing a letter to Consumer Protection Police Division (CPPD) for legal execution. (Matichon Online, 2021). However, it was widely criticized that the penalty is not proper for communication intent that causes misunderstanding or deception by a famous or knowledgeable person; although the entrepreneur or Kalamare had stopped her roles as a newscaster and MC to express her responsibilities, driven by social pressure. Notably, she has still been operating her beauty business up to the present.

Furthermore, amidst severe business competition nowadays, each organization orients towards maximal benefits of its business to outpace its competitors without concern about possible impacts or damages to customers or all involved, i.e., partners, employees, communities, society, etc., or its stakeholders who have direct relationships with the success and fundamental goal accomplishment of business operation. (Jintana bonnbongkarn, 2010) Especially, in beauty businesses that have to work closely with consumers, questions regarding entrepreneurs' business codes of ethics have been raised and a lot of strikes against unethical entrepreneurs are often seen in the news through all kinds of channels, including online channels, which reflects a negative image of online beauty businesses that can affect the sustainability of the business.

Therefore, unethical business operations, either intentional or non-intentional, by only a group of beauty entrepreneurs can yield wide effects on the creation of occupations and the other entrepreneurs' revenue. TMB Analytics (2018) anticipated that entrepreneurs of MSMEs would be affected negatively at a high level since most customers were small-scale consumers and bought products via online channels mainly. Accordingly, decreased accountability on online beauty products caused termination or suspension of product purchases to see the result of the investigation. On the other hand, large-scale entrepreneurs, who were direct manufacturers and

distributors, were evaluated to get less impact because of their reputation in the market for a long time and their standardized and quality products. Besides, other related businesses, i.e., media production, rental business, and other types of beauty businesses with the same consumers in the market were assessed to get negative effects as well. It thus can cause gigantic economic, social, and political damages. Finally, all parties in the society have to look back to find solutions and one of them must involve ethical issues, which are the core foundation for peaceful co-existence and for a good balance between the benefits a society should receive and business survival. Therefore, good businesses need to be responsible for having good entrepreneurship, good business operations, and good organization. Hence, businesses under a good governance framework should induce benefits for all involved, while such businesses will also be accredited and prolonged sustainably. (Kingdao Jindatewin,2012). Notably, the response to consumers' needs and satisfaction with products may not always lead to business success as now consumers pay more attention to an organizational background and operation, including corporate social responsibilities increasingly. Accordingly, the concept of business ethics is one way to help increase products' value and meet the social expectation. Besides, organizations with ethical business operations will be trusted and accounted for by customers, employees, and the general public. (Sinlapaporn Srichanpet, 2009)

From all aforementioned, business operations under good governance are perceived as fundamental factors and strategies towards business goals in combination with other significant factors playing a role in business survival, stability, and success, especially in the age where external situations of businesses are facing rapid changes all around; for example, leaping growth of information and communication technologies drives economic expansion and tremendous adaptation of business models, including production technologies that help to develop products with innovation increasingly. All of these also alter consumers' behaviors and decisions of purchasing beauty products, while they have more alternatives and channels for choosing products that they wish. In 2019, all industries in the world, including the beauty industry, confronted an abrupt change caused by the environmental condition, namely the pandemic of COVID-19, which was not expected by anyone. The occurring economic uncertainty as a result of such a crisis suspended and cease

consumers' purchase of luxurious products. On the other hand, rapidly changing lifestyles also affect their needs for beauty products and the sales volume of such products correspondingly. Severe competition in the beauty market, among MSME and large-scale entrepreneurs, has been witnessed. All businesses have to adapt their business models diversely and create distinctiveness for scrambling and possessing the biggest and longest market share, based on their potential. Both entrepreneurs and consumers adjust their business transactions to more online channels due to consumers' New-Normal lifestyles. However, it is remarkable that while cosmetic and beauty products for personal care have been negatively affected severely, food supplements have a higher sales volume than in a normal situation since consumers turn to take care of their health increasingly. All abovementioned are only a part of the effect caused by the spread of COVID-19.

Besides, from further studies, the researcher found that under the rapidly changing situation nowadays, not only food-supplement products that can create opportunities from a crisis but there is also a group of beauty products for personal care that can do the same by modifying some components in their business models timely, such as Rojukiss International Public Company Limited, N.R.P.L Asia Co., Ltd, Yves Rocher (Thailand) Co., Ltd, etc. Besides, there are some MSME entrepreneurs of beauty products who adjusted their business models until they can survive up to the present. In short, it indicates that businesses that can adjust their business model suitable for changing situations promptly can survive and create revenues for their companies. It is thus essential for all entrepreneurs to monitor and develop their business models constantly to increase their competitive capacity and advantages in all situations that may occur. From reviewing documents related to Business Model Canvas, which is a tool that helps to view a business completely in all dimensions, the researcher can see the weaknesses and strengths of each business and use the Business Model Canvas as a tool for increasing businesses' eminence and growth by analyzing and synthesizing the nine components: Customer segments, value proposition, customer relationships, channels, revenue streams, key partners, key activities, key resources, and cost structure. (Osterwalder and Pigneur, 2009) Moreover, the researcher also reviewed documents related to major tools for analyzing marketing information, such as PESTEL Analysis, and Five Forces Model.

As an outsider who collected information for analyzing online beauty businesses in the digital era from several organizations, the researcher did not analyze the weaknesses and strengths of each organization in the SWOT Analysis since they are unknown inside information but analyzed only opportunities and threats.

Besides, several studies related to business models of beauty products in the digital age and ethics of beauty business operations were found, such as Innovative Business Model for Herb Pain Relief Industry (Ratchaneekorn, 2015), the Business Model Analysis of Health-Supplement Product from the Organic Rice-Powder Drink (Chuenjit Aungvaravong and Phaibun Yanakittkul, 2017), and the Business plan for Chic-Chom (Phonphan Koetprat, 2020), etc. All of these studies applied the Business Model Canvas as a framework for analyzing, planning, and developing health and beauty businesses to accomplish business goals. However, it is notable that although there were a lot of related studies found, they focused on two topics separately: one part was related to beauty businesses in the digital era, and the other part was business models, the researcher would like to combine both parts and extend the study.

Part 1: the found studies related to beauty businesses in the digital era are: Strategy business model of health and beauty products with social network (Ritricha Chancheiw, 2013), Information seeking from online media and product and situation factors affecting purchase behavior of working women in Bangkok metropolitan (Treesin, K, 2015), Cosmetics and beauty contents by beauty bloggers through online social network (Ruetima Diloktrakulchai, 2016), Factors Effecting Customer Decision to Buy Cosmetic Online in Bangkok (Porntape Tippayapornkul, 2016), Online Media exposure behavior affects purchasing decision of supplement beauty product (Thitijirawith, W, 2017), Actors Affecting Purchase Decisions of Skincare Products Made Through Online Approach of Consumer in Generation Y in Bangkok (Nontanot Katepap, 2017), Factors affecting consumer intentions of video advertising through online social influence (Ladaamphai Kimkaew, 2017) The Study of Cases and Results of Consumers Purchasing Cosmetics Through Beauty Blogger's Review (Thanyapat Chanchaturonrassamee, 2019), Factor affecting online purchase of cosmetic and skincare in Thailand, (Nichamon Siriyongwatana, 2020), etc. The studies are about consumers' behaviors, factors influencing purchase decisions, message transmitted to the target group via online channels, such as advertisements,

and content transmitted by online influencers in the form of still pictures, statements, and videos.

Part 2: The found studies related to business models are as follows: The Study of the M-Commerce Business Model of Successful Entrepreneurs in Thailand. (Pattranat Chinachote, 2016), The Empowerment and Enhancement of Competitiveness of Rice Mill Community Enterprise of Ban Own, Khuan Ru Sub-district, Rattaphum District, Songkhla Province (Autlapong Keawkrae et al., 2020), the Causal Model of Knowledge Management, Business Model Innovation, and Competitive Advantage of Entrepreneurs in Small and Medium Enterprises (Kewanee Kanchanda, 2021), etc. These studies focus on components of the models for business management, factors or strategies leading to success, opportunities and threats for developing an effective business model to empower and increase competitive capacity so that entrepreneurs can rely on themselves sustainably and to be beneficial for all stakeholders.

Regarding the studies on the ethics of beauty businesses, some related studies were found, as follows: Role and legal and ethical overview of Blogger and weblog member (Seree Suebsanguanwong, 2008), Consumers' Attitudes Toward Ethical Business Service of Skincare Clinics in Bangkok (Jindasa Singhaphet, 2009), Business Ethics Effecting on Overall Image in Pharmaceuticals Industry (Sirikate Purimansavee, 2010), Development of Ethical Business Practices in Songkhla Province (Wittawat Didyasarin Sattayarak, 2013), The Role of Attitude and Intent in Ethical Decision Making of Advertising Practitioner in Digital Age (Sawitree Cheevasart, 2018), Communication Patterns and Strategies and Ethics of Online Influencer in Thailand (Chanyapatch Wongwiwat, 2019), Marketing Ethics of the Online Influencers (Nattapong Sukprasert and Preecha Khammadee, 2020), Business Ethics Affect to Performance of Small and Medium Generation X and Generation Y Entrepreneurs in Phitsanulok Province (Supanaree Piros and Tatnawat Chaiyesh, 2022), The Current State of Advertising Ethics: Industry and Academic Perspectives (Drumwright, 2009), Ethics in Beauty Advertisements (Steponaityte, 2017), Ethical Use of Beauty in Advertising (Chan, 2021) etc. The above studies involve the situation of business ethics and marketing communication, detailed ethics that businesses should have, influences of ethical business on entrepreneurs' business

operations, etc. All of them yield the harmonious results that ethics is a major component for regulating proper and correct practices, for preventing conflicts and problems that may occur in unethical operations.

From reviewing the past studies, no study on the beauty business model under corporate governance in the digital era was found, especially of the MSME entrepreneurship, which is also a major part of driving the national economics and society despite the lack of direct or official support from the government sector. Thus, the intended study emphasizes a business model, factors or strategies, opportunities, and threats of organizations that can operate their businesses and keep it survive under constant, but an uncontrollable external environment in all situations, while beauty business ethics are also studied in parallel since consumers nowadays do not pay attention to products' properties and qualities only, but also business profiles and operations. Thus, business operations under corporate governance are one of the strategies that help to increase product and organizational value, including additional value propositions for customers and society, towards organizational goals.

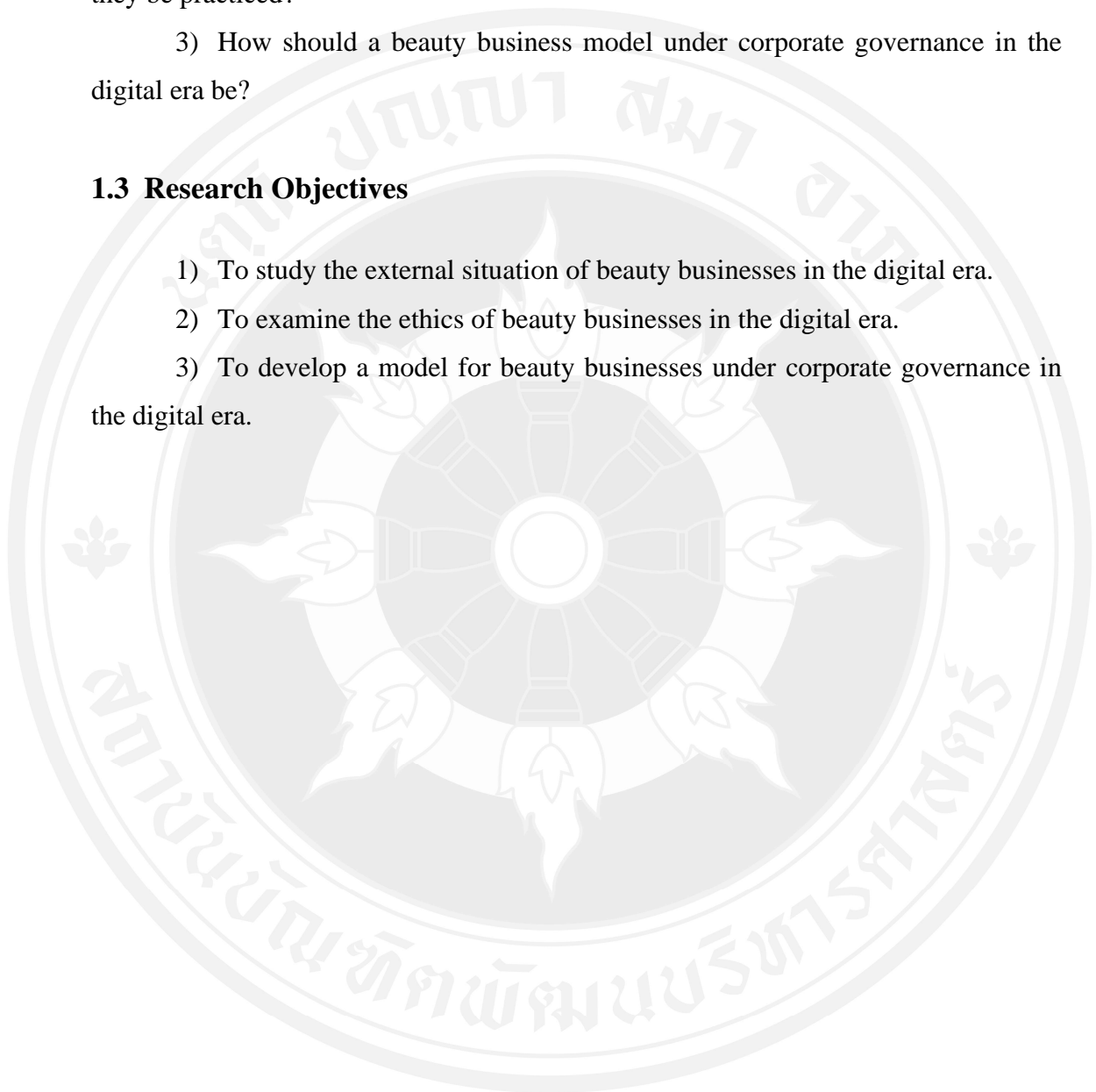
From the above justification, beauty businesses in the digital era involve several groups and are occupational channels for beauty-product entrepreneurs at the MSME level. Accordingly, business operation guidelines that are properly organized according to academic, professional, and ethical principles should help entrepreneurs to develop their business models more effectively to enhance their potential and increase their competitiveness to be able to rely on themselves sustainably and be beneficial for all stakeholders while keeping a good balance between benefits of customers, society, and business. Hence, the researcher will apply the related concepts for developing a model for beauty businesses under corporate governance in the digital era by highlighting ethics in business operations into the model components as guidelines for entrepreneurs' application and business operations in the future.

1.2 Research Questions

- 1) What is the external situation of beauty businesses in the digital era?
- 2) What are the ethics of beauty businesses in the digital era? How should they be practiced?
- 3) How should a beauty business model under corporate governance in the digital era be?

1.3 Research Objectives

- 1) To study the external situation of beauty businesses in the digital era.
- 2) To examine the ethics of beauty businesses in the digital era.
- 3) To develop a model for beauty businesses under corporate governance in the digital era.



1.4 Research Conceptual Framework

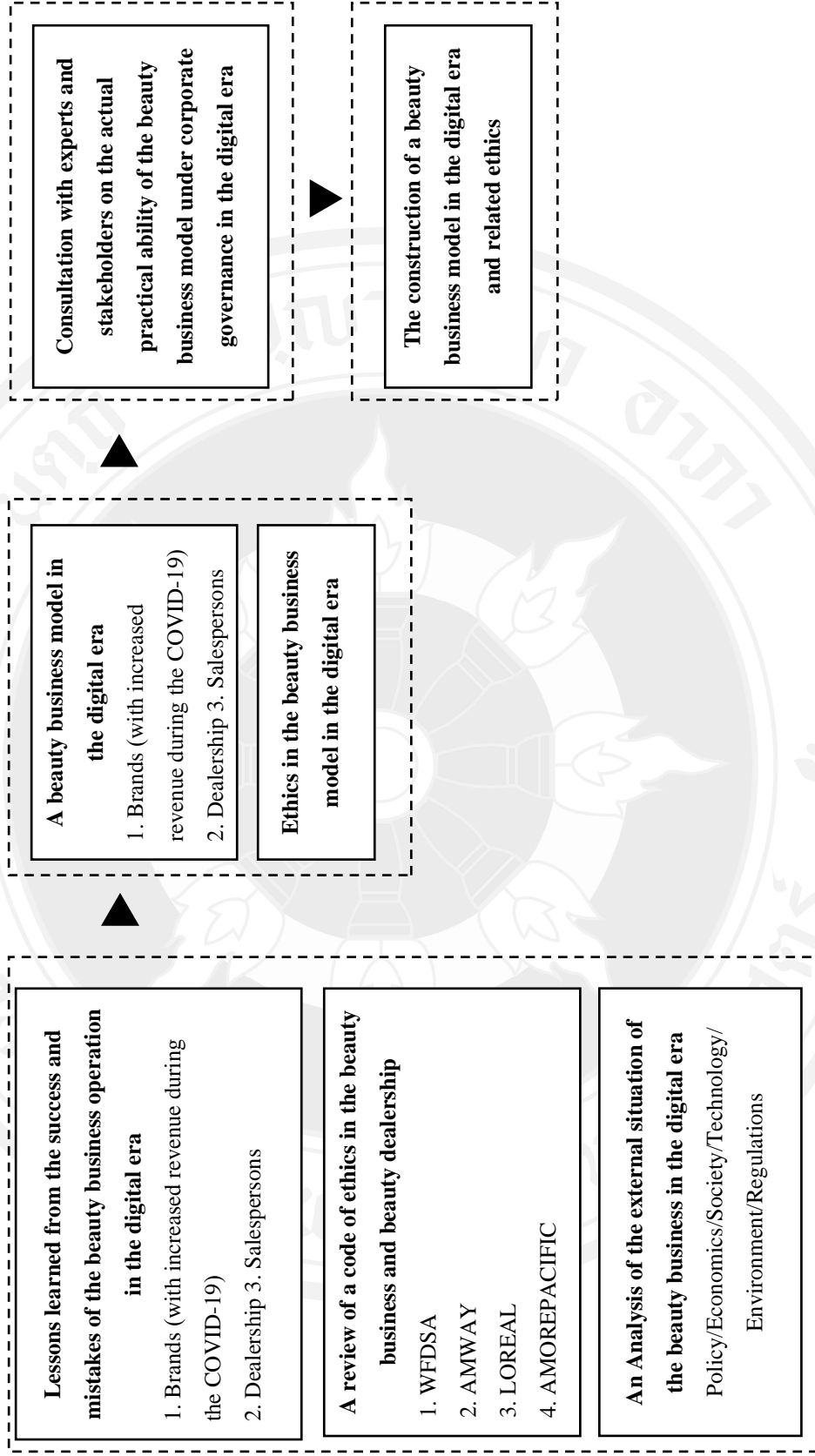


Figure 1.1 Research Conceptual Framework

1.5 Research Scope

1.5.1 Scope of the Study Content

1) Six domains of the external situation of the beauty business in the digital era in Thailand: Policy, economics, society, technology, environment, and regulations.

2) A code of ethics in the beauty business of the four selected organizations that respond to the research objectives, as follows:

(1) World Federation of Direct Selling Associations (WFDSA). A non-profit organization aimed to publicize its direct selling to be globally recognized and accepted by determining codes of ethics that are considered to be proper and beneficial for beauty businesses through its dealer members.

(2) Amway (Thailand) Co., Ltd., qualified as a world-class direct-selling organization that is a prototype of the beauty business through a dealer network system.

(3) L'Oreal (Thailand) Co., Ltd., qualified as a world-class leading beauty business company with top sales around the world.

(4) Amorepacific Co., Ltd., qualified as the No. 1 best seller in the Republic of Korea, and the leader of beauty products at a global level at the present.

3) A model of the beauty business model that covers a variety of beauty business operations in the digital era. In this study, data was collected from nine organizations or companies from three types of business operations, as follows:

(1) 3 companies with increased sales volume during the COVID-19 pandemic

(2) 3 dealership companies

(3) 3 online or E-retailers

1.5.2 Scope of the Study Area

The area of the study is the beauty businesses operated through online media in the digital era.

1.5.3 Scope of the Information Sources

For this study, data was collected from two main information sources: documentary and personal sources, as follows:

1) Documentary sources

The researcher reviewed information from the websites of key entrepreneurs, pieces of research, academic articles, and videos related to the external situation of the beauty business, focusing on online distribution; ethics in the beauty business, and a beauty business model in the digital era.

2) Personal sources

Information from three groups of personal sources was collected through an in-depth interview:

Group 1: Entrepreneurs of the beauty business in the digital era. Data were collected from 3 entrepreneurs who operate their businesses through a dealership, 2 entrepreneurs who manufacture and distribute products by themselves, and 3 online retailers.

Group 2: Dealers of beauty products in the digital era. Data were collected from 2 dealers in the beauty business.

Group 3: Experts in the beauty business in the digital era and marketing communication. Data were collected from 2 experts in beauty business direct selling and marketing communication

1.5.4 Scope of the Study Time

1) Preparation period: January-March 2019

2) Data collection period:

The first period (before the pandemic of COVID-19): January-March 2019

The second period (during the pandemic of COVID-19): April 2019-December 2021

3) Data processing, data analysis, report writing, and publication: January-December 2022.

1.6 Expected Benefits from the Study

1) Academic benefits: This research is an integrated study with a focus on a model of the beauty business in the digital era in Thailand, based on successful companies that can carry on their businesses amidst constantly changing external situations. Besides, ethics in the beauty business was also studied in parallel. Accordingly, it is expected to build a new body of knowledge to learn about each component in various business models that leads to goal accomplishment in combination with ethics embedded in each component.

2) Professional benefits. A model of the beauty business under corporate governance in the digital era was constructed in this study as guidelines for business operations of Thai entrepreneurs and all involved, both government and private sectors, which can be applied to developing a model for other businesses under corporate governance toward sustainable development in the future.

1.7 Operational Definitions

Beauty business in the digital era means the operation of the beauty business and its key activities via online or internet systems, starting from communication to connecting its production activities to the destination customers. In other words, it is a part of E-commerce or online commerce, either directly or via platforms.

Beauty products mean cosmetic and food supplement products for health and beauty, distributed in Thailand.

Cosmetics mean any substance for applying, scrubbing, massaging, sprinkling, spraying, dropping, perfuming, or anyway on the external part of the human body, including teeth and oral mucosa, used to clean, improve, or change a person's physical appearance or body odor or protect his or her physical condition to be in good shape. It also includes all skin care substances, or body preparation, such as make-up, skin cream, soap, shampoo, conditioner, toothpaste, mouthwash, lipstick, brush-on, eye-shadow, eye-liner, nail polish, face powder or powder puff, cool or refreshing towel, sanitary pad, hair-dye, hair curling, hair removal, hair color, teeth whitening, deodorant, perfume, etc.

Food or dietary supplement products mean products taken for consumption other than conventional foods which contain nutrients or other substances as ingredients, such as vitamins, minerals, Amino acids, fatty acids, herbs and herbal extracts, and animal extracts, in the form of a tablet, effervescent tablet, capsule, soft gelatin capsule, gummy, powder, emulsion, syrup, etc. However, they are unlike drugs; thus, they are not intended to diagnose, treat, cure, or prevent any disease. They are for general people who need to have health care, not for patients.

The Digital era means the age of electronics that involves high-speed communication technology that can transmit information and knowledge in a society, i.e., news, stories, opinions, pictures, or videos, which everybody can access, disseminate, share, or store rapidly everywhere and every time without limits or time and space restrictions. It is the period of using integrated technology for connecting with all existing networks to facilitate business operations.

A business model means a model exhibiting key activities constructed by an organization for communication, transmission, and value addition, which composes of nine components: customer segments, value proposition, channels, customer relationship, revenue stream, key resources, key activities, key partners, and cost structure, which covers four main domains of business: customers, proposition, infrastructure, and revenue creation. The business model canvas is made up of nine key sections or matrixes for visualizing a business completely from all angles. Besides, it can help to determine strategies, assess the success of plans, and provide supporting information for deciding to choose an effective and proper model for a certain business.

Good governance means a good management form in which business enterprises are regulated to follow laws, be righteous, and be transparent while emphasizing participation or engagement, auditable responsibilities, and efficient use of resources. It is a key factor in business operations, assuring fair benefits to all parties: executives, employees, stakeholders, customers, society, and the country, by practicing ethical and moral standards in managing the beauty business and conducting business activities.

CHAPTER 2

CONCEPTS, THEORIES, AND RELATED STUDIES

In studying and analyzing “A Beauty Business Model under Good Governance in the Digital Era,” the following concepts, theories, and related studies were applied as a research conceptual framework:

- 2.1 Concepts of business models
- 2.2 Concepts of good governance
- 2.3 Concepts of business operation components
- 2.4 Concepts of Social Commerce
- 2.5 Concepts of digital marketing communication
- 2.6 Concepts of Beauty Business
- 2.7 Related Studies

2.1 Concepts of Business Models

2.1.1 Definitions of a Business Model

A business model has no specific meaning but depends on different perspectives, including differences in business operational patterns and appropriateness based on the particular environment of each business. The term has been defined diversely as follows:

Sasi Klongpayaban (2007) defines “a business model” as a cognitive tool comprising components and the rationale or causality of each organizational operation, which indicates the value of each kind of business presented to its customers, including its organizational structure, the relationship networks with business partners, the creation and delivery of value, and consequences of the investment in creating profits and income sustainably.”

Lewis (2000) defines a business model as “all involving how you plan your income earning,” which is a concept corresponding to Peter Ducker’s Theory of

Business saying “any assumptions enabling a company to earn money.” Notably, Drucker pays more attention to assumption formulation rather than monetary income. He initiates a theory of business that explains the business failure of leading companies in seeking information on changes in the market caused by a lack of clear assumption formulation.

Morrison, Schindehutte, and Allen (2005) found, from their content analysis, 30 keywords of a business model, which were classified into three groups depending on how a model is applied, namely economics, business operation, and strategy. Each group contains different variables for decision-making. In short, a business model means a representation of the interrelationships among groups of variables in deciding strategies, designs, and economics to create sustainable competitiveness. Such a definition accords with Ovans (2015), who cites in her article about differences and the degree of their differences in the application and interpretation of a business model of each entrepreneur.

Osterwalder (2005), the creator of “The Business Model Canvas,” explains important elements of the Business Model Canvas appropriate for creating business model innovation. Remarkably, each element of the Business is neutral, inclusive, and applicable to all types of industries. Later, in 2009, Alexander Osterwalder and Yves Pigneur define the term, “Business Model Canvas,” additionally as “a business-planning tool towards a complete and well-rounded visualization, which helps to determine strategies, assess plan accomplishment, and select an effective and a proper business model for each business. Mainly, the Business Model Canvas divides the structure of planning and strategy determination into 9 building blocks and all these nine blocks are interrelated and help to visualize each business clearly and completely. The main elements are customers, products, business service, business structure, and financial sensitivity. The Business Model Canvas is thus like a blueprint of operational strategies via organizational structure, process, and systems, which helps to plan business all around.

Johnson, Christensen, and Kagermann (2008) define a business model as a model of 4 elements: value delivered to customers, a profit-making formula, key resources, and key activities, which corresponds to the concept of Carlos Marques DaSilva and Peter Trkman (2013), who state that the key of a business model is the

distribution of resources mix that can turn to be corporate value and customers' value or it is the implementation of strategies at a certain time.

Clark (2014) defines a business model as the logic of making an enterprise have firm financial status or the logic of making an enterprise earn sufficient income for its survival.

Bertels, Koen, and Elsum (2015) summarize that a business model is strategies used for developing resources toward competitiveness. Namely, it is how to use or adapt to use available resources to the fullest.

Previous studies reflect a business model from different points of view and each point of view comprises different elements, depending on the research topics. However, eventually, those elements will be circulated repeatedly, as illustrated in Figure 2.1.

Elements of a business model in previous studies	How to make revenue	Product	Market Strategy	Customer Relationship	Key Resource	Value Proposition	Distribution	Technology	Service	Governance	Information Flow	Key Activities	Competitive Advantage	Cost
Horowitz 1996														
Viscio and Pasternak 1996														
Timmers 1998														
Markides 1999														
Donath 1999														
Linder and Cantrell 2001														
Lewis 2000														
Magretta 2002														
Morris, Schindehutte and Allen 2005														
Christen and Kagermann 2008														
Dasilva and Trkman 2013														
A.Koen and Elsum 2015														

Figure 2.1 Elements of a Business Model Appearing in Previous Studies

Analyzing changes in the studies on a business model in 2000 and 5 years after that reflects distinctive perspectives. During the year 2000, the studies focused on products primarily, followed by customer relationships with different points of view and the source of revenue or how to make profits or revenue. Compared with the

present business model, what is changed is the model does not mention products anymore but emphasizes value proposition or delivery to customers, key resources, business strategies, and competitive advantages or competitiveness.

Concerning a business model concept, it is found that the Business Model Canvas of Alexander Osterwalder and Yves Pigneur is popular and has been widely used all through the world up to the present. From Google search and search from ABI/Inform Complete Database in 2005, the search results were 4,326,812 and 2,387 respectively, (Morris et al., 2005), and up to 522,000,000 and 4,908,461 in 2015. This indicates that such a business model has been paid high attention to and developed continually. Namely, the theory that has been used widely, as appearing on the Google website on the front page is Business Model Canvas and Business Model Innovation. Therefore, the research, “A Model of Corporate Governance in Beauty Business in the Digital Era,” applied the Business Model Canvas of Alexander Osterwalder and Yves Pigneur as a framework for interviewing and responding to research questions. The details of the Business Model Canvas are as follows:

2.1.2 Business Model Canvas

Business Model Canvas, as a business model, was developed and published in a book entitled, “Business Model Generation,” written by Osterwalder et al. (2010), as a business framework for visualizing and explaining how an organization employs or circulates its resources to display its value proposition, organizational structure, and capital flows. The model was co-developed by 470 researchers from 45 countries by imitating brain functions, namely the left side focusing on logic and the right one on emotion. The left side of the canvas thus emphasizes efficiency, while the right side on value through visualization. It thus helps entrepreneurs to view their overall business in all dimensions increasingly through 9 elements, which can answer four main business questions of Peter Drucker:

Question 1: Who are your customers?

1) Customer Segments. Each organization or company must classify its customers clearly to respond to the needs of each group of customers differently with different approaches so it can lead to good strategic planning and good relationship with each group of customers.

2) Channels. After a clear classification of customer groups, a proper channel for delivering or communicating to customers must be sought to distribute business value to the target customers rapidly with the lowest cost. Such a channel must be able to create perception or awareness, leading to purchase, and assessment of delivered value or benefits of products and services. Besides, satisfaction must be established after sales as well.

3) Customer Relationships. Relationships with each group of customers must be clarified and defined clearly, from the beginning of personal relationship building, either automatically or by self-assistance, or if products or services are one-time or continual transactions. Still, the determined objectives may vary over time so they must be adapted to organizational strategies constantly.

Question 2: What is customers' value

4) Value Propositions. They are what is proposed to customers for problem-solving, which must be designed through what an organization should deliver to customers. Value propositions are benefits customers will gain from the produced or created products and services and enable customers to choose our products or services instead of those of our competitors.

Question 3: How is the value delivered?

5) Key Resources. It is a part of value propositions that are offered to customers or what is applied to better our products or services. Mostly, value propositions include human resources, intellectual properties, or financial resources.

6) Key Activities. It is essential to deliver complete products or services rapidly and correctly without errors with competitive prices. They are key activities that satisfy customers based on the assumption that good activities should increase the higher value of products and services.

7) Key Partners. Effective networking in a business model helps to reduce risks in business operations, decrease a loss of opportunity costs, and better the quality control of products and services, which affect an organization directly in a long term.

Question 4: How to make revenue?

8) Revenue Streams. Revenue streams come from a successful value proposition, which is the benefits for which customers are willing to pay. Revenue of

each part in the model helps to analyze the source of income and determine proper and useful activities for work improvement and increase the chances of proposing values perceived by customers as worth for their payment.

9) Cost Structure. Costs can be calculated after determining key resources, activities, and partners. A company should be able to adapt itself to support the increased needs effectively. In other words, it can respond to the needs of a large number of customers while reducing costs to reach continually decreased costs.



Figure 2.2 The Business Model Canvas

Besides the classification of 9 elements to answer four business questions of Peter Drucker, these elements are also clustered into 3 major groups and each group has a different focus for consideration as follows: (1) A Group of Market comprises “Customer Segments, Value Proposition, Channels, and Customer Relations.” (2) A Group of Product comprises “Value Proposition, Key Activities, Key Resources, and Key Partners.” (3) A Group of Finance comprises “Revenue Streams and Cost

Structure.” The Business Model Canvas is developed from the concept of the Value Chain Map by Michael E. Porter.

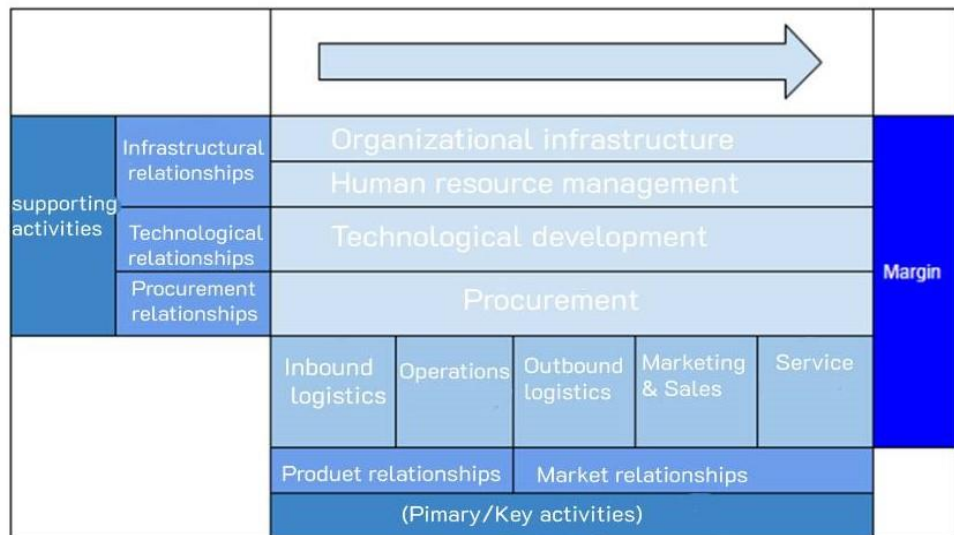


Figure 2.3 Porter's Value Chain Map

2.2 Concepts of Good Governance

2.2.1 Definitions

Scholars and organizations have defined the term “good governance” diversely as follows:

Arithuch Kaewkobsaba (2005) explains the term “good governance” as a governance system that adheres to the principles of integrity and decency or appropriateness.

Parichat Theparak and Amarawan Tiewthanom (2006) define “good governance” as management or administration principles that can create transparency, fairness, participation, effectiveness, and worthiness, including responsibility for any course of action.

Panya Chayajindawong and Ratchanee Potrakul (2006) summarize that “good governance” means socio-economic resources management for national development by connecting three major parts of society: the government sector, private sector, and civil society, and enhancing their mutual support creatively,

leading to balanced relationships among economics, society, and politics, which enables peaceful co-existence in society, while being able to exert power towards national development sustainably and stably.

Suthatsana Suthikulsombat (2007) defines “good governance” as a decision-making process of doing or not doing some operations. It can be applied to both structured and unstructured organizations from the decisions of people in such organizations based on the determined structure and guidelines.

Suthiporn Boonsong (2007) summarizes “good governance” as good management in all dimensions at all levels, including organizational systems and mechanism management of the cabinet, governmental organizations, non-official government, local organizations, non-governmental organizations, private organizations, clubs, and associations for operating activities, private juristic persons and the civic sector. Relationships among these parts or sectors are determined.

From the aforementioned definitions by scholars, it can be concluded that good governance means stable and sustainable public, societal, organizational, or business administration with responsibility, worthiness, honesty, transparency, auditability, righteousness, fairness, quality, and standards.

2.2.2 Significance of Good Governance

The importance of good governance has been cited by several scholars as follows:

Teera Runcharoen (2005) explains that good governance is practical guidelines for educational institutes that are useful for their management in several domains, i.e., ruling the country, management for public well-being, public administration towards the success of governmental missions, effective and worthy management of government missions, the reduced operational steps, the facilities for and responses to people’s needs, and the evaluation of governmental performance.

Additionally, Wichai Tansiri (2006) adds the significance of good governance as follows: Good governance can be applied to educational organizations by decentralizing academic management in terms of budgets, human resource management, and general administration to educational service areas and educational

institutions directly, aimed to solve problems of centralization and a lack of unity in policies and management.

In the social context, Suthatsana Suthikulsombat (Online) perceives good governance as strategies of establishing good management systems in society that can be an important foundation for mobilizing development tactics. It is a fundamental principle for creating righteousness in society and provides fair resource allocation for people in society. Besides, it helps to reduce corruption and promote honesty in working systems. Especially, it is a universal standard for indicating the level of national development in economic, social, and political aspects, which can be a prototype for organizational operation toward transparency.

In conclusion, management by good governance is a process of righteous resource allocation that enhances effective and efficient operations, which can be auditable and leads to people's well-being and peace. Furthermore, good governance is also a process widely accepted by society and universally. Accordingly, top management has to establish good governance in its organization to be a part of its identity and personality or an organization that is righteous, transparent, auditable, and can operate systematically with good quality.

2.2.3 Good Governance in Private Organizations

Management in private organizations faces problems like that of government organizations, i.e., a lack of transparency, ineffective and inefficient operations, a lack of management participation, and no audits by stakeholders, etc. Accordingly, private organizations adopt good governance in their management by applying it to be harmonious with the context of business organizations. Business organizations started to be alert to apply good governance enormously after the corruption crisis of gigantic companies in the U.S.A., such as Enron, WorldCom, etc. In Thailand, private organizations also apply good governance widely, especially listed companies, which are regulated by the Stock Exchange of Thailand based on the good governance regulations of the listed companies, B.E. 2549 (2006), as concrete principles and practices for business operations.

Good governance may be used by private organizations under different names, i.e., corporate governance, etc. Notably, good governance principles are related to

Agency Theory as Jensen and Meckling (1976) state that agency is the relationships formed by the consent of both parties, namely the principal and shareholders or investors who give management authority to the other party called “agent” to manage the organization on behalf of owners or principals. The result of separating the ownership from management may make it hard to monitor what the management team does closely; thus, it causes an agency problem. In practice, agents may not make decisions toward the principals’ or owners’ utmost benefit. Therefore, Agency Theory is a concept that enables the principals or owners to keep their benefits via a mechanism of information regulation and management to reduce such problems.

Moreover, Anand (2008) also describes the connection between Agency Theory and good governance that good governance is a tool for investigating the operations of agents for the principals’ benefits rather than their ones, including decreasing errors of benefits sharing to ensure that the organization can be operated towards the maximal returns to the principals.

Furthermore, Organization for Economic Co-operation and Development (OECD) (2004) defines “corporate governance” as a system for regulating and controlling the operations of business organizations.

On the other hand, Indaravijaya (2005) elaborates the meaning of “corporate governance” as a system equipped with a leadership process and structure and the regulation of an enterprise to be responsible for its assigned functions with transparency and be able to create competitive advantages for maintaining its capital and increasing its value for shareholders in a long term within an overall ethical frame.

Moreover, the Office of the Public Sector Development Commission (OPCD) (2011) defines corporate governance as the governance of an enterprise towards growth effectively based on the principles of integrity and transparency, including ethics concerning the enterprise’s stakeholders mainly.

According to the Stock Exchange of Thailand (SET) (2015, p. 1), corporate governance means a system established with structure and relationships among the board of committees, management teams, and shareholders to create a competitive advantage for growth and increased value for shareholders in a long term with a concern about shareholders.

In brief, corporate governance means “principles developed from good governance used for regulating an enterprise towards righteousness, transparency, effectiveness, and efficiency, with the emphasis on participatory management and stakeholders’ audits to ensure sustainable growth of a business organization.”

2.2.4 Principles of Corporate Governance

Corporate governance is a concept and process that an organization should practice to be accepted at the universal level. The main principle of good governance of the Organization for Economic Cooperation and Development (OECD) is to have a reference benchmark for considering and determining legal structure and other regulations related to good governance in the country by concerning the economic, social, legal, and cultural environment. Principally, corporate governance consists of 6 main principles, as follows:

- 1) Ensuring the basis for an effective corporate governance framework
- 2) The rights of shareholders and key ownership functions
- 3) The equitable treatment of shareholders
- 4) The role of stakeholders in corporate governance
- 5) Disclosure and transparency
- 6) The responsibilities of the board

Besides, the Stock Exchange of Thailand (SET) (2012) determines and classifies good principles and practices related to corporate governance into 5 categories:

- 1) Rights of shareholders
- 2) Equitable treatment
- 3) Stakeholders
- 4) Disclosure and transparency
- 5) Responsibilities of the board

The principles and elements of corporate governance of both private and government sectors are congruent in many dimensions but may be different in their goals. The corporate governance of the government sector aims at public and collective benefits whereas that of the private sector focuses on the maximal benefits of stakeholders of business organizations.

2.2.5 Corporate Governance Principles of MSME

Any entrepreneurship, either large-sized or micro-entrepreneurs, small- and medium-sized enterprises (MSME), is established with the main goal of creating benefits for all concerned of several parties and “value-added” for its enterprise, which may be operated by an individual or several partners. It all needs returns or yields worth its investment. However, some enterprises may do everything to achieve their maximal benefits without concern about any negative impact of their operation on any sector or segment. Remarkably, such returns or yields are often short-termed that cannot create long-term added value for their business. A part of their success depends on several concerned parties, i.e., employees, debtors, creditors, competitors, communities where companies are located, etc. Therefore, corporate governance plays a role in treating all involved stakeholders fairly, while helping to create added value for business and utmost benefits for business owners. Corporate governance is thus a major base for the sustainable growth of MSMEs.

The main principles of corporate governance of MSMEs are not so different from those of large-sized companies. The only difference is how principles are applied since the nature of MSME is different from that of large-sized companies, i.e., numbers of owners, executives, components of stakeholders, employees’ characteristics, and business management capabilities. Mainly, corporate governance can be comparable to good governance for the listed companies, B.E. 2549 (2006) of the Stock Exchange of Thailand (SET), which consists of four essential principles: 1) Participation, 2) integrity, 3) transparency, and 4) responsibility.

In general, the benefits companies gain from the practice of corporate governance are as follows:

- 1) Business will be accounted for and trusted by product or service consumers.
- 2) It helps to reduce business risks at a certain level from the application of good corporate governance.
- 3) It facilitates to access capital sources more easily because of auditable and transparent accountancy systems.
- 4) It motivates people to work while helping to maintain quality workers, from its paying importance to those involved in all dimensions.

5) It enhances learning and innovation, including competitive advantages that are accepted in society.

2.2.6 Good Governance in the Beauty Business

The purpose of this study is to construct a model of corporate governance in the beauty business in the digital era; thus, to cover all intended issues and a variety of business operation patterns nowadays, four concepts of ethics are applied in business operations of four organizations were studied:

- 1) Ethics of world direct selling of the World Federation of Direct Selling Association (WFDSA)
- 2) Ethics towards business security of Amway (Thailand)
- 3) Code of conduct and the ways we work of L'Oreal (Thailand).
- 4) Code of ethics of Amorepacific

All these four organizations are counted as having world-class dealer systems, the world's No. 1 sales of beauty products, No. 1 sales of beauty products in the Republic of Korea, and beauty-product leader of the world respectively.

2.2.6.1 Ethics of Direct Selling of WFDSA

The ethics of direct selling were formulated by the World Federation of Direct Selling Associations (WFDSA), which is a private non-profit organization. The ethics are aimed to bring about consumers' satisfaction and protection to increase fair competition in the context of free-market business and to elevate the image of direct-selling businesses perceived by the public. The world ethics of direct selling are divided into various categories: Conduct for the protection of consumers, conduct towards direct sellers, and conduct between companies. All three categories specify their relevant content under the scope of direct selling, which is considered to be proper and beneficial for beauty businesses distributed through a dealer network system. The details of each category of ethics are as follows:

- 1) Conduct for the protection of consumers

This category consists of prohibited practices, identification, explanation and demonstration, order form, literature, testimonial, comparison and denigration, cooling-off and returning of goods, respect of privacy, fairness, referral selling, and delivery.

2) Conduct towards direct sellers

It composes of direct sellers' compliance, recruiting, business information, Remuneration and accounts, earnings claims, relationship, fees, respect for privacy, loading and repurchase, other materials, and direct-selling training.

3) Conduct between companies

It comprises interaction, enticement, and denigration

2.2.6.2 Ethics towards Business Security of Amway (Thailand)

Amway (Thailand) is a world-class dealer system organization that has been operating in Thailand since 1959. Its ethics towards business security consist of the following:

- 1) Adhere to golden rules all the time.
- 2) Do not allow sponsorship to anyone who is under the age of majority
- 3) Do not exaggerate about income gained from Amway's business
- 4) Do not cut prices
- 5) Do not exaggerate the efficiency of products
- 6) Do not leave members or customers behind
- 7) Do not sponsor until being ready for taking responsibilities
- 8) Do not try to change or persuade others to change their line of sponsorship.
- 9) Do not use Amway businessmen's networks for selling other products, that are not Amway's.
- 10) Do not order or deliver Amway products to any businessman or member in other lines of sponsorship.

2.2.6.3 Code of Ethics and the Way we Work for L'Oreal

L'Oreal is one of the world's leading beauty companies with top sales for many years. L'Oreal sets up ethics or conduct appropriate for the beauty business in the digital era and proposes the best cosmetic innovation in terms of quality, efficiency, and safety for consumers around the world. Its core values are "passion, innovation, entrepreneurial spirit, open-mindedness, a quest for excellence, and responsibility." Besides, its ethical principles are "integrity, respect, courage, and

transparency, which can be applied to the beauty business in the digital era. Some dos and don'ts are specified in the following categories:

1) As a business

The code of conduct under this category consists of products' safety and quality, public relations and marketing, the selection of suppliers and fair treatment, righteous competition, no conflicts of interest, confidential information, representation of the company, individual rights, and data protection, use of resources, financial and business records, fight against corruption, insider trading, taxation, etc.

2) As an employer

The following essence is specified: safe and healthy working environment, respect for diversity, no violation of rights and no physical, verbal, and mental bullying, no sexual harassment, etc.

3) As a responsible corporate citizen.

This category covers political activities and campaigns, environmental surveillance, contribution to society, etc.

2.2.6.4 Code of Ethics of Amorepacific

Amorepacific is a Korean company with the No. 1 sales of beauty products and is one of the leading beauty entrepreneurs in the world. Its code of ethics is as follows:

1) Caring about the customers

It emphasizes customers' confidence in the products, ethical marketing, and the protection of customers' benefits.

2) Respect for employees

It focuses on fair employment and data protection, a safe and healthy working environment, no sexual harassment, avoidance of conflicting interests, gift and hospitality taking, and prohibition of bribery.

3) Harmonious growth

It composes of the establishment of fair commercial relationships and maintenance of righteous competition.

4) Protection of the company's assets

It covers the protection of intellectual property, compliance with safety policies and protection against insider trading, and appropriate use of corporate assets.

5) Responsibilities as a corporate citizen

The category includes environmental surveillance, support of local communities, corporate representation, and the maintenance of being politically neutral.

2.3 Concepts of Business Operation Components

2.3.1 Definitions and Significance of Business

Business means all kinds of activities involving production, distribution, and service provision. In a company or business, available resources are integrated systematically with certain rules and regulations to respond to people's or consumers' needs. On the other hand, it leads to the company's benefits and goal achievement without causing any negative effect on the surrounding environment.

Business also means a process of economic enterprises that are systematically and continually related to the production and trading of products and services, aimed toward profits or returns from such enterprises. In other words, it is any activity aimed to obtain profits, i.e., a company, shop, store, etc. However, some activities, such as national defense, the construction of roads, schools, hospitals, etc. are not considered to be a business as their purpose is not profit-oriented, but to provide services for people towards their better ways of living.

Furthermore, business is defined as an entrepreneur's effort in producing or selling products or services to respond to customers' or society's needs to obtain profits. On the other hand, it needs to accept the risk of losing money or gaining no profit as expected, while being responsible for society and having a business code of ethics. Therefore, entrepreneurs have to devote their time, endeavor, and capital to operate their businesses successfully, effectively, and sufficiently. (Sutham Rattanachote, 2005)

From the above meanings of business, business is important for human beings as a source of product and service production to gratify human needs, at least two types: The fundamental needs or the four requisite needs (food, clothes, accommodation, and medicine), and the other type is what human beings want. However, without the latter, they can still survive, i.e., a car, television, air-conditioner, etc.

2.3.2 Benefits of Business

1) Business produces products and services to gratify human needs. However, each individual's needs are different and needs can be endless. To satisfy and facilitate consumers, business plays a role in allocating things to serve such needs.

2) Business helps to distribute commodities from producers to consumers. After a product producer, i.e., a product factory, produces products, products will be distributed to consumers through another kind of business, such as transportation, i.e., land, sea, air, etc., or via a middleman, public relations, banking services, communication, etc.

3) Business is a source of labor markets. Business operations require labor forces for production or service, while laborers need to work to earn their and their family's living or for a better quality of life. Thus, business distribution to different parts of the country is also an income distribution and brings about labor markets in the local areas.

4) Businesses can increase revenue for the government. When business operations are successful, taxes will be paid as stipulated, which are sources of state revenue that will be used for national development, i.e., the construction of hospitals, roads, schools, etc. All of these also improve people's ways of living.

5) Businesses can develop national economics. In the beginning, the production of products or service providers may be to respond to people's needs at several levels: local, provincial, and national. However, once a business is expanded and can yield more products and services, it also stimulates more needs of people, including exporting goods to foreign countries, which will bring revenue to the country and is a way of national economic development as well.

2.3.3 Business Goals

Besides profits or business success, entrepreneurs should be concerned about their responsibilities to society too, including to consumers and employees. Generally, business goals are as follows:

1) Enterprise security or stability. After a business operation, a business should be able to produce products or provide services to respond to consumers' needs continuously or endlessly.

2) Business growth. Besides stability, business is wished to be expanded and grow continuously.

3) Benefits or profits. What motivates business owners to continue their business is profits. Without profits, it is impossible or difficult to continue their business. However, to get profits means the sales of products and services must be higher than the cost or expenses.

4) Social responsibilities. Importantly, business needs to be operated on a decent and acceptable tradition of society and morality without any law violation. Business owners have to think of consumers and the environment and their business should help to develop people's lives and well-being. For instance, a factory must not release or spill wastewater into a river or canal, produce products with pesticide residues, conduct any deforestation, yield pollution, etc.

Most of the above goals are of private organizations. However, there are also some kinds of businesses with no profit orientation, such as public utility enterprises, i.e., electricity, water supply or waterworks, communication, etc. All of these enterprises are operated under the supervision of the government, aimed to increase people's well-being and comfort.

2.3.4 Factors in Business Operation

Business operations require several factors. Mostly, it cannot be operated without any essential factor. Typically, there are four fundamental factors in business operations or the so-called "4M," as follows:

1) Man. Manpower is the most important factor in business operations since all management and operations must be conducted by men at all levels:

executive, practitioner, and laborer, who have to work collaboratively towards common goals or success.

2) Money. Money is used for investment and the amount needed depends on the size and type of business. Accordingly, entrepreneurs have to plan how to allocate their capital and conduct their financial management effectively.

3) Material. Executives need to manage raw materials effectively to get the lowest cost and consequently increase higher profits.

4) Method. Each step of operation or method needs thorough planning and monitoring towards effective operations and agility under the internal and external environment of the enterprises.

2.3.5 Elements of Business Entrepreneurship

1) Organizational structure is an activity that enables an organization to organize a pattern of working for organizational personnel effectively.

2) Production and operation are activities of taking raw materials into a production process to produce products or services.

3) Marketing is an operation for transferring the produced products or services to consumers' hands.

4) Accountancy and finance are the recordings of operational information, i.e., financial and budget preparation, budgets, capital allocation, etc. Entrepreneurs have to manage their capital and investment effectively with proper circulating capital.

5) The feeding of raw materials into a factory is an activity of procurement and controlling raw materials purchase, including inventory auditing.

6) Human resource management is the allocation of workers, training management, and the selection of motivational appeals and welfare for increasing the effectiveness of human resource management, which can affect organizational success.

7) Information and computerized information processing system management is the adoption of information technologies for increasing operational effectiveness.

8) Research and development are activities for stimulating creativity and innovation of products towards consumers' utmost satisfaction.

2.3.6 Business Analysis

The research "A Model of Corporate Governance in Beauty Business in the Digital Era" aims to analyze business external conditions or was conducted by PESTEL analysis (formally, it was called PEST), which is a tool for analyzing and investigating environmental factors at a macro level that may affect the organization's effectiveness severely. Such a tool is very useful during the early stage of business operation or the entrance into a market. It is often used in combination with other business analysis tools, such as SWOT analysis, Porter's Five Forces, etc. to increase a clear understanding of related internal and external factors. Accordingly, for this study, the concepts and theories of PESTEL, SWOT, Five-Force Model analysis, and consumers' behavior analysis.

2.3.6.1 PESTEL Analysis

PESTEL Analysis is an analysis of a business's external environment, which is uncontrollable external factors. Such an analysis can help to understand the market situation of a certain business if it is growing or shrinking, including business positioning, the feasibility of business expansion, and business direction. Generally, business external situations can be divided into 6 domains:

Political domain. It is the condition that varies by the state condition and policies, covering the intervention of governmental policies, i.e., trading, taxation, commercial control, labor laws, etc. Political stability is also another unavoidable factor that determines business success or failure. Moreover, national rules and laws can also affect corporate or organizational operations. (Miller, Vandome & McBrewster, 2011; Sammut-Bonnici & Galea, 2015 and Witawat-Rungruanphon, 2012)

Economic domain. It is the condition related to national or organizational economics, which affects economic systems in a wider circle and organizations' capabilities in making profits or attracting consumers as a whole. It also includes the economic condition of surrounding areas, changes in economic trends, fluctuation of the national GDP, exchange rates, ability to distribute products,

consumers' accessibility, etc. All of these cause constant shifts. Consequently, organizations must be able to cope with the impact caused by these economic conditions. (Rothaermel, 2017; Sammut-Bonnici & Galea, 2015; and Panisa Mechinda and Sirivan Serirat, 2011)

Social domain. It is social, cultural, and population conditions, which determine values, beliefs, and daily activities and affect consumers' selection of products or services. Therefore, entrepreneurs need to consider values and culture, including cultural changes in the target areas. Social factors are constantly changing and differ in each societal group. Thus, the culture and society of the target markets must be studied and understood clearly. (Ho, 2014; Rothaermel, 2017; and Chattayaporn Samerjai, 2014)

Technological domain. Technological condition is significant in creating competitive advantages and facilitating an innovative production process and products. It includes activities related to technologies, technological infrastructure, and technological drives. Besides, it is a major factor in mobilizing globalization. Hence, technological changes can both create opportunities and barriers for an organization or business. Thus, entrepreneurs should give importance to the adoption of technology to create competitive advantages. (Rothaermel, 2017; Piboon Teepapal and Tanawat Teepapal, 2016 and Ekachai Boonyathithan, 2010)

Environmental domain. It is environmental conditions, both created by human beings and by nature, i.e., weather or climate, pandemic, etc. Other factors that need to be concerned are laws related to waste or trash management, environmental protection regulations, and people's attitude toward the environment, which helps to determine the scope and approaches for doing business more clearly. Notably, environmental factors influence some types of business, especially the tourism industry, agricultural farming, fishery, etc. (Lars de Bruin, 2016). Notably, during this study, a phenomenon that has been affecting beauty businesses and every kind of business on earth severely and abruptly is the environmental condition caused by the pandemic of COVID-19.

Legal domain. It is the condition of laws, regulations, and requirements related to business. These factors partially overlap with political factors. Remarkably, nowadays laws are more specific, such as discrimination, monopoly, unfair

employment, consumer protection, copyrights and patents, health and safety, etc. It is obligatory for entrepreneurs to know and comply with these legal conditions to ensure successful and ethical business. Furthermore, entrepreneurs must follow legal changes that may occur and their possible impact on their business in the future. (Lars de Bruin, 2016)

2.3.6.2 SWOT Analysis

SWOT Analysis is a tool for assessing the overall internal and external environment of an organization by analyzing four main factors: strength, weakness, opportunity, and threat to know factors affecting an organization's survival and growth, including their advantages and disadvantages in the market. These four factors can be summarized and explained as follows:

Factor 1: Strength. It is an analysis of organizational factors that indicate strengths, advantages, or predominant points that enhance its competitive advantage. Such strengths are consequences of controllable internal factors, i.e., capital, service, production capacity, broad vision of the management team, etc. (Hult, Pride, & Ferrell, 2012; Chattayaporn Samerjai, 2014 and Damrong Pinkoon, 2014)

Factor 2: Weakness. It is an analysis of weak points or constraints caused by controllable internal factors, i.e., finance, service, distribution channels, etc., which obstruct goal achievement or cause problems to an organization, including competitive disadvantages. An organization needs to analyze and improve such weaknesses to avoid being exploited by its competitors. (Kotler & Armstrong, 2012; Nattapon Yaipairoj, 2015 and Ekachai Boonyathithan, 2010)

Factor 3: Opportunity. It is an analysis of opportunities or organizational advantages. Most of them are external environmental factors that facilitate or enhance organizational success. An organization should keep an eye on environmental factors that might affect its capabilities in creating opportunities and profits, either directly or indirectly, such as opportunities as a result of good economic conditions or a higher demand for products in the market, etc. (Dess, McNamara, & Eisner, 2016; Kotler & Keller, 2016; Panisa Mechinda and Sirivan Serirat, 2011)

Factor 4: Threat. It is an analysis of obstacles or threats or constraints occurring in the external environment, which can affect an organization or a company. It is an uncontrollable factor that may impede organizational success and cause

competitive disadvantages. From the analysis of the threat, a company can cope with or adjust its marketing strategies. Examples of threats are obstacles caused by competitors, politics, natural disasters, etc. (Hult et al., 2012; Wikran Mongkolchan, 2015; Ekachai Boonyathithan, 2010)

The SWOT analysis helps marketers to assess current and future situations by analyzing both internal and external factors simultaneously. (Dess, et al., 2016). Besides, it enables organizations or companies to investigate their internal and external environment to search for influential factors affecting the creation of competitive advantages at present and in the future and can apply appropriate strategies effectively. (Rothaermel, 2017). For this study, an analysis of opportunities and threats was conducted for analyzing business external conditions of the beauty business in the digital era under the good governance framework.

2.3.6.3 Five Forces Model

The analysis of the Five Forces Model is an assessment of the impact of competition conditions in the market. It is a part of the concept of strategic planning, invented by Professor Michael E. Porter of Harvard University, which aims to remind organizations of any incidents that may affect their operations and estimation of business plans. Moreover, it helps to explain how an organization facing competition in the market can create a superior business performance to its competitors. Such a concept focuses on increasing competitiveness and indicating competition conditions each organization is confronting so it will have a basic criterion for measuring its operational performance. Moreover, it helps to indicate prices and the average capital of each industry and approximated profits of each industry to acquire the genuine potential of such a business, including opportunities for searching for a new market. (Jarunee Wonglimpiyarat, 2010; Magretta, 2011). Five forces are described as follows:



Figure 2.4 Five Force Model based on the concept of Professor Michael E. Porter

Source: MindTools (n.d.).

Five Forces that affect the selection of strategies based on Porter's concept are as follows: (Jarunee Wonglimpiyarat, 2010; Orapan Khongmalai, 2015)

1) Threat of New Entrants. It is an analysis of who is a new entrant or competitor in the market with whom an entrepreneur has to compete and to what extent the production of a new competitor differs from other products in the market, or what is unique innovation it introduces into the market. Certainly, if a new competitor possesses good innovation with novel products, it can seize market shares. Moreover, if the industry an entrepreneur is operating earns high sales with attractive profits, and with a low degree of getting obstructed in the market, new competitors then dare to compete in investment. Once there are a lot of investors, the capability of profit-making and market shares will be lower, especially caused to the following factors: (1) Economies of scale, (2) learning curve, (3) brand loyalty, (4) capital requirements, (5) accessibility to distribution channels, (6) government policy, including concessions and licenses, (7) switching cost, and (8) advanced technologies.

2) Bargaining Power of Suppliers. It is an analysis of the capability in the procurement of raw materials from suppliers into a production process. If a business relies on a single supplier, it is risky since in the case that such a supplier cannot supply raw materials because of any reason, it will greatly affect business operations. "Suppliers with high bargaining power can set up high costing or press the trading that is advantageous for them; thus, it can decrease business profits." (Magretta, 2011). The influential factors are (1) Concentration of suppliers, or numbers and size of suppliers, (2) proportion/ quantity sold by suppliers, (3) the number of raw material sources/ raw materials, (4) differences and similarities of raw materials, (5) substitute raw materials, (6) cost of switching suppliers, and (7) other sellers' ability to compete with the existing production or forward Integration.

3) Bargaining Power of Customers. It is an analysis of how much consumers in the market need. If the market has high business competition, it means consumers will have more alternatives and may affect business operations, especially decreased income and marketing shares. The influential factors are as follows: (1) Concentration of buyers or the number or size of buyers, (2) purchase volume, (3) buyer choices, (4) buyers' information availability, (5) brand loyalty, (6) buyers' price sensitivity, (7) buyers' ability to produce by themselves or backward integration, and (8) costs of switching to use other competitors' products.

4) Threat of Substitutes. It is an analysis of whether the existing products or services will have an opportunity to be replaced by other substitutes. (Substitutes mean products or services that can respond to consumers' basic needs like industrialized products, but with different methods), which will decrease sales income and market shares. The influential factors are (1) number and types of substitutes, (2) substantial product differentiation, (3) costs of switching to substitutes, (4) brand loyalty, (5) substitutes' range of prices, and (6) quality/ properties of substitutes.

5) Rivalry Among Existing Competitors. It is an analysis of the existing competitors' competition condition in the market and who they are, to what extent each competitor's potential is so that entrepreneurs can prepare to do their business and marketing activities properly by considering the following factors: (1) Demand growth, (2) market structure, including numbers and size of competitors, (3)

product differentiation, (4) exceeding production capacity, (5) fixed capital of the industry, (6) maintenance capitals, and (7) obstacles that impede business exit, i.e., sunk cost, changes of machines/technologies, agreement with a labor union, etc.

The degree of violence of five sources in the industry, including specific characteristics of each factor, determines an opportunity for profit-making in such an industry since each factor affects directly the industry's price and capital.

2.3.6.4 Consumer Behavior Analysis

Consumer behavior analysis is the study of consumers' purchase and usage behaviors to know their needs, purchase and usage behaviors, and the selection of services, concepts, and experiences that satisfy consumers. The result of the analysis can help entrepreneurs to respond to consumers' needs properly. The questions for analyzing consumers' behaviors are 6Ws and 1H, as follows: 1) Who is the target market? 2) What does the market buy? 3) Why does the market buy? 4) Who participates in buying? 5) When does the market buy? 6) Where does the market buy? 7) How does the market buy? The questions are to search for 7Os, namely occupants, object, objective, organizations, occasions, outlets, and operations.

1) A process of decision-making behaviors

Kotler and Keller (2012) propose a process of decision-making behaviors, consisting of 5 steps, as follows:

(1) Need arousal or problem recognition is the step of being aware of one's internal needs. Such needs may be stimulated by internal or external stimuli, i.e., basic needs, hunger, desire, etc.

(2) Information search. After a consumer is aroused have purchase needs, he/she will seek information about a such product for making decisions. Mostly, consumers will seek information from the following five sources: Personal, commercial, public, experiential, and experimental sources.

(3) Evaluation of alternatives. After gathering information into categories, the consumer will analyze it by the following criteria: products' properties, products' significance, trust in product brands, and a comparison with other products.

(4) Purchase decision. A decision is made after the evaluation of alternatives in the third step, which helps the consumer to choose the

product with which he/she is satisfied the most. Namely, after evaluation of alternatives, it leads to purchase intention and purchase decision finally. However, before purchase decision, the consumer will concern about three main factors: Attitudes toward others, anticipated situational factors, and unanticipated situational factors.

(5) Post-purchase behavior. It is the step of expressing satisfaction or dissatisfaction after a product purchase. Such feeling depends on products' properties and consumers' expectations if the product can respond to his/her needs as advertised, and after product trial or usage, the consumer will have an experience of feeling satisfaction or dissatisfaction. If satisfied, the consumer will purchase it repeatedly or have word-of-mouth. If not, he/she will pay attention to buying other brands or products instead.

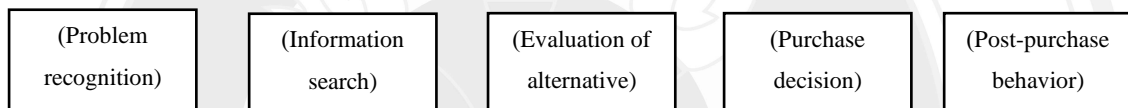


Figure 2.5 A Model of the Purchase Decision-making Process of Kotler

Source: Kotler, Philip, Keller, and Lane (2012).

2) Factors Influencing Consumers' Purchase Decision

Factors influencing consumers' purchase decisions comprise the following:

(1) Psychological factors, i.e., motivation, perception, learning, trust, attitude, personality, and self-concept.

(2) Cultural and social factors, i.e., culture, sub-culture, cross-culture, family, social class, and reference groups.

(3) Personal factors and psychographics, i.e., age, life cycle, family, occupation, income, economic status, education, value, lifestyle, etc.

(4) Stimulus, such as marketing stimulus (i.e., product, price, place, promotion) and other external stimuli, i.e., economics, technologies, laws, politics, physical environment, etc.

(5) Situational factors, i.e., physical environment, time, and emotion.

(6) Technological factors, i.e., the use of the website, the searching ability, the capability in assessing purchase alternatives, and feedback after the purchase.

All these factors influence greatly the purchase decision process: 1) perception of needs or problems, 2) information search, 3) evaluation of alternatives, 4) purchase decision, 5) consumption and 6) post-purchase behavior. After purchase, the following results will occur:

1) Product acceptance. If a product has good properties and can respond to a consumer's needs satisfactorily, he/she will buy it again or have word-of-mouth to others. Once he/she accepts such a product, he/she will buy it regularly and such a product will become a consumer's symbol.

2) Product rejection. If the bought product has no properties as expected, a consumer will feel dissatisfied and reject buying it again or tell others, i.e., relatives, friends, acquaintances, etc. about such a product negatively.

2.4 Concepts of Social Commerce

2.4.1 Definition

“Social Commerce” is a new type of E-Commerce that applies interpersonal interaction through social media for supporting entrepreneurs and consumers in trading activities, i.e., comparing and sharing online products, etc. (Hajli, 2012; Hajli & Sims, 2015; Shanmugam, Sun, Amidi, Khani, & Khani, 2016, Sharma & Crossler, 2014). The main goal of social commerce is to enhance an opportunity for online trading business and increase collaborative working and participation between sellers and buyers to achieve desirable economic values. Social commerce has been defined by several scholars as follows:

Thanakit Vongmahasetha (2011) defines “social commerce” as online trading that can follow consumers' behaviors in online communities since consumers need to be a part of a group that leads to collaboration in purchasing a kind of products, which is a popular form of business trends nowadays.

Uraphen Yimprasert (2011) defines it as a part of E-Commerce that indicates a gigantic change in online media adoption for establishing interactions with consumers to stimulate product purchasing.

Furthermore, Kim & Park (2013) define “social commerce” as a type of online business that merges E-Commerce with social media for presenting products, which is a new marketing concept at the present.

Similarly, Noh (2013) perceives social commerce as the establishment of a new form of online networking communities for inducing users’ interaction and sharing information so consumers can participate actively in buying products or using services through online community markets.

In summary, social commerce means the selling of products and services in the form of E-Commerce via social media on the 2.0 websites, i.e., Facebook, Twitter, LinkedIn, etc., for facilitating social interactions and user-generated content for product and service trading on social media.

2.4.2 The Growth of Social Commerce

The growth and development of the 2.0 websites enable to connect people to interact via the internet increasingly, especially on social media, which later transformed into social Commerce (S-Commerce). The trends of social commerce by creating platforms where people can interact and generate their online content are widespread. Such growth can be considered as the creation of a new form of business that can be developed and operated in an environment in which new user-generated content is created on the internet constantly. (Haji, 2012)

Social commerce has been growing rapidly since 2011 up to the present. Its main principle is “to connect communication between customers and sellers on a network.” The growth of social networks results in the rapid growth of social commerce as well. As a part of E-Commerce via social media, the interaction between sellers and buyers becomes more intimate and consumers’ word-of-mouth can still stimulate advertising from customers directly, which helps to reduce advertising costs. Besides, it makes communication to the target consumers more precise. Especially, due to modern technologies whose systems are connected to the internet that enhance rapidity and enable consumers to use them at all times and all places, including being

able to inquire about information about products and services on the internet more easily and widely. Furthermore, word-of-mouth of old customers in online communities can assure new consumers about products and services. Additionally, consumers can conduct financial transactions and contact sellers about their delivery via social media easily. Social commerce thus becomes a channel that provides opportunities for consumers to use services, and check the history of competing shops or sellers, while sellers can validate customers' behaviors for proper business services responding to customers' needs. Accordingly, all aforementioned reasons drive social commerce towards success increasingly. (Pantavanij, 2012)

2.4.3 Types of Social Commerce

At present, social commerce or S-Commerce is coined as "social media for shopping," with a variety of trading forms. Generally, it is classified into 7 types as follows: (Chonnikarn Sutthayakoren and Nussavee Pinijinam, 2013; Indvik, 2013)

1) Online Marketplaces and Auction Sites. It is a community market on general websites on which both parties can participate directly in trading, i.e., Amazon, Etsy, Getaround, etc.

2) Social Network Shops and Shopping Apps. It is a kind of online commerce through a platform of social media, i.e., Facebook, Twitter, Tumblr, Pinterest, Instagram, etc.

3) Daily Deals and Group Buying. It is a form of selling or offering products and services with decreased prices, i.e., LivingSocial, Groupon, Scoutmob, Google Offers, etc.

4) User Review Sites. It is a website for gathering buyers' comments on a shop's service, which can support sales of products, through sharing such comments via the website to others, i.e., Amazon, Yelp, justbought.it, etc.

5) User-curated Pick Lists. It is a website created for sharing information about a shop's service generated by the shop owner, i.e., Fancy, Lyst, Styloko, etc.

6) Crowdfunding/Crowdsourcing. It is a platform where consumers are a part of an operation through their participation and collaboration in scoring, co-

investment, and designing products, i.e., Threadless, ModCloth, Indiegogo, Kickstarter, etc.

7) Social shopping. It is a website on which conversation, consultation, advice, and opinion exchange are shared toward products and services, i.e., Listia, Fashism, Motilo, Fab, etc.

2.4.4 The Concept of 6C's of Social Commerce

Social Commerce is a part of E-Commerce involving the use of social media for creating interaction and participation of users in product and service trading through the strategy of 6C's of Social Commerce (Chonnikarn Sutthayakoren and Nussavee Pinijiam, 2013; Uraphen Yimprasert, 2011; Kungphoo, 2013, Van West Media, 2013), as follows:

1) Content. It is fundamental for any business for drawing customers' or the target buyers' participation in disseminating the values of products or services on social media. Thus, the created content is to persuade customers and establish trust so that they will pay attention to the products or services that help to facilitate their purchase decisions. Besides, it determines consumers' perspectives toward online shops.

2) Community. It is the establishment of relationships with people on social media to form a community in which consumers can participate with online shops in expressing their opinions and transmitting information and suggestion in a sphere where everybody can have interactions with one another. It boosts sustainable relationships for interpersonal interactions while augmenting the popularity of a shop and adding value to products

3) Commerce. It is a form of social commerce with capabilities in responding to customers' needs, i.e., online transactions, data storage, product procurement for customers, etc. It is an interaction between businesses to consumers (B2C) that enhances customers' easy use, which results in higher sales and success of online shops.

4) Context. It is the integration between online and real-world through online communication via consumers' mobile phones, which are major tools for connecting these two worlds, and is a crucial component that helps online shops to be

able to follow up on their consumers' behavior on social media, i.e., places of their check-in, product payment, etc. Therefore, it increases benefits for business greatly.

5) Connection. It is the establishment of online networking in creating relationships between consumers and sellers via social media, i.e., Facebook, Twitter, Instagram, etc. Moreover, it makes a shop look more professional from its ability to answer questions and regular follow-ups. Most of all, it enables consumers to perceive a shop's attentiveness and as a result, the shop can be trusted and receive consumers' loyalty, which is a very essential foundation for social commerce.

6) Conversation. The conversation is important for marketing. Mostly, the online conversation can respond to consumers' needs, i.e., to converse about what they need or what they like, etc. Accordingly, a shop can know what it can do to increase the effectiveness of its service to respond to such needs, including being able to insert a product's story or information during the conversation, which helps to stimulate their decision-making. Especially, it makes customers feel that the shop listens to them and can bring about the shop's success.

2.4.5 Benefits of Social Commerce

1) Social commerce is a channel for advertising products and services so a large number of people in each community can perceive and pay attention to the advertised products and services. Furthermore, sellers or merchandisers can measure the popularity of their shops or products, or services from a statistical tool of each kind of social media.

2) It can increase the effectiveness through the use of SEO (Search Engine Optimization) since a link of social media with the main website of a shop can increase consumers' searching channel through SEO more conveniently.

3) Sellers or merchandisers can deliver their message to customers and create bonds for increased interactions.

4) It enhances a shop's relationship with customers and knows more about customers' needs, including the advantages and disadvantages of their products or services for improvement. Besides, due to its closeness to customers, it leads to consumers' brand loyalty.

5) The expenses are less compared with other types of marketing.

In this study, sales and marketing communication of beauty products via social commerce is thus highlighted as it is the main distribution channel of the samples in the study. Besides, the concepts are used to construct questions for interviews and guidelines for analyzing marketing communication and a business model of beauty entrepreneurship nowadays.

2.5 The Concept of Digital Integrated Marketing Communication (IMC)

The main focus of the concept and theory of Digital Integrated Marketing Communication (DIMC) is to promote and increase marketing effectiveness. However, in practice, several problems may be faced caused by coordination with several sectors. On the other hand, if it can be implemented, it will be a significant tool for supporting marketing and initiating sales and business grow continuously. Accordingly, a lot of companies and entrepreneurs pay attention to this concept and its management process, which must be specified in the marketing mix. Moreover, the main concept of IMC is to develop new approaches or methods for strategic planning and management methods in every function of marketing. For advertising representatives, external personnel or outsiders are hired to create integrated strategies. Despite several steps of difficulties, IMC can yield tremendous benefits as well. As a result, IMC has been widely accepted by marketers and marketing professionals.

From the aforementioned, seemingly IMC starts with customers, not the product. In other words, it starts from communication with consumers or service users and then leads to the product. Therefore, it is essential to study methods or channels used for communication with consumers or service users to know the benefits or ultimate goals they will receive to increase the utmost effectiveness. Typically, it starts with the study of consumers' or service users' feelings or insight, what is valued, and a product's properties that can respond to their needs. This helps to determine the structure of appropriate information for the target customers. Therefore, it can say that IMC is the concept and process of integrating tools toward maximally effective communication with consumers. It also helps to design and plan communication tools that match with the target consumers and are appropriate in

terms of timing and situation at a certain time. Remarkably, it may also stimulate customers to search for more information about the product.

Until the digital era, which started with the Digital 1.0 era or the beginning of the internet, people's activities and ways of living have changed from offline to online tremendously, i.e., E-mail instead by post or courier. Then, it came to the origin of the website, or the Digital 2.0 era, the social media age following Digital 1.0, in which consumers started to create a network for online communication or through a social network. Technologies have advanced so rapidly and it comes to the age of Digital 3.0 or the era of information and big data. People can send and receive millions of information units for use. The growth of social media and E-Commerce since the Digital 2.0 era has enlarged the size of data gigantically on every platform, i.e., social media, web browsers, or in all kinds of business, i.e., banking, logistics, insurance, retail, etc., which work with enormous data every day. It is said, "who owns more information will have more power." At the present, it can be called Digital 4.0, when technologies have their brain and artificial intelligence has been so much advanced that it can communicate and operate automatically by itself. Therefore, technologies of the first three eras are comparable to human arms and legs, which facilitate human beings to pick, hold, calculate, or process information, without a brain. On the contrary, in the 4.0 era, the advancement of technologies degrades human beings, while increasing human potential to think beyond limits and develop innovation. Thus, this era is called "the Machine-to-Machine era." Accordingly, the world has changed enormously so everything has been affected and needs to adapt itself. Likewise, IMC was also adapted to the concept of DIMC or Digital Integrated Marketing Communication.

2.5.1 The Significance of Digital Media and Digital Marketing

Digital media has played a significant role and becomes a part of human daily life. Consumers turn to pay attention to digital information systems and devices increasingly. However, such information needed to be delivered to consumers requires communication through digital media; thus, social media plays a great role in human ways of living nowadays and is also one of the predominant tools for communication. (Hootsuite, 2018)

2.5.2 Features of Digital Media and Marketing

Communication technological advancement facilitates accessibility to information rapidly. Digital communication is one-to-one communication, while digital tools can store and record information of the target groups, consumers, or customers in the database systems. Such information is very vital for analyzing marketing communication strategies. Generally, digital media that are popular channels for reaching consumers are diverse. Deb Henretta, CEO of P&G Group in Asia, states that digital media is changing the whole world completely and also the foundation of business operation due to its five main features: (Henretta, as cited in Uraipor Cholsirirungsak, 2011)

1) Connections. Digital media connects the whole world and brings about globalization that changes ways of communication and working exceedingly and induces across border and time communication. Distance is no longer a barrier for any operation as people can have a video conference, or use a digital tool for supporting their sales, customers' purchase of the order, inventory management, and increased effectiveness of sales promotion systems. Moreover, digital channels are very influential in modifying operational and investment systems.

2) Conversations. The interaction between a brand and its target consumers has changed vastly in the digital era, as it was transformed from one-way communication from producers to consumers to interactive communication with immediate and continuous feedback. Furthermore, the internet becomes a research tool with the largest size of a focus group. Online research can be conducted on a website or social network to increase the learning and understanding of consumers. Besides, the obtained information can be extended to an upper level as well.

3) Co-Creation. Digital channels generate marketing content in the form of co-creation. It is a kind of innovation and new-concept creation, occurring from collaborative working between an external organization or agency and a company, i.e., educational institutions, scientists, entrepreneurs, etc. Such co-creation marketing tries to transform the content from the old or traditional marketing form. Namely, it creates a new kind of content or user-generated content, or consumers are allowed to express their opinions or present the products through digital platforms.

4) Commerce. Up to the present, the form of commerce has been E-Commerce increasingly. The pioneer entrepreneurs playing a role in creating the popularity of online shops are AppStore, iTunes, Amazon.com, and Rakuten. Consequently, most leading brands turn to make use of E-Commerce, i.e., Walmart.com, Drugstore.com, etc.

5) Community. The new meaning of “a community” has been changed due to the influence of social networks. Nowadays, sustainability and social responsibility can be connected to a brand or an organization via social media effectively.

All these five features: Connection, conversation, co-creation, commerce, and community, enhance the creation of marketing communication technologies to be more successful. In parallel, the study on consumers’ needs can increase the effectiveness of marketing promotion too.

2.5.3 Definitions of Integrated Marketing Communication (IMC)

Scholars define the term “integrated marketing communication” (IMC) widely, as follows:

Armstrong and Kotler (2007) define “IMC” as the conceptualization of the use of integrated communication channels for collaboratively transmitting clear messages or information to achieve common goals. Such information can be related to organizations or products.

Kotler and Keller (2006) define IMC as marketing communication planning for communicating to consumers both directly and indirectly to make them understand products or brands and to establish relationships with consumers as well. Typically, IMC channels are advertising, sales promotion, public relations, etc., which are recommended to be used integrally to ensure clear and harmonious communication with the greatest impact on consumers.

Sirivan Serirat, Prin Laksitanon and Suporn Sererat (2009) state that it is the arrangement of marketing communication that aims to create added value through communication tools, i.e., advertising, personal selling, sales promotion, public relations, direct response, etc., by considering the congruency among these tools towards the maximal communication impact.

Chuenchit Changchenkit (2008) explains that IMC is steps of applying a variety of marketing communication tools that suits consumers' behaviors continuously so that the target consumers can perceive the more added value of a company's product than other companies' products in the market.

In short, integrated marketing communication means the conceptualization of integrating a variety of communication tools and components for developing strategic plans so that information can be transmitted by these integrated tools to consumers or receivers clearly and rapidly, and suitable for consumers' behaviors. It can also persuade or stimulate consumers to change their goals or behaviors following such persuasion through the use of several kinds of media, i.e. advertising, personal selling, sales promotion, public relations, and direct marketing to increase marketing effectiveness. Thus, the main goal is to provide information about products or services to the target consumers and stimulate them towards purchase or service decisions as planned.

2.5.4 Channels of Digital Integrated Marketing Communication

Digital integrated marketing communication (DIMC) is extended from the study of integrated marketing communication (IMC), which consists of five main channels:

- 1) Digital Advertising means any communication using an internet network to promote and disseminate information about products or services or ideas to consumers towards the target consumers by displaying online searches, social media, or websites for persuading consumers to have needs products or services through the use of technologies and electronic devices. Nowadays, advertising through digital channels is called "digital advertising," such as websites, E-mail, social media, i.e., Facebook, Instagram, etc., including media publicizing through YouTube or mobile applications. Digital advertising is popular as it requires a relatively lower cost but can reach the target consumers broadly.

- 2) Digital Personal Selling. Chewan Charoensook (2014) explains that personal selling is a selling method through dyadic or interpersonal communication. It distinguishes itself from other forms of communication in the way that information will be transmitted from a person (or a group of persons) to a

receiver directly to make him/her decision to buy products or use services. Personal selling may be conducted in several ways, i.e., a promotion campaign for sales promotion (such as special discounts, gifts, or co-distribution) to attract customers. Besides, a seller's personality is presented to customers in parallel to the presentation of products or services. The main task of a seller is to follow selling steps, which may differ depending on the types of products or services, marketing strategies, marketing policies, market, and other related situations. For instance, some sellers may perform as service providers, but in some situations, he/she may be responsible for finance, inventory management, motivation creation, etc. Thus, the main goal is bettered selling performance. However, good selling performance does not come from motivation only, but from the seller's capabilities and responsibility in his/her roles and functions.

Normally, personal selling is an effective marketing communication method. Sometimes, personal selling is necessary when customers need to try a new product, for increasing sales volume, and for making customers perceive the company or corporate brand. Thus, personal selling is a two-way communication process in which both sellers and customers expect mutual and immediate responses. Personal selling is a selling strategy used by a seller or merchandiser to persuade consumers to buy a product or service. However, due to technological advancement, now personal selling can be conducted via digital media or electronic devices, i.e., social media, mobile phone, internet, etc. Thus, digital marketing is a low-cost communication channel, especially through social networks, and brand owners can be assured that their product images and texts will be transmitted directly to the target consumers. If digital advertising is operated in parallel to advertising on mass media, such as television, radio, magazine, etc., product or brand owners can be confident of their customers' seamless experience via a diversity of communication or media. Nowadays, Facebook and other social media tend to be channels chosen by brand owners in conversing with their consumers for correspondence, service provision, or feedback transmission to respond to customers' needs or resolve their anxiety instantly and promptly. In brief, the genuine objective of digital marketing communication is to use personal selling for interacting with customers via a variety

of digital media with lower costs, compared with other communication channels. Rapid services and responses are also obtained.

3) Digital Sale Promotion. Digital sale promotion is defined as follows:

Peter & Olson (2008) define it as information developed by marketers to convey a product's meaning and to attract consumers to buy such a product.

Etzel, Walker, & Stanton (2007) defines it as a part of a marketing mix for stimulating or recalling organizational marketing or presenting products towards customers' good feelings or impressions, beliefs, and behaviors.

The goals of sales promotion are:

- (1) To attract new customers to buy a company's product
- (2) To maintain old customers.
- (3) To promote current customers to buy products in a big quantity and immediately
- (4) To increase the frequencies of a product purchase
- (5) To make customers feel upgraded.
- (6) To reinforce advertising appeals for a product brand to know more about a product and attract more customers.

Digital Sale Promotion is based on the traditional sale promotion, i.e., free trial, gifts, etc., but such promotion is communicated through digital media. Some examples of digital sales promotion are a demonstration of a free trial for a subscription via online systems, a product or service review through social media, notification of promotions via emails, distribution of discount coupons via websites, competitive sharing via social media for special prizes, accumulated sales of online purchase, etc.

4) Digital Publicity and Public Relations. It is one of the marketing communications that is important for an organization, besides advertising, personal selling, and sales promotion. However, the organization should be one of the connected social systems as it cannot stand in a society without understanding and acceptance of people in society. Hence, it is crucial for an organization to give importance to understanding and creating good relationships with communities via media to yield a good attitude, perspective, or feeling toward the organization, which

results in smooth operations in a long term. Arens (2002) defines digital publicity and public relations as the provision of news about products, services, product brands, or companies through broadcasting or printed media.

Digital publicity and public relations are thus the establishments of relationships with public communities. It is positive public relations to build a good image or create a positive attitude towards a company in the long run through the use of technologies or electronic systems or media, or online tools and social media. From the digital growth, the internet and smartphones have been developed as a channel or network with a rapidly increased rate of users, compared with other media. Besides, they are very effective in creating a social network, which plays a great role in making consumers perceive information for stimulating their purchase behaviors and participate in sharing their opinions. On the other hand, the forms of public relations have been modified to focus more on the content than before. Generally, public relations content or information is often inserted in articles, dialogues, or reports increasingly. Since consumers' information exposure behaviors changes, communication thus emphasizes direct communication with receivers or consumers.

Public Relations in Online Community. Almost every website tries to create its online community, i.e., chat rooms, web boards, or social networks. Typically, these communities have some common interests. Accordingly, transmitting relevant information to any community can be good for public relations. Digital publicity and public relations are classified as follows: (Settapong Malisuwan (2010)

(1) Public relations via blogs. Normally, it contains texts, images, videos, and links. It differs from public relations on the websites in the way that blogs will allow others to read information and give comments to respond to the transmitted texts written by a blogger so the blogger can give immediate responses.

(2) Public relations of data/knowledge websites, which are the websites for collecting general knowledge or information on any issue, either academic (i.e., geography, history, etc.) or product/service. The focus is to increase visitors' knowledge of certain issues or areas since most writers are scholars, teachers, professionals, or specialists.

(3) Community public relations. It is a website for finding new friends or communicating with long-time friends by creating a profile or details about

a person with his/her photo for identifying his/her identity to let friends in the same network know more about himself/herself. It is another channel for narrating or exchanging one's experiences, i.e., Facebook, Instagram, etc.

(4) Media public relations means a website for storing or sharing multimedia files, i.e., video clips, films, songs, etc., similar to photo storage sites. However, this website emphasizes only multimedia files and the most popular website is YouTube. However, public relations via YouTube that can call attention should base on the principle of viral marketing, which is the key to using this public relations tool. To have someone like a clip video and share it with others is what public relations practitioners desire. More importance is given to the presentation of creative and innovative videos via YouTube that resonates with customers' needs. They can be memorable without a huge investment, but with attractive and suitable content for the target groups and they will pass on their word-of-mouth widely.

5) Digital Direct Marketing. Direct Marketing Association defines "direct marketing" as a reactive marketing system, using one or more media to react to customers' needs that can be measurable. It is also a business contact or an interactive marketing system through some kinds of media for measurable responses or sales. (Kotler, 2003). Furthermore, it is direct communication to the target consumers to get some immediate responses. From the above definitions, direct marketing contains the following attributes:

- (1) Yielding immediate direct impact on the target consumers.
- (2) Yielding measurable responses, analyzed by consumers' feedback
- (3) The main purpose of establishing long-term and continual relationships with the target customers.
- (4) The ability to monitor the quality of information.
- (5) Flexibility and all information can be corrected conveniently
- (6) Inclusive coverage of the target groups.
- (7) Accessibility to the target groups specifically through database marketing.
- (8) Higher effectiveness in communication than other advertising media.

At present, direct marketing is a sales promotion tool or marketing communication to induce direct responses, which excludes personal selling in the context of door-to-door selling. Direct marketing is an advertising and public relations for communicating with the target consumers towards direct responses. It can also be defined as methods used by marketers for promoting products directly to customers to get immediate responses, based on a database of consumer information and direct communication via media, i.e., advertising media, catalogs, brochures, etc. Advertising enables direct responses through the transmission of information to consumers, readers, viewers, or listeners, who can also send direct feedback to a sender via direct mails, or other media, such as television, radio, magazines, billboards, etc., in the form of both direct marketing or direct advertising. Furthermore, it is marketing via computerized networking systems or the internet to promote, publicize, or sell products or services. The major tools are telephone selling, direct mails, catalogs, selling on TV, radio, or newspaper, E-mails, etc. All of these media are for persuading customers to engage in responsive activities towards products and services.

2.5.5 Success of Digital Marketing

Marketing communication in the digital era is popular because of its convenient use and accessibility to a large group of people or targeting consumers with lower expenses than other forms of communication. Digital marketing has five key principles:

- 1) Information management planning. The advantage of digital marketing is the measurability of the number of people clicking to view a website or the number of subscribers participating in an activity, which consumes big data. Therefore, marketers have to plan how to manage their existing information and classify which is the genuinely needed information so that they can store useful information correctly.

- 2) No compulsive buyers. Internet users have several alternatives, and they do not have to wait for a long time. If a website takes too much time to appear or contains no needed information, consumers may decide to exit rapidly. Accordingly, advertising and creativity must be inserted into the website's content smoothly.

3) Ease and rapidity. As there are plenty of websites on the internet, advertising on the internet should provide only specific details needed by consumers without too much elaboration or extravagance. Even on a banner, it should lead consumers to the right website page that is needed by consumers the most without too many unnecessary clicks

4) Regular brand image monitoring. It is impossible to prohibit any website to stop talking about the organizational brand. On the contrary, what is more, important is to know what social media is talking about the brand. If the feedback is negative, it is essential to know how to solve a problem or how to improve products or services, which requires understanding how to control negative chats about the brand.

5) The use of the internet for resolving weak points of other media. Digital media can be used for supplementing other media, i.e., the uploading of an original or a full advertising film that is never broadcasted on television to present on the website to supplement the weak point of television that viewers cannot rewind to view such advertising again. Besides, advertising on television is very costly too. Moreover, digital media can resolve the disadvantage of organizing an event in which only a limited number of visitors can attend by live streaming to spread news or knowledge to people who cannot attend the event. Still, the disadvantage of digital media is its inaccessibility to masses of people like mass media, such as television, nor can it create a real experience like an event. Therefore, the use of digital media requires integrated media to acquire the most effective marketing communication. (Marketer, 2550)

2.5.6 The Evolution of Marketing 5.0

Nowadays, we are in the era of Marketing 5.0 in which businesses must face rapid and severe changes in terms of social structure, people's values, geopolitical conflicts, and exponential growth of modern technologies. Marketing strategies thus need to be adapted to catch up with such changes continuously as well. Kotler, Kartajaya, and Setiawan (2021) state that Marketing 5.0 is a marketing strategy in the digital era where marketers can make use of advanced marketing technologies or Martech for creating, communicating, delivering, and adding value to customers at all

steps of a customer journey so that consumers can gain extraordinary experiences in parallel to the enrichment of spiritual values as human beings (Panasm's Blog, 2021). Before Marketing 5.0, four earlier periods changed by time, as follows:

Marketing 1.0: Product-centric marketing in the industrial era emphasizes the development of "product properties" to get the highest value over the competitors and all consumers will receive the same products.

Marketing 2.0: Customer-centric marketing gives importance to the "needs of each group of customers" mainly, and the main marketing principles are segmentation, targeting, and positioning to respond to specific groups of customers' utmost needs of brands around the world.

Marketing 3.0: Human-centric or marketing for lifting "spirit" and human value, by giving prior importance to a brand that can create a positive influence on ethics, society, and the environment increasingly.

Marketing 4.0: Traditional to digital media or marketing in the technological era, such as mobile phones, the internet, social media, E-Commerce, etc., changes consumers' behaviors all through their decision-making process and leads to the "omnichannel" marketing strategy that combines traditional and digital world.

On the other hand, advanced technologies nowadays, i.e., artificial intelligence (AI), Internet of Things (IoT), natural language processing (NLP), virtual reality (VR), etc. have drastically increased capacity, in combination with leaping social structural problems, generation gap, status inequality, and abrupt changes caused by digital technologies, which keep affecting business operations patterns around the world continuously; thus, marketing strategies applying the use of advanced technology were invented to solve problems.

Marketing 5.0 Technology for humanity is thus the marketing strategy that integrates the essence of humanity from the concept of Marketing 3.0 with the application of technology in the marketing process of Marketing 4.0. Therefore, Kotler defines Marketing 5.0 as "the adoption of technology that can imitate human beings for creating, communicating, transmitting, and reinforcing values of customers' experience in every process."

2.5.6.1 Organizations in the Digital Era

The pandemic of COVID-19 is a major factor that arouses business organizations throughout the world to be aware of organizational reformation by digital technologies as it is unavoidable and cannot wait any longer. Organizations that can operate their business sustainably, at least in the next ten years in which most consumers will know digital technologies very well and have higher expectations towards brands, need to adapt and prepare themselves in advance while increasing their digital capabilities as urgently as possible. (Panasm's Blog, 2021). Typically, there are three strategies for transforming to be a complete digital organization:

Strategy 1: Migrate Customers to Digital Channels. Moving customers from offline into digital channels needs several methods of marketing promotion for motivating customers. First of all, organizations or companies have to give importance to the ability to present superior online channels, while being able to maintain the predominant properties of offline channels in human relationships.

Strategy 2: Build Digital Capabilities. The development of organizational capabilities can be done through the creation of an operational system and digital infrastructure for carrying a gigantic amount of information; the use of artificial intelligence (AI) to replace human functions; and the application of digital technologies for developing a service process at every touch point for creating a seamless experience from every channel. Accordingly, organizations have to adapt themselves by applying technologies for use, recruiting manpower with digital competence, and adhering to the principles of agile working.

Strategy 3: Strengthen Digital Leadership. Enhancing digital leadership can be done through the application of advanced technologies towards utmost values and the presentation of customers' experience in a new form via such technologies.

Notably, each organization in each industry has a different level of readiness; therefore, organizational reform towards the digital era must start with an understanding of their readiness and depict strategies suitable for them to be used in their context.

2.5.6.2 Technologies for Marketing in the Digital Era

In operating a business in the digital era, organizations need to set up their Marketing 5.0 strategy in which advanced technologies with the ability to imitate

human beings are applied throughout the process. (Panasm's Blog, 2021). Nowadays, there are seven kinds of technologies that can mimic human intelligence or so-called "the Next Tech," as follows:

1) Artificial Intelligence (AI). It is technologies that can imitate the "cognitive capabilities" of human beings, which helps to increase a highly rapid and accurate automatic decision-making process.

2) Natural Language Processing (NLP). It is technologies that imitate the "communication competency" of human beings, based on artificial intelligence, that can understand spoken and written language, including responding with natural languages, such as Chatbot, which helps to answer questions automatically or Voice Command Device (VCD), i.e., Amazon Alex, Siri, etc.

3) Sensor Technology. It is technologies that imitate the "human sensory system" by connecting reality with digital systems, i.e., facial recognition systems, Pyroelectric sensors for *detecting* dramatic temperature changes or customers' movement in a convenience store (i.e., Amazon Go), car sensors, etc.

4) Robotics. It is technologies that imitate "human movement" but with increased effectiveness and accuracy. Robotics are replacing many monotonous or repetitious regular work to let human beings have more time for other works that require more sensitivity and creativity.

5) Mixed Reality (MR). It is technologies that imitate "human imagination," i.e., Augmented Reality (AR), which helps to enhance digital content in the real world, or Virtual Reality (VR), which takes users into a virtual world.

6) Internet of Things (IoT). It is technologies that imitate "connectivity" among human beings by using digital devices for a complete connection to create seamless automatic systems and seamless experiences.

7) Blockchain. It is technologies that imitate "connectivity" among human beings with decentralized networking systems or direct connections from peer-to-peer directly without any center. It is highly safe and can be verified.

2.5.6.3 Experiential Delivery in the Digital Era

In the period where products and services have to compete in creating their distinction, impressive and outstanding customer experience (CX) at every touch

point between customers and a brand is very essential in establishing a strong customer base and sustainable business growth.

The principle of “5A’s Customer Path” or the path of the relationship between customers and a brand in the digital era consists of 5 major processes, as follows:

Aware: Perception of a brand via various channels, including word-of-mouth, both online and offline.

Appeal: Attention of a brand after the perception of a product’s properties and marketing statements.

Ask Inquiry about brand information from users in social media or search engines to fulfill interest.

Act: Purchase decision and usage of a product or service all through its lifespan.

Advocate: Word-of-mouth of brand values due to impression after usage.

Branding in the age of Marketing 5.0 needs to give importance to the use of “the Next Technologies” for creating a superior experience all through the customer path by highlighting predominant properties of such technologies, i.e., rapidity in information processing, all-24-hour automatic working, accuracy, and capabilities in big data analysis, etc. On the other hand, a brand needs to maintain “humanity” aspects, such as understanding, flexibility, creativity, and innovation, which are important components of customer experience for maintaining its customers and enhancing effectiveness via human-machine collaboration. Normally, the main uses are classified into seven groups:

Advertising. AI can increase advertising effectiveness in the online world enormously from its ability to analyze a great deal of customers’ data for screening advertisements whose content matches the needs of each group of consumers the most and is presented in the most appropriate channel and time.

Content marketing. Similarly, AI can screen content that can respond to each group’s needs effectively and helps a brand to create personalized content automatically based on each customer’s behaviors. For instance, Netflix can recommend series preferred by each user especially.

Direct marketing. AI can also be useful for selecting proper statements and promotions for direct marketing to customers via direct channels, such as emails or messages, which are an important base for E-Commerce.

Sales customer relationship management. During the step of screening for potential customers or lead generation, the sales department can apply the chatbot technology for communicating with general customers and use AI for screening potential customers before passing them to salespersons to tighten the relationship with those customers

Distribution channels. Robotics, NLP, IoT, and sensor technologies play an important part in creating automatic experiences through product distribution channels, i.e., self-service cashiers, delivery of products by drones, etc. Besides, VR and AR technologies also provide augmented experiences of product purchase.

Product and service. Robotics and AI allow customers to design products they need, namely they enhance customization and are important parts in presenting a sales model in a new form, i.e., dynamic pricing, which fluctuates by surrounding factors, or subscription service sales.

Service customer relationship management. Similar to a sales function, CRM uses chatbot technology for automatic after-sales service whereas AI can arrange information for making the service section have more understanding of customers under service, including indicating customers who might terminate a company's services.

2.5.6.4 Marketing Mobilized by Information

The top element as the foundation of Marketing 5.0 is “information,” a principal data-driven agent via the use of AI for processing big data to maximize the effectiveness of decision-making on each objective, i.e., recommendation of a product that each customer has a chance to buy the most, proper pricing for customers' needs at a certain time, the selection of potential customers with top purchase, etc.

One of the most important parts of data-driven marketing is the “segment of one” or the classification or categorization of each customer. Earlier, customers were often classified into 4 main groups based on each criterion, namely geographic (classification of customers by their living areas), demographic (classification by customers' attributes, i.e., sex, age, occupation, income, family

status, etc.), psychographics (classification by customers' interest and motivation), and behavioral (classification of customers' behaviors). Nowadays, the classification of customers is conducted by customers' increasing footprint or information they leave in the online world through several channels, i.e., direct touch points with a brand, social networks, websites, and IoT devices, in combination with AI's capability in processing big data so simultaneously and rapidly that a business can have and understand each customer in details exceedingly. Thus, it can apply such information for an analysis to create the best customer experience all through each customer's path. Moreover, the automatic grouping of customers by AI enables a business to follow and update all customers' real-time statuses in a certain context at each time.

Mainly, the most effective data-driven marketing will have the following three steps:

- 1) Define clear data-driven marketing objectives.
- 2) Identify data requirements and availability so that teams can design a proper structure for data storage.
- 3) Build an integrated data ecosystem. It is the establishment of a center for storing and processing all information together for use as a platform for conducting a marketing project.

Nevertheless, despite the ability of AI in data analysis, it requires human beings to determine a goal, interpret outcomes or output from data processing, and use such insight for extended operations towards utmost benefits since AI systems can still work automatically only.

2.5.6.5 Foresight of Marketing Needs

The next important element of the Marketing 5.0 strategy, besides data-driven marketing, is the use of big data for foresight or for predicting marketing strategies in the future, which can comprise the following three approaches:

- 1) Predictive customer management. It is the prediction of each customer's lifetime value on a business from analyzing information of customers with similar characteristics or profiles, i.e., anticipation based on how much they purchase products for prioritizing customers, which can also recommend "the next best action" or approaches for building the best relationship with those customers.

2) Predictive product management. It is a foresight of a new product's potential based on records, for increasing the effectiveness of a new product development process. Moreover, it can predict products each customer has a chance to buy the most by analyzing purchases of customers with some similarities for recommending such products to customers too.

3) Predictive brand management. It is a prediction of a marketing campaign's effectiveness from past performance to help marketers to search for a campaign that can attract customers of each group the most. On the other hand, AI will help to suggest the most appropriate statement and channel for each group of customers.

2.5.6.6 Contextual Marketing

The third element of the Marketing 5.0 strategy is the concept of personalization marketing based on a customer's "context," i.e., demographic characteristics, location, mood, special occasions, timing, and external climate condition, for presenting products, services, or campaigns that can respond to customers' needs at each moment the most.

Previously, contextual marketing in the offline world needs highly experienced marketers or salespersons to make a company understand each customer's needs thoroughly for presenting products that touch a chord with customers at each time the most. Nowadays, the advancement of AI, IoT, and sensor technologies that are interconnected completely can create personalization experiences that connect with the insight from the digital world with touch points in the seamless offline world automatically almost without relying on human beings at all.

Contextual marketing combines the online and offline worlds to be an omnichannel for presenting value that suits customers' context the most. Generally, there are three major methods:

1) Using proximity sensors for contextual response at the point of sale. Sensor technologies are used for detecting customers' applications or wearable gadgets within the scope of the sales to draw customers' information to feed into AI systems for processing and presenting products, promotions, or marketing statements that are appropriate for each customer the most.

2) Utilizing biometrics to trigger personalized actions. Sensor technologies are used for detecting customers' biological information, i.e., sex, age, face, and emotional display through facial expression and tone of voice for presenting marketing products and statements that correspond to customers' emotions and behaviors at a certain time, i.e., billboards of Ocean Outdoor having a sensor to catch customers' face while walking around for presenting advertising that is suitable for those customers' sex, age, and emotion.

3) Creating a direct channel to customer premises. IoT devices are placed in customers' houses or working places for presenting marketing advice or statements that respond to what customers need the most at that time the most, i.e., "Family Hub" refrigerators of Samsung have a touchscreen that users can order raw materials or food directly, or the use of AR or VR in creating customer experience at every place, such as IKEA's application that users can simulate the layout of furniture in their house realistically.

Besides, contextual marketing is divided into three levels based on customers' experience, as follows:

1) Personalized information. It is information provided to suit each customer's context the most, i.e., advertisements and recommendation products or services for a particular customer especially.

2) Customized interaction. It is the created experience that customers can react with a brand, which suits the context customers need the most. For example, Shopkick creates gamification that gives prizes to customers after they accomplish doing some missions, i.e., check-in the shops participating in the program, etc.

3) Total immersion. It is the creation of a seamless experience between online and offline worlds for customers. For instance, Ralph Lauren has a smart fitting room with digital glass for detecting clothes a customer tries in the room and displaying it on the screen to simulate what kind of colors or sizes of clothes fit the customer.

2.5.6.7 Human-technology Interaction

The fourth element of the Marketing 5.0 strategy is "augmented marketing" by applying marketing that increases technological capacity to increase

human capabilities in the line or industry in which man-man relationships can create superior value to only the usage of technology. Three main principles of augmented marketing are as follows:

1) Building tiered sales interfaces. The target customers are divided into groups based on each customer's potential for designing ways for coordinating with each group of customers. For instance, a chatbot connected with AI can be used for answering marketing questions or transmitting marketing statements to increase the level of relationship with customers automatically so that salespersons with high capital can spend most of their time contacting high-potential customers who desire to receive in-depth counseling and for closing sales successfully.

2) Building tiered customer service interfaces. Customer services are classified into levels based on their lifetime value to have staff provide service to customers with high value first by connecting AI with a big data source, while chatbots can answer general questions for customers at a lower level automatically.

3) Providing digital tools for front liners. It is the use of intelligence amplification or IA to increase frontliners' capabilities, i.e., salespersons, service staff, etc., by providing insight data and customers' former behaviors, including guidelines for taking care of each customer to increase service potential. Therefore, marketers have to understand these frontliners' pain in designing technologies to help accurately.

2.5.6.8 Agile Marketing

The fifth element of the Marketing 5.0 strategy, which is the important foundation that supports other elements, is agile marketing, required in a world in which consumers' needs change rapidly while the development cycle of products is much shorter than before since the previous marketing took too much time so it cannot respond to the present needs anymore. Accordingly, organizations have to lay a foundation for agile marketing with the following six features:

1) Build a real-time analytic capability. It is the creation of capabilities in real-time data storage and processing, such as data storage of conversational trends related to brands on social media via a social listening program, or the detection of sales or amount of usage all through the customer path for applying

such information for developing new products or solving current problems as fast as possible.

2) Establish decentralized teams. It is the building of several small-sized teams from a variety of departments, i.e., marketing, R & D, and IT, for conducting any program collaboratively. Such a team should have freedom of full decision-making for working agility as much as possible.

3) Develop a flexible production platform. It is the creation of platforms in developing modular products (namely, it is the separation of components into parts), which are agile for improving each element to shorten the time for developing new products the soonest. Several organizations choose to modify their product sales per time to subscription sales services for upgrading products to be more convenient.

4) Develop concurrent process. The design of a working process requires simultaneous operations so that teams can solve problems that are happening quickly. However, to make the process successful, teams must create understanding among members via a short meeting every day so all members' work will be short every day so that all members' products can be united.

5) Perform rapid experimentation. An experiment is tried continuously via Minimum Viable Products (MVP) or products with the least qualification for testing products or product components to meet the needs of the market. Agile teams have to test them continually for applying the gained insight to improve or pivot new products.

6) Embrace open innovation. It is the use of benefits gained from external organizations or society to help improve products more rapidly, including organizing an innovation contest for both internal and external personnel.

2.6 Information about Beauty Business

Before the pandemic of COVID-19, the beauty business earned 2.18 hundred thousand million baht in the market with a 6.7% growth rate per year. (Savitree Rinwong, 2022). However, the pandemic brought about abrupt changes, while “lockdown” and “work from home” measures, including the required wearing of face

masks, have affected consumers' cosmetic usage behaviors drastically and have decreased the use of beauty products, especially cosmetics, due to economic instability and decreased income in 2019. (Arpat Boonrod, 2022)

Kantar, the world's leading data, insights, and consulting company, revealed its research findings that the weekly use of cosmetics in all markets dropped distinctively, approximately 28% compared with the situation before the COVID-19 pandemic and 31% from 5 years ago. Especially, the use of lipsticks decreased by 40% compared with 2019 due to women's wearing of face masks and easier activities. Besides, the study indicated that higher numbers of consumers turned to decrease steps of product usage but with higher quality. Eminently, premium beauty products were used increasingly in parallel to women's increased preference for natural beauty products from 18% in 2017 to 24% in 2021, which helped to elevate the sales volume up to that before the pandemic. From analyzing cosmetic sales during 2019-2021 in many countries, it was found that cosmetic sales in the Philippines decreased by 79%, Malaysia by 59%, Thailand by 44%, the Republic of Korea by 37%, Japan by 31%, Vietnam 30%, England 19%, and People's Republic of China 9%.

Despite the COVID-19 spread that has affected all segments of economics around the world, the drug or medicine industry, medical devices, and supplement products are a few industries that have not been affected by the pandemic. Contrarily, it induced health-concern behaviors increasingly. From the survey of household economic and social conditions in 2021, it was found that more than 1.8 million households increased their purchase of supplementary food products for consumption exceedingly 149.3% from 2019, in which there were only 0.4 hundred thousand consumers of such products. The average expenses for supplements purchase were 1,036 baht per household in 2021. It reflects that consumers are concerned more about their health. Besides, people all over the world gave high importance to boosting immunity, especially during the COVID-19 pandemic, which accords with data on Thai society's condition during the second quarter of 2022, surveyed by the National Economic and Social Development Council (NESDC). It further found that Thai expenditure on supplementary food products or health care products has been still high continuously. (Thansettakij Digital, 2022) Remarkably, nowadays people still give importance to their image and physical appearance which results in a higher need

for such products. From the survey of Euromonitor, it was found that the market of supplementary food and vitamin products in Thailand in 2016 had a value of 53,810 million baht and was expected to augment to 74,247 million baht in 2021.

2.6.1 Beauty Business and the New Normal Situation with the COVID-19 Pandemic

Ines Caldeira, CEO of L'Oreal Thailand, Laos, Cambodia, and Myanmar, stated that in 2022, beauty markets would revive as people started to be able to live normally with the COVID-19 situation and turned to give importance to their beauty again. The beauty markets in Thailand were counted to be the second largest in the SAP MENA region, comprising Southeastern Asia, the Middle East, and Northern Africa. In 2021, beauty markets in Thailand earned a value of over 1.447 hundred thousand million baht. Skincare product groups had the largest market share of 57.5%, hair care 21%, make-up 15.5%, and perfume 6% respectively. (Marketeer Team, 2022)

After living with the COVID-19 situation for over two years, the beauty business tended to grow. From the world market data in 2021, perfume or fragrance products grew 5% from 2020, but decreased 11% in 2019, while facial skincare products increased 4% in 2021 after they decreased 4% in 2020 in APAC and Latin America markets, which recovered faster than European markets in 2021, compared with 2020.

In short, from the figures of the beauty industry in Thailand, and the overall beauty industry in 2021, it grew 5% with a gross market value of 1.447 hundred thousand million baht, divided into skincare products (57.5%), hair care (21%), makeup (15.5%), and fragrance (6%), with details as follows:

Skincare products in 2021 grew by 7.3% with the gross market value of 8.34 thousand million baht, divided into facial skincare (81%), skincare (12%), sunblock and sunscreen (6%), and lips care (1%).

In 2021, the gross market value of makeup products decreased by 2.26 hundred million baht, divided into facial cosmetics (57%), lips (25%), eyes (17%), and manicures (1%)

Hair products grew in 2021 by 5.6% with a gross market value of thirty thousand million baht, divided into hair care (74%), hair color (15%), hair styling (5%), and men's shaving products (6%).

Fragrance products in 2021 grew by 1% with a gross market value of 8.6 thousand million baht.

Regarding supplementary food products, it was found that despite the pandemic of COVID-19, drug, medicine, and medical devices business have grown increasingly. To the report of the Department of Business Development, Thailand, during the first eight months of 2021, there were 1,333 new business companies of such products registered at the Department, namely 407 more new business companies than the previous year, or an increase of 44%. Such figures accord with the pharmaceutical and medical supplies. On the other hand, at the end of August 2021, there were only 122 companies that terminated their business, or 6.9% of the total numbers of this business, while 11,964 companies registered as juristic persons, with 1,352 new companies or a 12.7% increase, with the registered value of 108,392.6 million baht or increased 3.6%. Remarkably, despite higher competition in the business, consumers' health-concern behaviors contrarily increased so hugely that they were sufficient for supporting the growing number of entrepreneurs in the field, in combination with easier access to pharmacy, medical products, and devices due to higher quantity of businesses and expanded branches. Accordingly, all of these factors help to drive the drug business to grow drastically more than many parties expected.

2.6.2 Beauty Product Consumption Behaviors after the Arrival of COVID-19

Nowadays, after the arrival of the COVID-19 pandemic, consumers have changed their cosmetic products purchase because of pleasure and experimental consumption because of their necessities. Therefore, entrepreneurs should develop products that are easy to use and respond to consumers' needs precisely to ensure business growth despite decreased opportunities for beauty product usage. Consumers are found to pay attention to buying beauty products because of the following reasons: (Arpat Boonrod, 2022)

Nowadays, consumers value holistic beauty increasingly and give more importance to health and internal wellness; thus, their decision-making process changes. From customer analysis at the global level, two major trends of beauty were found: simplification and sophistication. In each country, such trends are different. To illustrate this, in Europe simplification is the trend for personal health care products, whereas in the People's Republic of China and Brazil the beauty trend of sophistication is growing. Interestingly, comparing both trends with the market growth, the market of sophistication trend seems to have higher growth than the simplification one.

Besides, consumers also favor products made from natural components, which is a healthy consumption trend, while holistic consumption is the perception of beauty from a holistic view, focusing on sustainability and the conscience that beauty must come together with environmental concern, leading to consumers' Smart Consumption towards both personal and environmental benefits.

Another beauty trend is a search for a natural look or beauty. More than two-thirds of female consumers prefer having natural makeup and using fewer cosmetics. Accordingly, natural-look trends are found in several countries around the world. The most distinguished country is the People's Republic of China in which more than 90% of consumers stated that they like a natural look more than consumers in other countries. However, it is remarkable that a "natural look" from the Chinese perspective does not always mean less usage of cosmetics. From the survey, it was found that they preferred using plenty of cosmetics but seemingly using cosmetics less and looking as natural as possible. This trend grew from 2017-2021.

As aforementioned, the pandemic of COVID-19 induces people to pay more importance to their health, differently from before the pandemic when the need for supplementary food products was often related to an older age. From the study of the selection of health, supplementary food, and dietary supplement products, conducted by the Research Service Center of Durakij Pundit University, Thailand, the reasons for consuming those products were to boost their physical health and skincare, decrease skin problems, and lose weight. Most consumers were found to have the following purchasing behaviors: 70% of consumers made purchase decisions from the guaranteed symbol of the FDA (Food and Drug Administration), 40.5% from

products' components and properties that respond to their needs, and 33.7% from physicians' or pharmacists' recommendations.

2.7 Related Studies

2.7.1 Studies Related to Business Models

Kaewalee Kanchanda. (2021) studied “the Causal Model of Knowledge Management, Business Model Innovation, and Competitive Advantage of Entrepreneurs in Small and Medium Enterprises,” and found that the research findings can be applied theoretically and practically, as follows:

Theoretical Implication. The findings indicate knowledge management has a direct effect on business model innovation and competitive advantages of SME entrepreneurs. Besides, the study recommends that entrepreneurs should apply knowledge management related to knowledge acquisition activities, knowledge transformation, knowledge dissemination, and knowledge application to induce business model innovation towards value creation for their products and services. Such value then will be delivered to those involved in SME operations.

Managerial Implication. SME entrepreneurs should be aware of the importance of a knowledge management process, which is essential for entrepreneurs to apply in combination with the development of business model innovation towards value creation since the created value involves everyone in an organization and surrounding society, including SME business operations. Moreover, entrepreneurs should concern about the added value created by the development of products and services with higher quality than those of their competitors, the development of innovation or new products, including increasing special attributes for their products and services. Finally, entrepreneurs should realize the determination of an operational process aimed toward value creation and distribution to customers, employees, and all involved since knowledge management and innovative capabilities will lead to value creation for business and business competitiveness sustainably.

Sunee Butdee, Bundit Pungnirund, Nattapong Techarattanased (2018), studied “Achievement Evaluation Modeling for Non-Food Herbal OTOP Products. (non-food herbal OTOP Groups).” From the integral research conducted by a questionnaire with

600 samples throughout the country, based on the Business Model Canvas, comprising 9 components and operational success by measuring equilibrium achievement. The structural Equation Model was used with the LISREL program. The findings of the study are composed of two parts. The first part is the findings of the survey on factors affecting the success of the OTOP operations in non-food herbal products, which are found to be congruent with the empirical data. Besides, it was found that the factors that have an effect at a high level are key resource capital and key activities. Moreover, most OTOP groups were entrepreneurs who produced their products by using resources from local wisdom to create competitive advantages and by using their available machines, including raw materials that they could produce by themselves. Thus, economy and effectiveness in cost control are factors that have an effect at a high level on their operational success. The factors that yield an effect at a moderate up to high level are alliances and income, which mean herbal or non-food products rely on business partners and networks for mutual support. Income is also another factor with a high-level effect. The other factors with an effect at a moderate level are the value of products and services, customer groups, distribution channels, and customer relationships. Notably, since OTOP producers are small-sized groups with a rather low production capacity, the number and size of customers are not found to be factors with a high-level effect. Besides, regarding distribution channels, most customers knew producers and bought products by themselves, the establishment of customer relationships and the building of networks can help the market of OTOP's herbal products to be expanded.

Chuenjit Aungvaravong and Phaibun Yanakittkul (2017) studied "Business Model Analysis of Health-Supplement Product from the Organic Rice-Powder Drink." The study focuses on the development of health-food products, produced from grits or broken-milled rice and organic jasmine rice by-products. Besides, Business Model Canvas was applied as a conceptual research framework, conducted by mixed research methods, both qualitative and quantitative. Then, a business model for new products, comprising nine elements, was analyzed: 1) determination of the target groups or segments, 2) value proposition, 3) distribution channels, 4) key resources, 5) key activities, 6) key partnership, 7) customer relationships, 8) revenue streams, and 9) cost structure. The study found that ready-for-drink organic grits

products are interesting products for experimenting in the market due to their distinctiveness or raw materials used for production, namely grits and organic rice by-product, which is non-toxic or friendly to the environment and yields good health for consumers, including increasing agriculturists' income due to the higher price of rice after processing.

Ratchaneekorn Treesamutkul (2015) studied "Innovative Business Model for Herb Pain Relief Industry," and found that among 9 key components based on the concept of Business Model Canvas, only three main components are found to have the highest factor loading, namely 1) product, 2) marketing activities and customer relationship, and 3) distribution channels. Still, entrepreneurs in the industry come from both governmental offices and private entrepreneurs who have different operational potentials and operational styles; therefore, to apply such a business model for use, there are also different sub-components. From the study, the business model innovations can be applied to increase the competitive advantages of herbal pain-relief products. However, it is essential to select the model that is suitable for each organization the most to be able to increase competitive advantages more fully.

Teece (2010) studied "Business Models, Business Strategy, and Innovation," and found that every business had a business model, either planned or hidden in its operation. However, a business model that can create competitive advantages only when it is adapted to suit customers' needs, while the model is hard to be copied, or is not worth for competitors to copy, i.e., trade partners or alliances, special operational procedures, patents, and organizational structure that does not fit in the development of a business model, etc. Therefore, the design and operation of a business model need to analyze both internal and external factors, including the business environment. Furthermore, a lot of business models were found but most of them lacked thorough analysis, which made businesses have less insight. Besides, a great deal of outstanding technological success might not lead to commercial success because its business model did not facilitate its entrance into a market. Such a problem can be solved by increasing knowledge and understanding of business models and other business knowledge.

2.7.2 Studies Related to Good Governance

Supanaree Piros and Tatnawat Chaiyesh (2022) studied “Business Ethics Affect Performance of Small and Medium Generation X and Generation Y Entrepreneurs in Phitsanulok Province,” and found that in general, the mean of business ethics of Generation Y was found to be higher than those of Generation X, i.e., integrity, social responsibility, accountability, and transparency. However, there is no difference at a statistical significance level. Namely, organizational personnel, either of Generation X or Y, of different ages, were found to have no differences in their operational ethics.

Besides, business ethics were found to have a positive effect on the operations of SME entrepreneurs of both Generation X and Y in Phitsanulok Province. However, executives with business ethics could induce capabilities and willingness in an organizational decision-making process in which organizational values and decisions that might affect stakeholders were considered to avoid negative impact, which is the foundation of good operational performance and organizational sustainability. Furthermore, business ethics were also found to be a factor that led to organizational success besides their strategic management capabilities in business operations.

From analyzing each component of business ethics, it was found that ethics that have a positive effect on business operations are integrity and accountability, while ethics that have no positive effect on business operations are social responsibility and transparency.

Hasamon Pengman (2016) studied “Business Ethics for Sustainable Retail Business,” and found that the model of developing ethics towards business sustainability gained from the literature review of the study may play a part in creating operational sustainability; however, to ensure genuinely sustainable organizational success, it requires other components for reflecting a good image of an organization to society in parallel as well to help increase its value in the eyes of the general public more predominantly, i.e., to run a CSR activity that helps to enhance customers’ loyalty to an organization, (Songsom, A, 2012), or the concept of created shared value (CSV) that can connect economic with social value creation, which can yield a long-term sustainable growth for both business organizations and society simultaneously. (Rapeepan Wongprasert, 2013). Therefore, such concepts should be

studied additionally to know how to develop them towards organizational implication, starting from a policy to an operational level. Furthermore, more studies on the integration between business ethics and corporate governance should be conducted, which is very essential for increasing organizational effectiveness and transparency so that an organization can respond to the expectation and needs of stakeholders of all groups to support business growth sustainably and genuinely.

Wittawat Didyasarin Sattayarak (2013) studied “the Development of Ethical Business Practices in Songkhla Province,” and found that entrepreneurs in Songkhla Province were aware and paid attention to business ethics by planning their ethical projects that would be operated in the future, i.e., promoting employees’ ethics, reinforcing and admiring ethical students by granting scholarships, returning business profits to society, supporting education for poor children, producing products friendly to the environment, opening for consumers’ complaints or grievances, establishing a learning center for people in a community, being sincere to customers, and giving fair yields or returns to employees. Concerning the development of practical guidelines for businessmen in Songkhla Province, it was found that entrepreneurs needed to conduct economic activities related to ethical practical guidelines in the same direction, as follows: 1) Require entrepreneurs to produce fair products and services for consumers, 2) determine fair selling prices to consumers without taking advantage of them, 3) Control product to have good quality and be standardized continuously 4) promote organizational ethics, 5) encourage sincerity and honesty to customers, 6) promote transparent operation in the part of government sectors, which can also enforce private businesses towards ethical business operations.

2.7.3 Studies Related to Business Analysis

Komsan Somkong, Sakkarin Yoopong and Supatta Pinthapataya (2022) studied “the Business Management Model for Cosmetic Industry to Lead the Creation of Brand,” and found that 1) there are three domains with twelve components found in business management in the cosmetic industry that leads to branding, as follows: 1.1) Management consists of 4 components, 1.2) branding based on the marketing mix concept consists of 4 components, and 1.3) factors affecting the success of cosmetic business management consist of 4 components. 2) The results of the development of a

model for managing cosmetic business leading to branding were modified by experts by reducing some components so the model has two domains with only 9 components, as follows 2.1) production management consists of 6 components: strategic planning of organizational leaders, human resource management, production, and control system standards, response to customers, and ethics. 2.2) Marketing management consists of 3 components: product identity, pricing, and communication and distribution.

Rosada Vesdapunt (2019) studied “Analysis of Cosmetic Competitive Potential and Development Approach of Thailand,” and found that the cosmetic industry in Thailand had potential competitiveness 71.43%, which is quite high, especially in the dimension of production factors. However, it still had competitive disadvantages, compared with 5 competing countries, especially the U.S.A. From the study, 5 strategies, consisting of 8 tactics, 8 plans, and 19 projects were found. Besides, it was recommended that effective group formation of cosmetic entrepreneurs should be developed to acquire collaboration, i.e., collaboration in sourcing raw materials, developing production machines, transferring knowledge and exchanging learning, etc. 2) The field of cosmetic production was found to have a low level of connection with other production fields. Therefore, the private sector should develop a complete cycle of cosmetic production, starting from the control of raw material quality up to the production of quality products delivered to customers. Accordingly, the upstream, midstream and downstream industries need to be economically connected increasingly, and 3) from the study, most production technologies and raw materials used for producing cosmetics were imported. Besides, research and development in cosmetics had been seldom used and extended. Therefore, the government sector should develop and promote cosmetics entrepreneurs towards innovation development, i.e., production technologies, raw materials, new products concerning environment protection, etc.

2.7.4 Studies Related to Social Commerce

Chaweewong Bovornkiratikajoren (2016) studied “C2C S-commerce: A Case Study of Fashion Products,” and found that the marketing structure in social media was monopolistic competition in which there were a large number of sellers and

buyers in the market. The entrance to the market can be easy for sellers due to low business operation costs. Generally, capital could start with approximately 2,000-30,000 baht. On the other hand, for social commerce, sellers do not necessarily have a shop, spend costs for installing a showcase, nor hire sellers like E-Commerce, which still needs a shop, pays for domain name registration, and shares profits with online shopping sites. Concerning marketing behaviors, it was found that sellers applied both price and non-price competition. Sellers would create their products' or core products' distinguishing identity as the company's signature in parallel to focusing on customers' privacy. Besides, the main selling and service strategies were to ensure and impress customers that all problems would be solved and to generate word-of-mouth advertising, which was found to affect purchase decisions the most. In the part of operational performance, it was found that although each seller had no power over the market, he/she could still determine prices, balanced with the costs of products. Therefore, sellers could still maintain their customers as long as they could maintain the quality of their products and services. From analyzing marketing mix factors affecting decisions on fashion-product purchases via social media, it was found that distribution channel factors have the highest mean, followed by payment safety, products or merchandise, marketing promotion, prices, and latent advertising respectively. Furthermore, it was found that samples with different demographic variables, i.e., sex, age, education, and income had different opinions on marketing mix factors of fashion products.

Uraphen Yimprasert (2013) studied "S-Commerce: Future E-Commerce on Social Networking." Social commerce was found to grow rapidly and widely popular since it is a new style of commercial development that yields worthier returns than traditional commerce, which often needs a middleman or a central marketplace. Moreover, the lifestyles of consumers at present do not lean on a single pattern of social interaction so their lifestyles are diverse. Namely, they combine the real and online worlds. For them, online interaction and activities can create a variety in each individual's daily life, i.e., to check-in or register in an application called Foursquare at different places to let friends know where he/she is, including uploading texts of what is doing and pressing "Like" on Facebook for evaluating others' preference to the uploaded texts. All of these indicate that digital communication and new media

have altered people's thinking about how they live or do, including their behaviors eminently. Social Commerce, as a part of E-Commerce systems, reflects a gigantic change that business owners realize and apply online media for creating interactions with their consumers to stimulate their purchases.

Hernandez (2009) studied "Key Website Factors in E-business Strategy" to design a quality website is a part of E-Business strategies and becomes a major factor determining success in online marketing. The study analyzed factors that needed to be considered for designing a commercial website successfully based on some case studies conducted by Lin (2007), and found that Aceros de Spain Company analyzed its customers' perception for assessing the quality of the website by focusing on analysis, development, and improvement of a website towards business success in online markets. From the study, positioning of a tool for locating and facilitating an entrance to online markets is the most important thing, followed by rapidity in reaching security for purchase selection and payment safety, no disclosure of customers' confidentiality in any way, and regular improvement to ensure correctness and meet customers' needs. Besides, the study indicates that online marketing can be successful when complying with the analyzed website strategies for developing websites to have good quality in terms of simplicity, effectiveness, and rapidity in data access.

2.7.5 Studies Related to Digital Marketing Communication

Nantaporn Dumrongpong (2018) studied "Factors Affecting Business Capacity of the SMEs Entrepreneur for Digital Economy in Thailand." The samples of this study were 400 SME entrepreneurs in 4 provinces of the upper-northern region, namely Nonthaburi, Ayutthaya, Pathum Thani, and Saraburi. Correlations in the structural equation model were analyzed and the constructed model is found to be congruent with the empirical data. The findings show that the direct effect affecting the capabilities in business operations are SME entrepreneurs' sustainability and product development. Human resource management and marketing management are found to have an indirect effect on business operation capabilities. The study concludes that if SME entrepreneurs can access the government sector's service, have technology systems for management, have working or revolving capital with low

costs, produce quality and standard products, and have the creativity to produce new products different from others through digital/ online marketing or E-Commerce, their business can compete with others throughout the world and their business will be sustainable in the digital economy age.

Pornphan Tarnprasert (2018) studied “the Influence of Digital Marketing toward Consumers’ Buying Decision via E-Commerce in Bangkok”. The samples or questionnaire respondents were mostly students, female, aged 21-30 years old, single, and graduated with a bachelor’s degree with a monthly income of 10,001-20,000 baht. Their hobby was playing on the internet. Most samples decided to buy products or services via E-Commerce because of interesting sales promotions. Most of them made purchase decisions by themselves, bought products or services 1-2 times monthly, and paid about 501-1,000 baht each time. The reason for buying from E-Commerce was convenience as they could order products or services 24 hours, via a smartphone device, from 4.01-8.00 pm., and 8.01-12.00 pm. The type of products they bought from E-Commerce the most were fashion products by ordering on Facebook. From testing the hypothesis of digital marketing, it is found that website, content marketing, E-mail, and social media influence purchase decisions of social commerce consumers in Bangkok at a 0.05 statistical significance level.

Tanakorn Limsarun (2018) studied “Digital Marketing Communications toward Taxi Service Applications in Bangkok, Thailand,” and found that most samples were male, aged 18-25 years old, graduated with a bachelor’s degree, worked in a private company, and earned income of 20,001-30,000 baht monthly. Most samples are found to use the Bangkok Taxi application because it can use at any time at any place. They used it for traveling to work, used the service 3-5 times/monthly, and on Monday mostly during 7.00-9.00 am. Besides, from the analysis, digital marketing communication is found to be related to decision-making in using Bangkok Taxi Application. From the multiple linear regression analysis, decisions for using services = 0.394, digital sales promotion = + 0.325, perceived ease = + 0.297, and perceived benefits via digital advertising = - 0.104. The results can explain that the decision in using Bangkok Taxi Application is a result of digital marketing communication of all four dimensions at 68.5%.

Pimonphan Chancharoen and Kittima Chanvichai (2016) studied “An Integrated Marketing Communications Strategies for Marketing Promotion in International Education Agencies in Chiang Mai Province,” and found that a study-abroad guidance institute in Chiangmai applied the concept of integrated marketing communication through the use of a variety of influential communication tools, i.e., online marketing, direct marketing, personal selling, etc., to enhance communication effectiveness of the institute, both internal and external communication, which resulted in a more positive image of the organization. Besides, most problems and barriers found in the study did not occur within the organization but were affected by the government’s policies, i.e., changing the opening and closing dates of schools to be harmonious with those of other members of the ASEAN Economic Community (AEC), etc.

Woramon Boonsart (2015) studied “Marketing Communications to Generation C Consumers in the Digital Age,” and found that marketers or marketing communicators must create a positive feeling and deep engagement for consumers to make them confident of the brand and communication their confidence to other consumers, which will lead to mass consumers’ brand loyalty. Therefore, marketing models must be adapted and diversified, including selecting communication channels suitable for consumers’ lifestyles. Especially, in the digital age, these consumers need to participate in creating things, particularly user-generated content that involves the brand and can interact with the organization or brand through social media. If marketers or marketing communicators can do or follow such guidelines, they then can access their consumers genuinely and can increase the effectiveness of marketing communication in the age of high competition without relying on a big budget of advertising and public relations to obtain their outstanding responses.

Bongkoch Khunwithaya (2013) studied “Effectiveness of Digital Marketing Communication on Facebook Fan page of Personal Care Products.” The study found that the overall format of content communicated on Facebook Fan Page is visual communication or communication by photos the most on all three fan pages. For Biore Thailand and Pond’s Thailand, the content promoting sales promotion is communicated the most. Besides, from testing research hypotheses, the following results are found: 1) the samples with different demographic variables have different

usage behaviors on Facebook, 2) the samples with different demographic variables make purchase decisions from the content on Facebook Fan Page differently, and 3) a positive relationship between the samples' attitude on content communicated through Facebook Fan Page and their product purchase is found.

Liu (2013) studied "Effectiveness of Digital Marketing for Burberry China" by surveying 216 Chinese consumers' opinion and attitude towards Burberry brand. The study found that the use of digital marketing strategies was successful in creating product awareness and communication channels between products and consumers increasingly. However, such strategies were found to not affect increasing sales since in deciding to buy fashion products at a high level, there are several other factors affecting consumers' product purchase behaviors.

2.7.6 Studies Related to Beauty Business

Hiranya Naknaka, Prapimpun Limsuwan and Songporn Hansanti (2018) studied "Relationship Between Product Knowledge and Purchase Intention on Vitamin Supplement Products of Consumers in Bangkok." The study found that subjective knowledge and objective knowledge about products are found to have a positive relationship with consumers' intent of dietary supplement product purchase, but subjective knowledge has a higher level of positive relationship than objective knowledge. Thus, it indicates that consumers do not consider prices or product development only., but they study products first and after trial, they find that the products meet their expectations; thus, it affects their purchase intent the most. From analyzing each factor individually, the following is found: 1) The finding that consumers have the overall objective knowledge of dietary supplement products at a moderate level accords with the studies of Holmlund & Tanskanen (2009), who constructed a multi-dimensional index to measure consumer knowledge of functional foods, and found that objective and specific knowledge are the most important components in the consumer knowledge index and that they distinguish experts from novices. Gender, education, income, and age serve as antecedents to consumers' knowledge of functional foods, which in turn affects attitudes toward health and, consequently, buying behavior. 2) The finding that consumers have an overall subjective knowledge about dietary supplement products, at a moderate level,

accords with the studies of Tobias von Schaewen (2014), who studied objective and subjective knowledge and found differences between subjective and objective knowledge. The results justify the distinction between subjective and objective knowledge. Subjective knowledge proved to be a strong predictor of both attitude and consumption towards the label, whereas objective knowledge did not show a significant influence. Further, attitude in general was confirmed to be a predictor of the consumption of ego-labeled products. Thus, from the overall study, the respondents' intention of buying dietary supplement products was at a moderate level. Besides, it was found that they considered the brands of the products before buying. Mostly, they bought dietary or vitamin supplement products because of their perceived usefulness and some necessities to buy them. Such a finding corresponds to the study of Lin et al. (2011), which found that customers' purchase intention has a positive effect on knowledge about products. However, the relationship between objective knowledge and purchase intention is not found, while subjective knowledge and purchase intention is found. Some recommendations are given to dietary supplement producers. Namely, producers should produce media that is easy to understand. They may use online influencers as personal media to increase consumers' attention and make them understand the benefits of dietary supplements. Furthermore, dietary supplement product companies should be aware of applying experimental products for customers' trials to induce their satisfaction, resulting in their purchase decisions eventually.

Chawan Vinijchaiyanun and Preecha Vichitthamaros (2017) studied "Factors Affecting Weight Control Dietary Supplements Consumption of People in Bangkok." From the logistic regression analysis, 4 factors are found to affect the consumption of supplement products for weight control: 1) Personal characteristics. It is found that consumers aged between 30-39 years old have a chance to consume the product higher than those aged between 20-29 years old 3.7 times, and private employees have fewer chances than students 82%. 2) Sources of information. It is found that information perceived from personal selling or direct selling has more chances to consume the product than from television 6.5 times, or from other sources, i.e., newspapers, magazines, health journals, etc. 7 times. 3) Marketing in terms of distribution channels. It is found that if consumers can access the products one level

more easily, they will have fewer chances to consume the products 63%. On the other hand, in terms of marketing promotion, it is found that if distributors can use one more level of marketing promotion strategies, consumers will have 3 times more chances to consume the products⁴) Attitude. It is found that if consumers have one higher point of positive attitude towards the products, they will have 5.3 times higher chances to consume the products.

Suradej Ekkapanyasakul and Pacharee Tantivipawin (2016) studied “Development Model of Thai Health Food Industry towards ASEAN Economic Community.” The study showed that a model of Thai health supplements the development of capabilities and knowledge towards practice, 3) psychological transformation towards working determination, and 4) the development of controlling and evaluation capabilities. The factors affecting the model of Thai health supplement development are the importing of raw materials and production capital that is products or merchandise; product or merchandise distribution; information and communication; and laws and standards related to safety. Accordingly, knowledge provision about health supplement products for consumers and industrial entrepreneurs to ensure secure consumption is very important. On the other hand, communication management and knowledge dissemination about health must concern with public benefits that accord with national major problems to create a learning society. The government’s investment in creating knowledge on management, communication, and knowledge dissemination about health must focus on practical knowledge that can be applied genuinely to solve national problems. Furthermore, communication and knowledge dissemination must aim toward benefits for society as a whole.

Nart-anong Nambuddee (2015) studied “The Future of Dietary Supplements and Adjustment of Marketing Strategy in Thailand,” and found that young customers tend to be decreased while elderly customers increased. Thus, elderly people are the target group and become marketing opportunities as a consequence of population structural changes. Despite gradual changes in the long term, it is what marketers have to emphasize and prepare. From Nielsen’s online survey conducted in 52 countries around the world on vitamin or food supplement products, it is found that Thai consumers are interested in vitamin or food supplement consumption the most in

the world, which is a good sign for food supplement markets in Thailand. Besides, Thai people also believe that the food they consume every day has no complete food formula so they consume supplements to increase nutrients. The growth of food supplement markets is a result of the overall social and economic situation in Thailand since Thai people are more educated and earn higher incomes so they turn to pay attention to their health and sanitation or hygiene increasingly. Besides, it may be caused by current trends from developed countries that make consumers pay attention to self-care. Generally, it is expected that the health supplement business in Thailand will keep on expanding for 3-5 years, considering from continuous growth of these products and more severe competition among entrepreneurs. Accordingly, the marketing strategy that organizations should apply in their business operations is the “marketing mix,” or so-called “7P’s.” Such a strategy can be connected to a modern business for creating maximal profits based on consumers’ satisfaction, which can be a long-term business, in parallel to modern consumers’ drastic changing behaviors nowadays.

Yaowapa Junpoung (2014) studied “Elderly Lifestyle Characteristics and Their Vitamin Supplement Purchase Decisions in Thailand.” The study showed that 1) the elderly’s lifestyles are divided into three groups: Group 1: The group interested in buying products, Group 2: The group with security and safety focus, and Group 3: The group with socialization-proneness. 2) the elderly gives importance to buying food supplement products at a high level by highlighting the selection of shops the most, followed by brands, and products respectively. 3) Elderly people have different lifestyles, varying by education level, occupation, and income at a 0.05 statistical significance level. Besides, it is found that elder persons with different occupations do not give importance to the purchase of food supplement products differently, while those with different education levels and income give importance to the purchase of food supplement products differently at a 0.05 statistical significance level. Besides, elder persons with different lifestyles give importance to the purchase of food supplement products differently at a 0.05 statistical significance level as well.

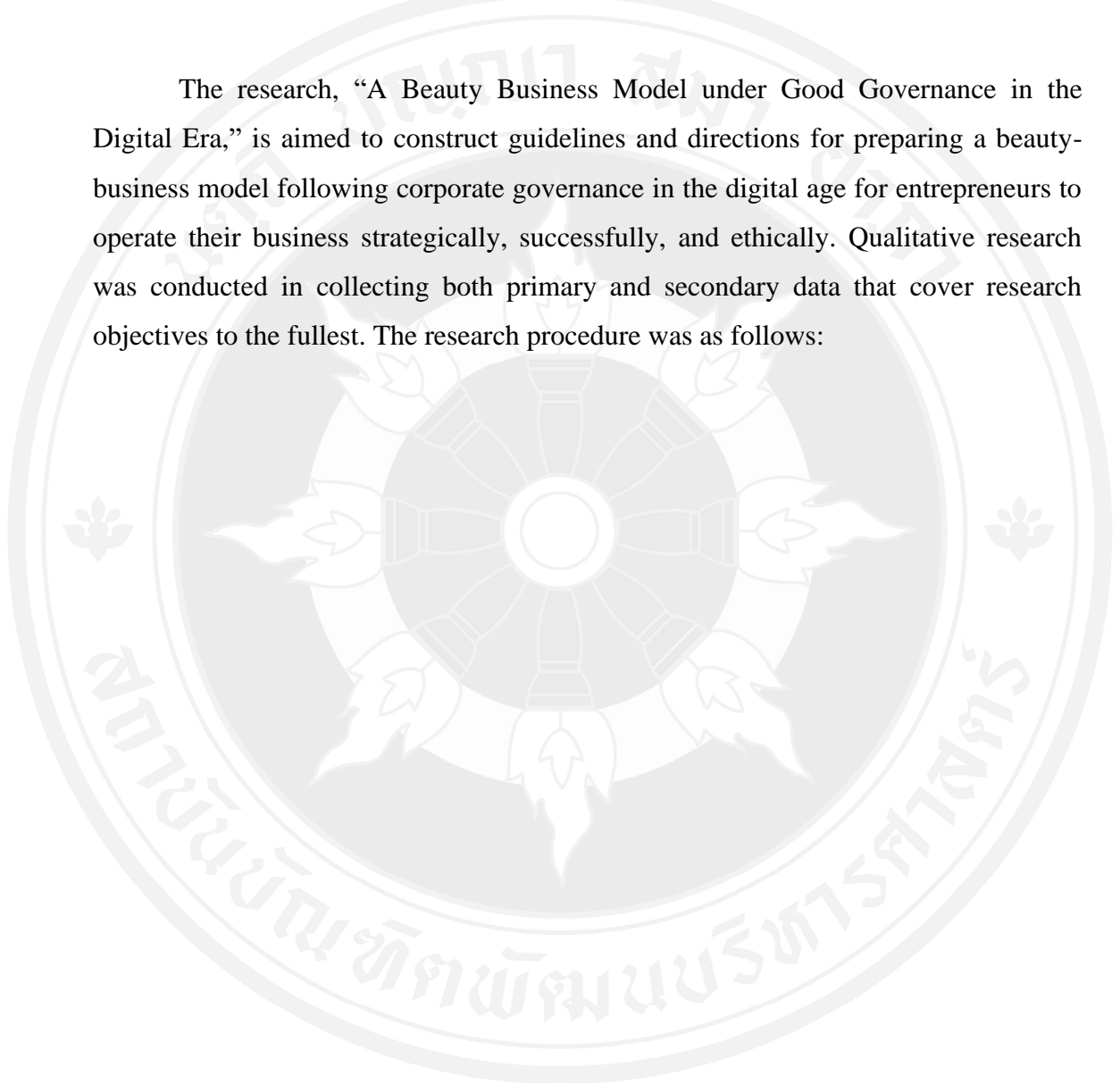
Yueheng Li (2013) studied, “Strategic Communications in Dietary Supplement Marketing: A Case Study of the Marketing of Coenzyme Q10 Supplement,” and found that the dietary supplement industry is one of the high gross

market values in the U.S.A. despite the fluctuation of the national economic expansion during the past year. The research studied the situation of the dietary supplement industry, agencies, and other related organizations, including laws on dietary supplement products and the current situation of dietary supplement markets to find marketing communication strategies for Coenzyme Q10 supplement based on “6Ps” Marketing principles: Product, Packaging, Price, Place, Promotion, and People, Marketing communication strategies or guidelines acquired from the study are as follows: 1) Increase perception of the target. Since it is found that the perception of consumers aged 30-60 years old on COENZYME Q10 is very low, or only 28% of the samples ever heard or knew the product while only 23% used to consume it. Therefore, entrepreneurs must organize activities for providing knowledge about the product’s healthy properties. The problems may be caused by producers’ and distributors’ lack of communication or lack of opportunities for market expansion. 2) Create a connection between COENZYME Q10 and heart health problems through collaboration with non-profit organizations so that communication can be connected via several media to enhance visualization. Moreover, communication should reiterate the following key messages: 1) It is a natural product, 2) it helps to nurture heart health, and 3) it helps to increase CoQ10 in the body genuinely.

CHAPTER 3

RESEARCH METHODOLOGY

The research, “A Beauty Business Model under Good Governance in the Digital Era,” is aimed to construct guidelines and directions for preparing a beauty-business model following corporate governance in the digital age for entrepreneurs to operate their business strategically, successfully, and ethically. Qualitative research was conducted in collecting both primary and secondary data that cover research objectives to the fullest. The research procedure was as follows:



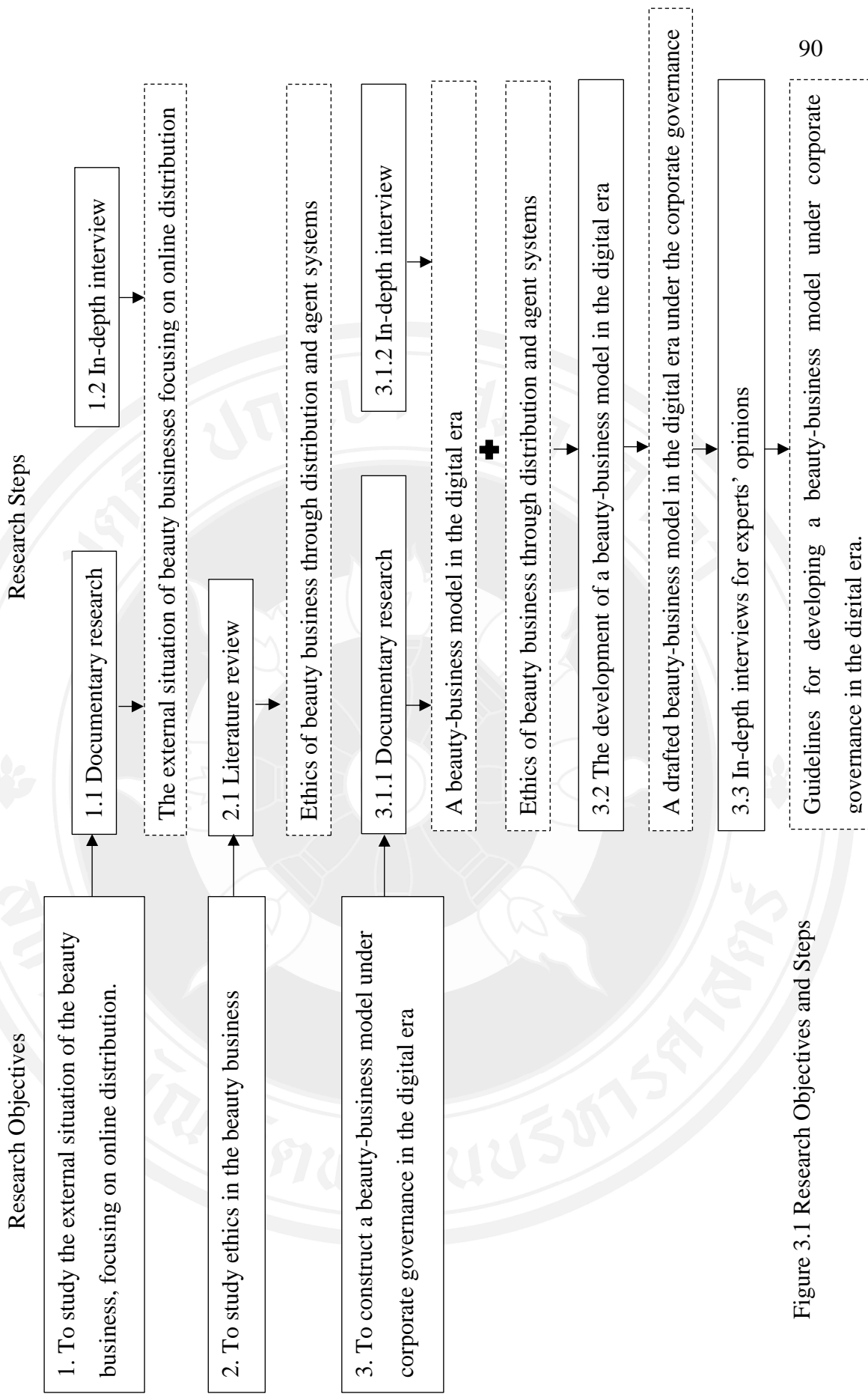


Figure 3.1 Research Objectives and Steps

As aforementioned, the study was divided into three steps to respond to research objectives, with details as follows:

3.1 Information Sources for the Study

For this study, information was obtained from two main sources: documentary and personal sources.

3.1.1 Documentary Sources

Documents, studies, academic articles, and videos related to the external situation of beauty business through online distribution mainly, ethics in the beauty business and beauty-business models in the digital era were studied, especially successful models of large-sized entrepreneurs and MSMEs, which could overcome crises and severe competition. The findings were then applied to developing a beauty-business model under corporate governance in the digital era. The information was collected mainly from documents and websites of the studied entrepreneurs, i.e., research, theses, websites of marketers and entrepreneurs, etc.

The reasons for studying the said document are as follows:

The concept or theory of PESTEL Analysis or the analysis of external business factors and situations. It was used as a tool for analyzing and investigating environmental factors at a macro level, which might affect organizational effectiveness intensely. This tool will be highly useful for studying a new or starting business, but it is often used with other business analysis tools, such as SWOT Analysis, Porter's Five Forces, etc. to help the researcher understand both internal and external factors clearly. Thus, all concepts and theories on PESTEL Analysis, SWOT Analysis, Five Force Model, and Consumer behaviors analysis were studied and used for this research.

Ethics of the beauty business. Concepts of ethics were selectively studied from four organizations:

- 1) WFDSA: The World Federation of Direct Selling Associations (WFDSA) is a private nonprofit organization that aims to publicize its direct selling to

be globally recognized by determining codes of ethics that are considered to be proper and beneficial for beauty businesses distributed through a dealer network system.

2) Amway (Thailand) Co., Ltd. is a world-class organization that is a prototype of the beauty business through a dealer network system.

3) L'Oreal (Thailand) Co., Ltd. is a world-class leading beauty business company with top sales around the world for many years, which determines proper codes of ethics for beauty businesses in the digital age. Besides, since L'Oreal also operates through a dealer or distribution system, some codes of ethics for business with a dealer system are also applied.

4) Amorepacific Co., Ltd. is No. 1 best seller in the Republic of Korea, the country producing cosmetics with leaps following “the Trend of Korean Wave” or “K-Product Trend,” as widely witnessed in Korean series, songs, or entertaining programs, which helps to disseminate Korean culture, including Korean products around the world.

A beauty-business model in the digital era. A business model of three organizations: 1) Rojukiss International Public Company Limited, 2) NRPL Co., Ltd., and 3) Yves Rocher (Thailand) Co., Ltd. were analyzed since they were the companies that could increase their sales even during the COVID-19 crisis. Moreover, a beauty company with a dealer system whose information was sufficient for the documentary research, namely the iCon Group Co., Ltd. was studied since it was inconvenient to have entrepreneurs interviewed during the study period.

3.1.2 Personal Sources

Information from three groups of personal sources was studied:

Group 1: Entrepreneurs of the beauty business in the digital era.

Data was collected from three representatives of entrepreneurs in the beauty business through an in-depth interview:

A distribution business through dealers: (3 interviewees)

1) Waewwan Gunnanthorn, CEO of Rosegold (Thailand) Group Co., Ltd.

2) Pathitta Sawangsup, Manager of AK Nine One Group Co., Ltd.

3) Suriya Sudsakorn, Deputy Managing Director of Ram Ruay Infinity 999 Co., Ltd.

A manufacturing business (control of production and distribution by itself): (2 interviewees)

- 1) Wiritipa Pakdeeprasong, CEO of Virica Cosmetics Co., Ltd.
- 2) Pattharanit Sitthiwatcharasak, co-founder of Le Dewy Group Co., Ltd.

A retail business via online shops: (3 interviewees)

- 1) Phichamon Sinkamonset, an online-shop owner, specialized in hair products.
- 2) Mookravee Dechakarathanakul, an online-shop owner, specialized in supplementary food and cream products in the worthy-product category.
- 3) Hongsapas Pattanapeeradej, an online-shop owner, specialized in medical beauty products.

Group 2: Dealers of beauty products in the digital era

Data was collected from two representatives of dealers in the beauty business through an in-depth interview:

- 1) Kethwaranan Thanasangkarat, a senior dealer of AK 91 Group, Co., Ltd.
- 2) Karn Phermtawee, a senior dealer of many beauty companies.

Group 3: Experts in the beauty business in the digital era and marketing communication

Data was collected from two experts in beauty business direct selling, and marketing communication through an in-depth interview:

- 1) Arlsa Sorananuphap, the marketing manager of Mistine and management executive of beauty products and direct selling.
- 2) Nattapon Muangtum, the founder of EverydayMarketing Page and an author of a marketing book.

All the above samples or interviewees, namely experts in the beauty business, marketing communication, and dealers of beauty products distributed through online channels, were selected by purposive sampling since the study required insightful

information from knowledgeable persons who could play a role and be ready for providing needed information sufficiently and directly. The interview was terminated when it reached enough redundancies.

3.2 Data Collection

Data was collected into four parts as follows:

Part 1: Documentary information collection

Information from documentary sources, websites, especially entrepreneurs' websites related to the situation surrounding the beauty business in the digital era, ethics in the beauty business, and beauty-business models in the digital era, such as research, theses, websites of marketers and entrepreneurs, etc. The obtained information was applied for further data analysis to construct a model of beauty business under corporate governance in the digital age.

Part 2: In-depth interviews

1) In-depth interviews were conducted with key informants on the external situation related to the operation of the beauty business in the digital age.

It started with making an appointment with the interviewees and submitting research questions to the interviewees in advance for their understanding of the interviewing approaches, leading to lessons learned for developing a model of beauty business under corporate governance in the digital era, which would be beneficial for the study at the fullest.

A semi-structured interview guide was applied as a tool for an in-depth interview with guideline questions, which are open-ended questions to which the interviewees could have an opportunity to provide their opinions fully, while the researcher could adjust the interview guideline flexibly. The previous literature and studies were reviewed to examine the surrounding or external situation of beauty businesses that affected the operation of beauty businesses through online distribution mainly. The interviewing procedure composed of the following steps: (1) Definitions of each studied component or factor (2) Specifications of the questions on each studied factor (3) Verification of content validity and correctness

(1) Definitions of each studied component or factor

From the review of the related theories, articles, and studies, the researcher acquired external factors related to business operations and components of business models and defined them properly within the scope *of the study*.

(2) Specifications of the questions on each studied factor.

From the definitions given to each component and factor, such definitions were developed into research questions, each of which accords with the given definition, and applied for collecting information.

(3) Verification of content validity

After developing research questions in accordance with the definitions, the developed questions were examined and validated by the researcher's advisor to ensure content validity and correctness.

Research questions used as guidelines for interviewing on the external factors related to the operation of the beauty business in the digital era are as follows:

Table 3.1 Definitions and Questions on Six External Factors Related to the Operation of the Beauty Business in the Digital Era

Factors	Definitions in the Study	Research Issues/Questions
Policy	The government's policy and political situation affecting the beauty business in the digital era	<ul style="list-style-type: none"> - How does the government's policy, both positive and negative, affect the beauty business directly and indirectly? - How does the government's stability affect the beauty business?
Economic	Economic factors and competition in the beauty-product market affecting the beauty business in the digital era.	<ul style="list-style-type: none"> - What is the condition of the beauty-business market? - What is the market competition of the beauty business in the digital era? - Has the beauty market been affected by the pandemic of COVID-19? How? - What will be the tendency for the beauty business in the digital era? - How have beauty entrepreneurs adjusted their strategies and coped with the occurring changes?
Social	Consumers' social and behavioral factors affect beauty businesses in the digital era.	<ul style="list-style-type: none"> - What are Thai beauty-product consumers' behaviors in the digital era? - What are Thai beauty-product consumers' values and

Factors	Definitions in the Study	Research Issues/Questions
Technological	Technological factors that affect beauty business in the digital era.	<ul style="list-style-type: none"> - behaviors? - How has the COVID-19 situation affected consumers? - What is domestic infrastructure related to the beauty business in the digital era? How does its growth support the business? - To what extent can entrepreneurs of beauty business access technologies for business operations effectively and efficiently?
Environmental	Natural environmental factors that affect beauty business in the digital era	<ul style="list-style-type: none"> - Does the climate condition affect business operations? Is it related to the presentation of products' value to customers?
Legal	Legal factors that affect beauty business in the digital era	<ul style="list-style-type: none"> - How has the COVID-19 situation affected the beauty business? - What are the laws related to the beauty business in the digital era? How do they affect the beauty business in the digital era? - What is the law enforcement situation? How does it affect the beauty business in the digital era?

The researcher contacted all three groups of personal sources for an in-depth interview based on the above issues. During the interview, the researcher asked permission for an audio recording, explained the research objectives, and affirmed that information from the interview would be kept confidential and applied for academic purposes only. Besides, she asked permission for specifying names, positions, roles and responsibilities, and names of the affiliated companies of the interviewees. Furthermore, the interviews were transcribed and sent back to the interviewees for confirming the correctness of the information so that the researcher could proceed with further analysis and summary in the next steps.

2) In-depth interviews were conducted with key informants on the model of the beauty business in the digital era.

It started with making an appointment with the interviewees and submitting research questions to the interviewees in advance for their understanding of the interviewing approaches, leading to lessons learned for developing a model of beauty business under corporate governance in the digital era, which would be beneficial for the study at the fullest.

A semi-structured interview guide was applied as a tool for an in-depth interview with guideline questions, which are open-ended questions to which the interviewees could have an opportunity to provide their opinions fully, while the researcher could adjust the interview guideline flexibly. The previous literature and studies were reviewed to examine a model of beauty business through online distribution mainly. The interviewing procedure composed of the following steps: (1) Definitions of each studied component or factor (2) Specifications of the questions on each studied factor (3) Verification of content validity and correctness

(1) Definitions of each studied component or factor

From the review of the related theories, articles, and studies, the researcher acquired external factors related to business operations and components of business models and defined them properly within the scope of the study.

(2) Specifications of the questions on each studied factor

From the definitions given to each component and factor, such definitions were developed into research questions, each of which accords with the given definition, and applied for collecting information.

(3) Verification of content validity

After developing research questions per the definitions, the developed questions were examined and validated by the researcher's advisor to ensure content validity and correctness.

The research questions used as guidelines for interviewing on the model of the beauty business in the digital era are as follows:



Table 3.2 Definitions and Questions on Nine Factors of a Beauty Business Model in the Digital Era

Factors	Definitions	Research Issues/Questions
Customer Segment	Segmented consumers to which a product's value is proposed	<ul style="list-style-type: none"> - What are groups of people expected to be the business target customers? - Which segment of customers is paid high attention to?
Value Proposition	The desirable business value proposed to customers of each segment to respond to their needs or solve their problems	<ul style="list-style-type: none"> - What is the value proposition for each segment of customers? - What kind of values influences customers' decisions to purchase the business's products instead of those of its competitors?
Distribution Channels	Ways and methods of proposing products' value to customers or the meeting point of the business and customers that can be initiated before customers' purchase of products or services or occurs after sales, which affect customers' experience and feeling.	<ul style="list-style-type: none"> - What are business channels or methods for disseminating information, advertising, public relations, value proposition, and after-sales services to customers of each segment? - Which channel can customers access the business? - What are the purchase behaviors and responses of customers of each segment? (i.e., response to business advertising)

Factors	Definitions	Research Issues/Questions
Customer Relationship	Business relationships needed to be developed with customers, i.e., face-to-face, emails, social media, self-service, etc.	<ul style="list-style-type: none"> - What makes customers buy? Through which channel do customers pay? - What is the most effective channel? Should more channels be added? And which channel must be cut out because it is not worth the investment? - What kind of relationship does the business have with the customers of each group or segment? - How does the business create and maintain its relationship with customers? - What kind of customer relationships is desired by the business?
Revenue Streams	All kinds of revenues gained from business operations.	<ul style="list-style-type: none"> - What kind of revenue is gained from the business operation? (i.e., selling products, membership, etc.)
Key Resources	Necessary things required by the designed business model, both tangible (i.e., raw materials or equipment) and intangible resources, i.e., knowledge, skills, human resources, technology, connection, copyrights, etc.	<ul style="list-style-type: none"> - What is a necessity required for a business operation to follow the designed model? - How is the effectiveness of key resources maintained constantly?

Factors	Definitions	Research Issues/Questions
Key Activities	Required activities or operations for creating values proposed to customers.	<ul style="list-style-type: none"> - Which activity must be done to ensure success? - Which activity is the business's uniqueness? - Which activity can create value, reach the market, maintain good customer relationships, and generate income?
Key Partners	Required business partners for enabling production and value proposition to customers, i.e., suppliers, companies in the same circle, governmental agencies responsible for the operating business, etc.	<ul style="list-style-type: none"> - Who are indispensable persons, companies, or agencies in the designed business model? - Who are business partners that can help promote the business or products towards utmost readiness and benefits, i.e., a joint venture for developing new business, or trade partners, etc.?
Cost Structure	Necessary costs or expenses for operating business as designed.	<ul style="list-style-type: none"> - What are the whole costs occurring in business operations, both fixed costs (i.e., salaries, depreciation, rental fees, etc.) and non-fixed costs (i.e., raw materials, sales promotion, etc.)?

The researcher contacted personal sources of the first group, namely entrepreneurs of beauty products in the digital era, for an in-depth interview based on the above issues. During the interview, the researcher asked permission for an audio recording, explained the research objectives, and affirmed that information from the interview would be kept confidential and applied for academic purposes only. Besides, she asked permission for specifying names, positions, roles and responsibilities, and names of the affiliated companies of the interviewees. Furthermore, the interviews were transcribed and sent back to the interviewees for confirming the correctness of the information so that the researcher could proceed with further analysis and summary in the next steps.

From data collection from both documentary analysis and in-depth interviews as mentioned above, the researcher applied such data for data analysis towards the development of a model of beauty business under corporate governance in the digital era and proceeded to submit it to the personal sources of the third group of experts in the beauty business in the digital era and market communication.

Part 3: An in-depth interview for experts' opinions

The researcher contacted the personal sources of the third group and submitted research questions to them in advance for their understanding of the interviewing approaches, leading to lessons learned for developing a model of beauty business under corporate governance in the digital era, which would be beneficial for the study at the fullest.

A semi-structured interview guide was applied as a tool for an in-depth interview with guideline questions, based on the concept of the development of a model of the beauty business under corporate governance in the digital era, to investigate if the developed model is acceptable or suitable or not. However, the guideline questions also allowed the experts to have an opportunity to provide their opinions fully, while the researcher could adjust the interview guideline flexibly. After the verification of content validity, more complete research questions were examined again by a scholar or expert for further improvement and correction to ensure that the questions would be inclusive and clear in harmony with the research objectives.

Two main questions for obtaining experts' opinions were asked after the researcher explained the drafted model of the beauty business under corporate governance in the digital era:

- 1) The appropriateness of the drafted or developed model of the beauty business under corporate governance in the digital era.
- 2) The appropriateness of the codes of ethics for the beauty business, applied for each factor in the model of the beauty business in the digital era.

Then, the interview was transcribed and sent back to the experts for verifying its correctness. After that, the interview was analyzed and summarized for further steps in developing a model of the beauty business under corporate governance in the digital era and providing suggestions for further studies and business operations.

3.3 Data Analysis

Information from documentary analysis and in-depth interviews with key informants was analyzed by the following techniques:

- 1) Analytic Induction

The obtained information was analyzed to find conclusions about each topic or issue by analyzing concrete data from several cases and deducting it towards a more precise conclusion that can explain the meanings of the information acquired from the documentary research and in-depth interviews. A descriptive analysis was conducted and presented to respond to the formulated research objectives.

- 2) Cause and Effect Analysis

Data was analyzed to portray the causes and effects of phenomena.

3.4 Data Presentation

The research findings were presented in descriptive analysis for explaining a model of the beauty business under corporate governance in the digital era, including explaining data gained from the content analysis. The findings were summarized and organized in sequences to respond to each research objective in order as follows:

- 1) Data gained from the study on the condition of the beauty business through online distribution.
- 2) Data acquired from the study of ethics of the beauty business.
- 3) A model of the beauty business under corporate governance in the digital era.

3.5 Verification of Reliability

Research reliability was verified by the data-triangulation method to see if the data gained from three different methods yielded the accordant or same results or findings (Denzin, 1970): 1) Interviews with many key informants to verify data correctness, 2) observations for considering the compatibility of the data, and 3) the use of research documents, theses, and related studies to see the congruency of the data, to ensure the accuracy and reliability of the findings, (Natthanan Laoyookhong, 2012, p. 38), before further analysis for developing a model of the beauty business under the corporate governance in the digital era.

CHAPTER 4

THE ANALYSIS OF EXTERNAL CONDITIONS, GOOD GOVERNANCE, AND LESSONS LEARNED FROM THE BEAUTY BUSINESS MODEL IN THE DIGITAL ERA

The research entitled, “A Beauty Business Model under Good Governance in the Digital Era” aims to study external conditions of the beauty business in the digital era and good governance in the beauty business, including the construction of a beauty business model under corporate governance in the digital era, as guidelines for entrepreneurs to operate their business smoothly, successfully, and sustainably, based on good governance.

In this chapter, the research findings are presented in three parts, as follows:

- 1) The external conditions of the beauty business
- 2) Good governance in the beauty business
- 3) Lessons learned from successful beauty business models in the digital era.

Part I: The External conditions of the Beauty Business

To answer the research objective of examining the external conditions in the beauty business, data were collected from documents from information sources, websites of the key entrepreneurs, research, academic articles, and additional in-depth interviews with 12 beauty-business entrepreneurs in the digital era, dealers, and experts in beauty businesses in the digital era and marketing communication on six domains of the external conditions of the beauty business: policy, economic, social, technological, environmental, and regulation domains. These six domains of the external conditions of the beauty business are presented in two parts:

- 1) The findings from data collection
- 2) The findings from data analysis.

4.1 The Findings from Data Collection of the External Conditions of the Beauty Business in the Digital Era

Since this study aims to design a beauty business model under corporate governance for MSMEs so that they can apply the findings of the study to operate their businesses progressively and sustainably, the external conditions of the MSME are thus specifically studied, as follows:

4.1.1 Policy Conditions

Part 1: The findings of data collection from documents, websites from information sources, related to the study and websites of the key entrepreneurs

From data collection, it is found that the government sector does not issue policies supporting beauty businesses directly; however, there is a governmental office founded to support MSMEs' businesses, namely the Office of Small and Medium Enterprise Promotion (OSMEP), which was established to comply with the SME Act to empower SMEs and enable them as crucial cogwheel for mobilizing the national economic development. The main mission of the Office is to propose policies and strategic plans for promoting MSMEs in the nation, including being a central agency for coordinating collaborations between the government and private agencies to assist and promoting MSMEs continuously and concurrently in the same direction with the master plan of the national strategy.

Hence, the Fourth SME Promotion Plan, B.E. 2560-2564 (2017-2021), MSME Promotion Plan, B.E. 2564-2565 (2021-2022), and the Fifth SME Promotion Plan, B.E. 2566-2570 (2023-2027), were applied as data for answering the research questions. Besides, it was further found that in 2016, OSMEP conducted a study for preparing strategic and action plans for promoting SMEs in the cosmetic industry, emphasizing cosmetic products using bio-based materials as the main ingredients. Accordingly, this study focuses on studying the data from strategic and action plans for promoting SMEs in the bio-based industry or cosmetic industry for answering the research questions.

The situations of the governmental policies related to MSMEs.

Since this study aims to design a beauty business model under corporate governance for MSMEs so that they can apply the findings of the study to operate their businesses progressively and sustainably, the present external conditions of the MSME are thus specifically studied and it was found that in 2020, there were 3,134,442 SMEs throughout the country, which shows 0.95% growth from the past year or 99.54% of the entire enterprises of the country. Remarkably, in the past, the Thai government did not give high importance to infrastructure development for elevating MSME, especially in the production industry. Consequently, the production sector of Thailand lacked updated technologies, and production costs were high. When the new business world has changed rapidly in every dimension, entrepreneurs of MSMEs have to confront more severe competition, whereas adaptation is needed to catch up with changing situations in the digital economy. (Suchart Amnatwiphawee, 2020), especially in the situation of the COVID-19 pandemic, which affects Thai MSMEs tremendously in economics, competition, and entirely changing lifestyles of consumers.

The study of OSMEP examining MSMEs' opinions on the effect caused by the second round of COVID-19 spread in February 2021 found that in general, MSMEs were not affected so severely as in the first round in July 2020. The average level of the effect was 58.1, but the confronted impact was similar to that of the first round, namely the high level of effect was on decreased revenue, sales volume, numbers of buyers, and financial fluidity.

Furthermore, it was found that SMEs tended to face increased effects from the first round of the pandemic since during the first-round financial assistance measures, such as payment suspension, debt payment waiver, debt or NPL restructuring, soft loans, etc., were launched continuously for SMEs; thus, they could access capital sources more than micro-enterprises. All of these governmental measures were for reducing entrepreneurs' costs and providing supporting or healing budgets, mostly used for regular expenses or necessities for their business survival. Nevertheless, measures for stimulating consumption and tourism were not so apparent. Until, the "Co-payment Scheme" was implemented, which was perceived as one of the most beneficial projects despite the low degree of MSMEs' responses at the beginning. It

focuses on micro-enterprises; therefore, the effect of COVID-19 on them was decreased. Still, the measures SMEs needed more from the government sector were the measures for reducing entrepreneurship costs, such as cost deduction (i.e., the decreased payment for social security contributions, public facilities, etc.) and financial assistance (i.e., granting financial facilities as revolving funds), which was perceived by entrepreneurs as too restrictive and highly conditional.

Part II: The Findings from In-depth Interviews and Participatory Observation.

The conditions of the governmental policies related to MSMEs.

The findings from in-depth interviews on the conditions of the governmental policies for supporting beauty businesses are divided into 2 issues: (1) Inaccessibility to information of the governmental agencies, and 2) no substantial policies for supporting beauty businesses. The details are as follows:

1) Inaccessibility to information of the governmental agencies Such a notion was raised by three samples: owners and a dealer, from the in-depth interviews, which accords with data from the documentary analysis, as follows:

“I’ve never sensed that the government plays a part in this business since no matter if the government will help us, people always like to look good and will buy these beauty products anyway.” (Mookravee Dechakarathanakul, interview, December 17, 2019)

“None, we do all by ourselves. For exporting, there’s no supporting policy. It’s rarely to happen. For example, for getting a license from the Food and Drug Administration, it takes a year. For international businesses, we have to manage all transportation and customs by our own.” (Pathitta Sawangsup, interview, January 27, 2020)

“Regarding the government’s promotion, as far as I’ve been in this business for many years, I seldom heard about its assistance. Contrarily, for all prohibitions and laws that keep regulating us, I always witness and have been charged.” (Phichamon Sinkamonset, interview, March 6, 2021)

2) No substantial policies for supporting beauty businesses

From interviews with marketing communication and beauty business experts, both pointed out that the present policies launched by the government do not help to promote entrepreneurs' potential and growth.

“Now, in the beauty market, no matter they are sellers or buyers, they have operated by themselves without waiting for the government's help as it cannot really help and cover all businesses. It is not timely either.” (Nattapon Muangtum, interview, January 20, 2020)

Notably, the data gained from an in-depth interview with the beauty business expert and the documentary research (i.e., paper, websites related to the study directly, and main websites of the government sector) are congruent. Specifically, policies for stimulating economics from the government were acknowledged but no policy supported the beauty business directly. Besides, the government's potential was perceived; however, the infrastructure and its operating systems were problematic and became obstacles to Thai beauty businesses' success.

“I acknowledged the government's effort in launching some policies, i.e., the arousal of consumption, etc., but they are not directed to the target. I think the government is capable, but personnel is not sufficient. The authority could not really reach people who can do it, while the government did not pay high importance to such policies.” (Arisa Soranannuphap, interview, September 16, 2019)

The Findings from Data Analysis of Policy Conditions

From the collected data on policy conditions, it can be summarized, as follows:

Table 4.1 A Summary of the Data Collection from Documents, Websites of Information Sources Related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews on Policy Conditions

External Conditions	Questions	Findings	
		Document/Websites	In-depth Interviews
Policies	- What are the government's policies for the development of beauty businesses in the digital era that affect the businesses both directly and indirectly?	<ul style="list-style-type: none"> - In the past, the government's policies faced problems. - At present, Thailand has MSME promotion plans. - Entrepreneurs get a problem being unable to access the government's policies. - The government sector participated in solving the said problem by determining such a problem as a national agenda. 	<ul style="list-style-type: none"> - Entrepreneurs have not perceived information about the state policies helping to promote the beauty business. - The issued policies cannot respond to entrepreneurs' needs and the government is perceived as paying insufficient attention to the policies. - Entrepreneurs perceived and are curious about Online Trader Tax Collection Act.

From collecting data from documents, and websites relating directly to the study, and key entrepreneurs' websites on the situations of the policy, it was found that the government sector has no direct policies for supporting beauty businesses, but a governmental office was established for promoting MSMEs and functioned as a central agency in integrating collaborations between the government and private sectors, especially in facilitating continual assistance and congruent development with

the master plans of the national strategy. Such an agency is called, “the Office of Small and Medium Enterprise Promotion (OSMEP). In the past, the Thai government did not give high importance to the development of needed infrastructure to elevate MSMEs’ businesses, especially the production industry. Consequently, the production sector of Thailand lacked updated technologies, and production costs were high. When the new business world has changed rapidly in every dimension, entrepreneurs of MSMEs have to confront more severe competition, whereas adaptation is needed to catch up with changing situations in the digital economy. At present, the government tries to promote and support MSMEs to catch up with the global environment and situations that have been changing rapidly in the digital era and during the pandemic of COVID-19.

Furthermore, from analyzing additional information from in-depth interviews, two interesting issues are found: 1) Inaccessibility to the government’s information and 2) no substantial policies for supporting the beauty business. For the first issue, expressed by three samples, namely entrepreneurs and a dealer in the beauty business in the digital era, it was found that the samples did not acknowledge the supporting policies launched by the government previously so they misunderstood that there were no supporting policies. Thus, it indicates that communication between the government and private sector is ineffective as the issued policies could not reach the target entrepreneurs. Accordingly, the samples were unable to evaluate if the enacted policies are appropriate or can help them genuinely. Moreover, the issued policies were not driven extensively and inclusively, especially to MSMEs. On the other hand, it also reflects that MSME entrepreneurs did not study the concerned information sufficiently so information about business support in various aspects was not found.

The second issue, namely no substantial policy for supporting the beauty business, expressed by two experts in the beauty business in the digital era and marketing communication, it was found that the government’s policies do not genuinely promote entrepreneurs’ potential and growth. Thus, it can be analyzed that the samples who acknowledged the state policies tend to be entrepreneurs or those involved in the large-sized beauty business. Besides, it was perceived that the issued policies that help to support the beauty business, directly and indirectly, do not help the business so much. In other words, the empowerment of MSME entrepreneurs face

problems at the policy level, i.e., the lack of clear direction and goal for development, good management, and unified regulations and responsibilities, including genuine collaborations between the government and private sectors.

Opportunities, challenges, problems, and obstacles of the policies for the beauty business in the digital era.

From studying policy conditions, which are external environment, opportunities as a result of policy conditions that can facilitate or promote the beauty business in the digital era, including challenges, problems, and obstacles that are business barriers caused by policy conditions, can be compiled for consideration as guidelines for determining the development strategies, as follows:

Opportunities

1) The boost of MSME policies as the national agenda, supported continuously by the national strategic and reform plans to solve the major problems MSMEs are facing: Capital, market expansion, product development, and production elevation.

Challenges, problems, and obstacles

1) The mobilization of policies for developing MSME lacks a clear direction and goal, good management, and unified regulations and responsibilities of the governmental agencies, including a lack of genuine collaboration between the government and private sectors.

2) Communication between the government and private sectors is ineffective so the established policies for supporting MSME could not reach the target entrepreneurs.

3) The existing policies do not support the beauty business in the digital era directly and do not drive the business to grow substantially.

4.1.2 Economic Conditions

Part I: The findings from the documents, websites relating to the study directly, and key entrepreneurs' websites.

1) The Situation of Thai Beauty Markets

Economic factors and the beauty business are mutually dependent since the beauty business is one of the businesses that help to drive the national economics

of Thailand. At the same time, the situations of the world and domestic markets determine consumers' consumption behaviors, especially luxurious products like beauty products. Thus, the information about the overall condition of the beauty markets in Thailand, including the export and import of beauty products in March 2021 from the Department of Trade Negotiations, was gathered, as follows:

(1) The overall condition of the Thai beauty markets in 2021

According to Euromonitor, in 2019, the value of the Thai beauty market was 2.18 hundred thousand million baht, which grew by 6.7%. However, in 2020, due to the pandemic of Covid-19, the Thai beauty markets tended to slow down, witnessed by consumers' changing behaviors. For instance, "work from home" and "wearing a face mask all day" decreased the need for cosmetic and skincare product purchases. Accordingly, in 2020, the total market value was 80,000 million baht and the economic contraction was 11%. Especially, the cosmetic market and products shrank by 30%.

Despite the contraction of the beauty market in 2020, from the survey on beauty products on social media in Thailand, it was found that in 2020, it appeared 60 million frequencies of chats or conversations about personal-care products on social media, which indicates the direction and tendency of consumers' changing purchase behaviors.

(2) The overview of Thai beauty product export during 2016-2021

The average value of exported cosmetic products, soaps, and skincare products globally in 2020 was 243,755 million US. Dollars yearly. The export value in 2020 decreased from that in 2019 by 18.91%. The top countries that exported cosmetic products, soaps, and skincare products the most were the U.S.A (the yearly average export value was 21,339 million US\$ (7.11%)), followed by the United Kingdom 15,573 million US\$ (6.39%). Thailand exported cosmetic products, soaps, and skincare products ranked 29th in the world with an export value of 1,729 million US\$ on average. Notably, during 2016-2019, the growth rate of exporting such products was higher continuously; however, the export rate decreased in 2020. The main market to which Thailand exported beauty products was ASEAN or 45% of the total export values, i.e., to Japan (21%), Australia (9%), the People's Republic of China (7%), etc.

In 2020, the top-three products with the highest export value were shampoo, cream or skin lotion, and oral-care products. The product with the highest growth rate was shower soaps, which grew at a higher rate than the past year (in 2019) by 23.43% accorded of the pandemic situation of Covid-19, which compelled consumers to take care of their body cleaning increasingly. The main imported markets from Thailand were Australia, Japan, Myanmar, Laos, and Cambodia, respectively.

In 2021, the gross market value of cosmetics, soaps, and skincare products of Thailand was 2,515.74 million US\$, which was divided into two categories: 1) Cosmetics, fragrances, and soaps (January- October 2021) whose export value was 1,867.89 million US\$ with a decrease of 3.97%, compared with that of the last year in the same period, and 2) raw materials for producing cosmetics (January- October 2021) whose export value was 647.85 million US\$ with an increase by 16.25%, compared with that of the last year in the same period. Major exporters in the soap and skincare category were multinational corporations who invested in Thailand for producing and exporting their brands following the policy of their mother countries, such as Procter & Gamble (the producer of Olay, Heads & Shoulders, Rejoice), Unilever (Breeze, Comfort, Sun Silk, Lux), Colgate-Palmolive, and Beiersdorf (Nivea, Eucerin), etc.

(3) The overall condition of Thai imported beauty products during 2016-2020

The global import value of cosmetics, soaps and skincare products was 192,110 million US\$ yearly on average. In 2020, the import value dropped 7.59% from 2019. The top three countries importing cosmetics, soaps, and skincare products in the world were France (with an average yearly import value of 35,863 million US\$ or 18.67% of the total import value of the world. The yearly import value of the U.S.A. was 17,976 million US\$ or 9.36%, while that of Germany was 13,586 million US\$ or 7.07%.

Thailand ranked the 16th country in the world that imported cosmetics, soaps, and skincare products with an average import value of 2,439 million US\$ yearly. During 2016-2019, the import rate of Thailand increased continually but

decreased in 2020. The major countries from which Thailand imported the said products were France (21%), China (15%), Japan (13%), the U.S.A. (13%), etc.

In 2020, the top three products with the highest import value were cream or skincare lotion, shaving and deodorant products, and perfume and fragrance. The product with the highest import rate was shower soaps, which increased by 23.43% from 2019. The major countries from which Thailand imported were Indonesia, Malaysia, Vietnam, China, and South Korea respectively.

In the current circumstance, most raw materials for production are imported from abroad as the supply of domestic or local raw materials is insufficient for need. Besides, domestic labor costs are higher than those of competing countries, i.e., China, Vietnam, etc. As a result, production costs in Thailand are higher. The major competitors of Thailand are France, Germany, the U.S.A., and China, while the main markets are Japan, the Philippines, Vietnam, Australia, and China. The proportion of the total export value of these countries is 42.30%.

2) The Condition of the Thai Beauty Market Before the Arrival of the Covid-19 Pandemic

Besides the overall international marketing of beauty products in Thailand, information about the situation of local or domestic beauty markets was also collected. It was found that beauty products grew continuously every year from 2015 to 2019. In 2019, the beauty market value was 2.18 hundred thousand million baht with 6.7% growth. The skincare-product group ranked first with a proportion of 42% market share, followed by hair products (15%), body-cleaning products (14%), cosmetics (12%), oral-care products (12%), and fragrance (5%) respectively. (Euromonitor, 2019). The market share of each category of products is as follows:

The skincare-product category grew 7.4% with a gross value of 9.19 ten thousand million baht, which is divided into facial-care products (81%), skincare (12%), sunblock (6%), and lips products (1%).

The hair-product category grew 5.9% with a gross value of 3.3 ten thousand million baht, which is divided into the hair-care product (82%), dye (13%), hair-styling products (4%), and hair straightener and dye (1%).

The cosmetic-product category grew 7.6% with a gross value of 2.68 ten thousand million baht, which is divided into facial cosmetics (57%), lips cosmetics (25%), eyes cosmetics (17%), and manicure cosmetics (1%).

The body-cleaning product category grew by 3% with a gross value of 3.1 ten thousand million baht.

The oral-care product category grew 8.7% with a gross value of 2.56 ten thousand million baht.

The fragrance product category grew 6% with a gross value of 9.55 thousand million baht.

The Asia-Pacific Region is one of the markets that grow the fastest in the world. The proportion of beauty and personal-care products was 32% of the world market, while Thailand was one of the markets in this region that grows the fastest.

At present, Thai beauty or cosmetic brands are accepted like other well-known brands in Europe, Japan, and Korea. Especially, Chinese women in the new generation favor Thai brands. Before the Covid-19 crisis, one of the favorite souvenirs from Thailand was beauty products, i.e., cosmetics, skincare, spa products, etc. Highly favorite brands were Mistine (export value in 2019 was up to 5,000 million baht), Snail White, Beauty Buffet, Cute Press, ANJERI, and RAY. Because of such popularity, businesses of many brands of Thai beauty products were expanded in the Chinese markets continually during the past time.

3) The Condition of beauty markets in Thailand during the Covid-19 pandemic

The spread of Covid-19 since 2020 has caused an economic slowdown worldwide and shrunk the export of cosmetic products slightly. Based on the report of NPD, a marketing research group, on trends of consumers in the global market, the sales volume of a large number of famous cosmetic brands decreased by 37% during the past six months since the arrival of Covid-19. From a woman study, 71% of women had their make-up less. Thus, according to changing lifestyles during the Covid-19 situation, consumers give less importance to cosmetic products, but pay more attention to beauty from inside to outside, which is a changing behavior all through the world.

Concerning the situation of the beauty market in Thailand, before 2020, such a market grew continually every year at 6% on average. At the beginning of 2020, it was forecast that the market would grow by approximately 8%. However, because of the Covid-19 pandemic, the lockdown measure has caused an economic slowdown. People are more anxious and wear face masks for self-defense in public areas. All of these phenomena affect beauty markets.

Concerning information from Yves Rocher (Thailand) Co., Ltd, in 2020, the market value of the beauty market was reduced to 221,000 million baht, excluding direct selling channels. During January-July 2020, compared to the past year, the negative growth rate of the beauty market of luxury goods was 41%, cosmetic products -was 58%, hair-care products -9%, skincare products, and personal-care products – 7%. Previously, these products had grown continually every year, and in some years, the growth rate climbed up to 11%. (Chinta Srichintangul, 2020)

Contrarily, from additional data collection, some Thai brands of the beauty products were found to have a higher growth rate in 2020 due to their rapid adaptability during the Covid-19 pandemic. To illustrate this, “Yves Rocher Brand” grew by 7% in 2020 and was found to grow continually by 11% at the beginning of 2021. Facial treatment products under the “Rojukiss” brand had a net profit growth of 17.6%, and acne solution products of the “Clear Nose” brand had an increased sales volume of higher than 150%. The growth of the aforementioned beauty businesses was a result of their adaptability towards online selling to respond to consumers’ behaviors as they reduced activities outside their accommodations. Online channels have become the main channels for product purchases. Besides, social media has a great influence on attracting consumers increasingly. Accordingly, online channels are going to have a higher proportion of sales volume than offline ones, especially during 2020-2021 when the pandemic of Covid-19 remained.

4) The condition of beauty market competition during the Covid-19 crisis

During the Covid-19 situation, beauty businesses have to adapt their marketing strategies for their business survival. Severe competition among branded products has been witnessed, partly caused by modifying strategies of luxury goods, which emphasize pricing and marketing promotion strategies through a new

distribution channel, namely E-Marketplace. Consequently, it causes a chain reaction in other beauty product groups.

One of the main reasons behind the modification of strategies for luxury goods was that foreign tourists did not travel to Thailand and the closing of department stores made the sales through the brand counter disappear. Consequently, the beauty market of luxury goods faced a -41% of sales volume, compared with the past year. E-Marketplace then has been emphasized to expand the market and be able to respond to consumers' changing behaviors towards an online purchase, i.e., through Lazada, Shopee, etc. Moreover, marketing promotion strategies have been adopted for attracting buyers who buy products in the E-Marketplace.

Powerful marketing promotions in the E-Marketplace that has never been seen in the luxury goods make prices of luxury goods not so different from those of Premium Mass. As a consequence, a part of consumers in the Premium Mass group choose to buy cosmetics in the luxury goods group instead. Such a phenomenon forces many cosmetic brands in the Premium Mass group to adjust their pricing through marketing promotions to reduce their prices to be comparable to those luxury goods and induce consumers to return to purchase Premium Mass goods. Accordingly, it causes a chain reaction to beauty brands in the Mass category due to the reduced prices of the Premium Mass goods to be closer to those of the Mass goods.

5) Trends in beauty product needs after the severe situation of Covid-19

Generally, skincare and cosmetic products are large-scale beauty businesses in the beauty industry with a great number of consumers. Thus, these huge businesses are influential and have possessed big market shares for a long time. However, since the pandemic of Covid-19, beauty business groups tend to be changed. Typically, there are three key businesses in the beauty industry: Skincare, color cosmetics/make-up, and fragrance.

As a whole, beauty businesses have still been growing worldwide. In 2021, the market value was higher than 511 million US\$, which was 4.75% higher than in 2020. It is further anticipated that in 2025, the market value will be over 716 million U.S Dollars and over 784 million US\$ in 2027. Such a tendency reflects that

the main factors enhancing the growth in the beauty business despite the Covid-19 pandemic are online selling and the influence of social media on attracting consumers to pay willingly for more quality products at higher prices. Moreover, the purchasing power of many newly-growing countries is another major factor that brings about business expansion of beauty products, especially in the Asia-Pacific and Northern America Regions that possess a market share of more than 60% of the markets worldwide.

Owing to the pandemic situation, the preference for beauty products tends to change.

The beauty products that tend to get higher favor after the Covid-19 pandemic are:

(1) Sanitary products. The pandemic of Covid-19 makes sanitary products necessity goods, i.e., cleansing gel or spray and soaps, hand cream, etc. These products are for protection against diseases and viruses. On the other hand, they possess other properties for identifying oneself or identity expression, such as elegant scent, classy packaging, etc.

(2) Hair products. Concerning a foreign study, people tend to touch their hair 40 times a day. Thus, when a trend in health care comes, hair-care products are also popular, especially products against bacteria that are safe for consumers.

(3) Products with disclosed ingredients. Due to consumers' changing behaviors, advertisements and reviews by celebrities, including claims of brands are not as credible as before since consumers can search for more information; read the ingredients and chemical formula of a product; and find studies for making purchase decisions. Accordingly, products that reveal factual information or explicit test results are preferred, especially natural products.

(4) UV-protection products. Because of the government's lockdown measure, consumers' need is affected. Consumers use more electric devices, both computers, and mobile phones; therefore, they need products that help to protect them against increased ultraviolet caused by increased usage. Especially, several studies reveal that blue light harms human skin so many beauty brands produce innovative products to decrease the blue light effect.

6) Channels for marketing promotion and marketing communication in the digital age

It was found that in 2020, the main digital advertising channels in Thailand were Facebook, YouTube, and Creative (online video content, banners on websites, applications, etc.)

The value of these three channels was 13,686 million baht or comparable to more than 60% of all digital advertising budgets, with details of each channel's advertising budget as follows: (Marketingoops, 2020) Facebook Ad 6,561, YouTube Ad 4,586, LINE 1,196 million baht. On the other hand, the budget for Display Advertising decreased by 23%, online video, and Instagram by 26% and 25% respectively, while Tik Tok, a new communication platform introduced by the Digital Advertising Association (Thailand) or DAAT was rated in the chart with E-commerce in 2020 with the total digital-media budget of 48 and 106 million baht respectively.

DAAT views that the status of digital media is comparable to the mainstream media like television so most businesses consider using advertising budgets on this channel tremendously. Besides, media buyers also emphasize advertising channels and platforms leading to more effective measurement. Furthermore, when comparing digital budgets in Thailand with those of other countries, other countries spend fewer budgets on digital advertising while Thai businesses use budgets from other channels for digital advertising due to consumers' changing behaviors. Explicitly, advertising budgets in theatres, printed media, and radio are decreased. In 2021, it was forecast that digital advertising budgets in Thailand would have a steady growth rate from 2020, or at the level of more than 8% with possibly a gross value of 22,800 million baht, affected by the Covid-19 situation at the end of 2020 and beginning of 2021, in which the pandemic situation got worse.

Twitter is another communication channel used as a marketing communication tool in the beauty business. It was found that from the second quarter of 2019 to the third quarter of 2020, there were 60 million tweets about personal-care products in Thailand. (Global Web Index, 2563) Besides, consumers on Twitter also had a very high engagement with beauty product brands.

Despite the Covid-19 situation, the overall evaluation through the year 2020 found that budgets on digital advertising media increased by 8% from the past

year with a gross value of 21,058 million baht. The factor enhancing such growth was the capability of Thailand in maintaining sanitary standards and controlling the number of infected. Before the number rose at the end of the year, advertisers had more positive confidence than anticipated. As a whole, digital advertising budgets of 1,923 million baht on skincare products ranked fourth, which grew by 7% from the past year, whereas the budgets of 580 million baht for digital advertising on hair treatment, such as shampoo, conditioner, and dye, ranked the ninth or decreased by 40% since salons and spa services were closed temporarily during the Covid-19 safety measures, especially, consumers who stayed home without the necessity to buy new haircare products.

Part 2: The Findings from In-depth Interviews and Participatory Observation.

From in-depth interviews with 5 samples on the economic conditions of the beauty business of MSMEs, more specific information about factors affecting business operations and business competition in the beauty business was found, as follows:

- 1) Consumers and dealers had high bargaining power due to their capability in accessing communication technologies.
- 2) There were plenty of alternatives or substitute products due to the lack of entrepreneurs' creativity and accessibility to research sources and product development.
- 3) A lot of new entrepreneurs entered the market because of lower costs for business operations than before.
- 4) Producers reduced their production capacity per time to support small enterprises, while the market share of large enterprises was more divided with lower bargaining power.

The findings from the interviews are congruent with the assessment model on business competition of Michael E. Porter, or the so-called, Five Force Model, which comprises 5 factors: 1. The bargaining power of customers, 2. the threat of substitute products, 3. the threat of the entry of new competitors, 4. the intensity of competitive rivalry, and 5. the bargaining power of suppliers. Thus, the following five forces can be further explained, as follows:

- 1) The Bargaining Power of Customers

(1) Customers' accessibility to information

Most samples agreed that nowadays customers gain more bargaining power. Although MSMEs may sell fewer pieces per time for customers and do not rely on a few large-scale customers, in a free market economy during the digital age, customers can access factual information rapidly and widely, which on the other hand, makes them have higher bargaining power. For example, entrepreneurs cannot set prices as they wish like before because customers can find others with better prices and conditions. Moreover, they can change products, and brands, or buy old brands from a new shop. The ability to check prices via an E-marketplace increases customers' bargaining power as they can compare prices among a variety of online shops without increased costs or expenses for their purchase decisions.

“Nowadays, customers are very smart. When they found a product on our page, they inquired information from our admin, but they would go to bargain prices with another page selling the same product by capturing the price from our page. Thus, if another page wants to sell, it will reduce the price for them.”
(Kethwaran Thanasangkarat, interview, 2019)

Notably, if the prices of beauty products, especially skincare and cosmetics, which are used on our skin directly, are much lower than normal prices, or distributed in accredited channels, customers may not select them.

(2) Customers' ability to transmit information

Platforms on social media are crucial communication channels for people in the digital age since they can share their stories, both beneficial and harmful to beauty businesses. Moreover, customers can gather in groups for bargaining or conduct business grievances, which expresses their dissatisfaction with products or services, including revealing unethical entrepreneurship, which will become barriers to business operations.

To illustrate this, a former famous newscaster and MC, Kalamare or Patcharasri Benjamas produced a clip to advertise the properties of her dietary supplements saying “it can make your face structure refined and lifted without any dewlap, alter Blepharoptosis to double eyelids, vanish wrinkles over eyebrows, smoothen deep cheek grooves, and shape up your nose. Again, I want to repeat that I

never had nose surgery. Now, I have my supplements only.” Such a clip was shared with a question about her ethics of business operation. As a result, Food and Drug Administration (FDA) investigated her products and found that the advertisement of her dietary supplement, named Botera Drink, with the food serial number 10-1-03958-5-0229, and powdered drink or instant beverage, named Botera Shot, with the food serial number 10-1-03958-5-0233, on Instagram “hipowershot” and Facebook, “Botera: Powerful beauty” with exaggerated properties that they can tighten facial skin, reduce excess fat, and increase eye layers, including claiming that her products can substitute a surgery. Those advertisements were charged with being unauthorized and advertising deceptive benefits, qualities, and properties, which will be sentenced to be liable to imprisonment for a term not exceeding 3 years or a fine not exceeding 30,000 baht or both, according to the Food Act, B.E. 2522 (1979). Thus, FDA suspended her advertisements and proceeded towards administrative action, including issuing a letter to Consumer Protection Police Division (CPPD) for legal execution. (Matichon Online, 2021). Such happening caused the entrepreneur who is a famous MC to end her career to express her social responsibility. Still, her products are found in the beauty market.

(3) Dealers’ bargaining power

Dealers are considered customers who have a distribution channel through dealership. Although dealers may have the ability to transmit information, both positive and negative, for the business, ineffective information transmission about the business may affect products in their inventory. Besides, changing new products for distribution requires sufficient capital. Mostly, a dealer often has capital for buying only 1-3 kinds of products for distribution.

“When the scandal of Praya by LB occurred, I really wanted to condemn Poo, Praya, but as I had the products fully in hand, I needed to sell them further. I had to accept that the product could be sold because of having Poo’s photo on the box. People still bought it despite such a scandal.” (Mookravee Dechakarathanakul, interview, December 17, 2019)

2) The Threat of Substitute Products

The findings from the in-depth interviews show that a lot of MSMEs' beauty products confronted an obstacle caused by their lack of creativity and ability to access research sources and product development. Therefore, they needed to rely on the products designed by OEM producers, so most products launched into the market all look similar and have no innovative and unique identity. Hence, it cannot create customers' perception of their distinction from other substitute products. As a result, customers have no brand loyalty and tend to change their purchase decisions easily, especially if they perceive other substitute products are worthier or give additional value. Unless customers perceive some value in the old products, such as similar properties and prices, extra costs may be needed to change for a substitute product, such as transportation costs, etc. These extra burdens or expenses can reduce the threat of substitute products. Therefore, if they can change products without any extra expense or with only very low costs, such substitute products then will become a high threat to the old products.

“Earlier, most cream products were sold by kilogram at Don Muang Market. They have instant formula and scent for selection. We have to pack them in a smaller jar and seal it individually by ourselves.” (Mookravee Dechakarathanakul, interview, December 17, 2019)

“Weight-loss products competing in the market show the same formula when we read their ingredients on the label.” (Kethwaranan Thanasangkarat, interview, 2019)

Despite plenty of substitute products, customers' purchase decisions are not always based on worthy prices only, but product quality is still a very significant factor. Therefore, if entrepreneurs can still deliver products' value for solving customers' problems, their products can still own higher bargaining power than substitute products. Besides, a purchase may be repeated. Nowadays, customers prefer products with creativity, or not only products' properties, but also other values simultaneously, i.e., innovation, trends, style, etc.

“During 2015-2016, there was no cleaning gel for solving acne problems in online dealership. The most distinguished feature was a container or bottle.

We designed a new design in a minimal size, which was very unusual. No brands had ever done this way. They preferred lots of designs as they thought that merchants would like them. However, when we changed into a new design, merchants liked it so they bought a lot from us for sales. If products are really good, people will come back to buy them again.” (Suriya Sudsakorn, interview, 2021)

Major barriers that obstructed the elevation of the beauty product quality are the lack of innovation, distinctiveness, and value-added products, which require capital. Besides, their inaccessibility to research findings or knowledge for product development is another obstacle faced by MSMEs.

For the case of products through a dealership system, the factor related to the ability to make profits is also considered. For example, if any substitute product can make higher profits, then the threat of such a substitute product will be higher too. The threat will be even more severe if substitute products can provide an ability to bring about huge profit-making, i.e., through effective marketing communication, facility systems for dealers, etc.

3) The Threat of the Entry of New Competitors

From the in-depth interviews, the beauty business in the digital era can be established much more easily than in the past so many new entrepreneurs emerged due to low-capital requirements as production technological advancement facilitates a proper size of businesses that can carry not too much purchase power and can distribute products compactly. Notably, there are other factors enhancing bargaining power in the beauty business that does not depend on how old or new entrepreneurs entry to the market. They are the ability in production towards economies of scale, accessibility to distribution channels that respond to consumers’ behaviors, accessibility to raw material sources, both in terms of price bargaining and quality of raw materials, accessibility to updated technologies, etc., which are important for producing quality products regularly, even in the mass production since technologies keep changing all the time. However, if new competitors can access technologies and have expertise in adopting them, such new entrepreneurs can cause pressure on the old entrepreneurs or producers who still use old technologies. Besides, it includes

accessibility to necessary input factors, i.e., knowledge or know-how, experts, raw materials, labor force, management, etc. These input factors often exist in an industry and are used by the old producers. However, if new competitors can access these input factors better, they can yield rapid productivity and create higher needs for these input factors. Thus, it leads to competition since the step of input allocation and causes threats to old businesses. Moreover, another important factor is the distinctiveness or uniqueness of a product, which can increase bargaining power for all entrepreneurs in the market, without relying on how long each business has entered the market

“The products we are selling are the same products sold by others. We can use them well so we want to sell them. We thus asked for their formula, but added some extra ingredients, namely Tree Tea Oil, imported from Australia and asked the old owner to produce for us with different branding. The result was that his product and ours are very different. Frankly speaking, our business is very successful, while theirs is not so good.” (Suriya Sudsakorn, interview, 2021)

Besides the threat of the entry of new competitors in the market, it also involves customers' loyalty to the present products in the market. If customers have no loyalty to a brand or are those who like to have a trial, the entry of new entrepreneurs will surely be able to cause pressure and become threats to old businesses.

Generally, old entrepreneurs' longer experience and learning in the market are their advantage and a part of competitive advantages. Eminently, experiences in closing a deal or in repeated selling through chats in the platform as a distribution channel are one of these advantages. Therefore, new competitors often start with a joint venture with the old producer or merchant in the market until they can learn and gain enough experience to some extent that they can separate and run the business by themselves; for example, some entrepreneurs may start with investment in production and distribution through large-scale online beauty shops based on common-benefit agreement. However, nowadays, entrepreneurs can access needed information rapidly and widely, in combination with prior knowledge and

experiences; therefore, the adaptation to the market situations and becoming a new competitor in the industry takes much less time than before.

What current producers can react to the entry of new competitors is often in the form of indicating new competitors' drawbacks, i.e., no production patent, containing harmful or hazardous materials or substances to consumers' health, abnormal pricing or dumping aimed to dominate the market and chase old producers out of the industry, etc. These reactions with clear evidence and certified by the government sector can help to reduce pressure or threats of new competitors.

4) The Bargaining Power of Suppliers

From the in-depth interviews, most entrepreneurs in the MSMEs' beauty business order their production to OEM factories, which are plenty so entrepreneurs have more choices and can compare to find a factory that can produce products responding to customers' needs the most. Still, a large-scale production factory with innovation and discovery of new formulae; production standards, quality control, and duly delivery need higher capital.

“In the past, we asked local factories to produce for us, but they often delivered products late and their packing did not look in style. Later, we needed a bigger lot production with higher-quality ingredients, but they could not do for us. Luckily, they recommended us to order production with a Korean factory they knew. It is a very good factory and everything is perfect.”
(Pathitta Sawangsup, interview, January 27, 2020)

Furthermore, large-sized entrepreneurs in the beauty business are affected by OEM as a lot of micro-entrepreneurs scramble for market shares and imitate products. Thus, they require adaptation and try to make bonds with OEMs.

“Does it affect us? I think it affects us a lot since OEMs accept to cut off their own flesh, several micro-enterprises run to these OEMs to produce 3,000 – 5,000 pieces for them. In the past, it required at least 10,000 pieces. Thus, we cannot compete with these micro-enterprises who compete for market shares. They grow very fast. In the past, our competitors in the market, I mean real competitors, were less than 200 brands, but now there are more than 2,000 or

possibly over 10,000. Competition is high so it requires some linkage with some manufacturers. Although they are not our networks, we still have to take them. For instance, this factory used to copy our brand, I dragged it to join us as I wanted to know what kind of creatives they are. Sometimes, we joined production with them and asked to visit its factory to see how it works. I asked it to produce 1-2 products to see how they look like. Thus, we have to establish partners at all sides: producers, transportation, etc. We did all. Previously, we accepted only a car, but now a motorcycle is OK. What do we wait for? We did everything.” (Arisa Soranannuphap, interview, September 16, 2019)

Standards of the manufacturers are another issue raised by dealers and consumers. Manufacturers that can produce and maintain high-quality products will be accepted and trusted. For instance, in the case in which repeated production is required, if production is shifted to other manufacturers, it may decrease products’ credibility or makes products be perceived as having no quality as before anymore, as shown in the case of Ethene collagen supplements for beautiful skin and the case of Praya by LB.

“Some customers felt that after taking it, it’s not the same. Some of them questioned. Some read the statements on the box and found that the source of production was not the old one, they started to feel uncomfortable. Some customers perceived colors of the package changed; although, the product was exactly the same, but customers still felt doubtful.” (Kethwaranan Thanasangkarat, interview, 2019)

5) The Intensity of Competitive Rivalry

The intensity of competition in the beauty market is a consequence of pressure driven by four factors: manufacturers’ bargaining power, customer’s bargaining power, the threats of new competitors, and the threats of substitute products. At the same time, the competition condition affects these four factors as well. The condition of business competition as a result of four factors can be explained as follows:

The Thai beauty market has grown continuously so it can attract a lot of entrepreneurs to enter the market and induces high and intense competition. Besides, each entrepreneur produces a unique product diversely with a variety of business operation strategies. Therefore, competition is more complicated, while management with competition problems is also complicated.

Besides, due to the relatively short life cycle of MSMEs' beauty products, more intense competition occurs because when products move to the maturity and decline stage, most entrepreneurs often launch new products into the market. Thus, the entry of new products to the market will be in the introduction stage or the period in which marketing promotions are conducted the most. If any product can survive this stage, it can move to the growth stage, in which there are a lot of organized marketing promotions like the introduction stage. Especially, most MSMEs' products are not innovative nor propose any different value. Therefore, new products tend to have a similar quality to the old ones or they can be substituted. Accordingly, consumers have no expense or risk in changing to use other products. Therefore, competition will be even higher. Another factor leading to such competition is the emphasis on product quality as a selling point, which requires high costs. On the other hand, costly products tend to be classified into different grades with different prices depending on the quality level. Thus, competition will be among products of each grade. Contrarily, for distinguished products or products with unique identities or different from competitors' products, competition will be low as customers cannot find other products to substitute them completely and return to use such unique products. Such uniqueness may require technological innovation that cannot find in other products or products that may have a superior design. Therefore, products' uniqueness, either in their properties or communication methods between products and customers, brings about customers' loyalty to product brands and competitive advantages. The more loyalty customers have, the less competition will be faced as customers will reject using other products; although, such products can be substituted.

Besides, the beauty business in the digital era has to confront cut-price or dumping problems induced by consumers' prone to price comparison as they can

access information easily and rapidly due to communication technological advancement.

Data Analysis of the Economic conditions

From analyzing information about the economic conditions, it can be summarized as follows:

Table 4.2 A Summary of Data Collection from Documents, Websites Related Directly to the Study, Key Entrepreneurs' Websites, and In-depth Interviews on the Economic Conditions

External Condition	Questions	Findings	
		Document/Websites	In-depth Interviews
Economic	- What is the situation of the beauty market?	<ul style="list-style-type: none"> - The beauty market in Thailand during 2015-2016 had continuous growth every year. - In 2020, the beauty market slowed down in all dimensions, including import-export values due to the pandemic of Covid-19 - Beauty products, after the Covid-19 situation, changed, while consumers needed sanitary products increasingly and were willing to pay for quality products with higher prices. - An intense domestic competition occurred, 	<ul style="list-style-type: none"> - Bargaining power of consumers and dealers is high due to their ability to access communication technologies. - There are a lot of substitute products caused by entrepreneurs' lack of creativity and accessibility to research information for product development. - Plenty of new entrepreneurs entered the market as costs for business operations are not so high as in the

External Condition	Questions	Findings	
		Document/Websites	In-depth Interviews
		<p>caused partly by the modifying strategies of luxury goods, which focused on pricing and marketing promotion strategies that are suitable for a new distribution channel, namely E-Marketplace.</p> <p>Business operation approach after confronting the Covid-19 situation in the digital age where access to information is convenient and rapid. Consequently, the East-Asia market had a high influence on Thai consumers and there is a tendency that consumers paid more attention to products that are friendly to the environment, which is one of the factors influencing consumers' brand loyalty beyond other factors.</p> <p>- In 2020, it was found that budgets for digital</p>	<p>past.</p> <p>- Producers reduced their production capacity per time to support small-enterprise entrepreneurs, which yielded advantageous results for MSMEs, and brought about a large number of new entrepreneurs, while the market shares of large-scale entrepreneurs were divided and their bargaining power decreased.</p> <p>- Competition was intense caused of information and communication technological advancement, which was a major factor that increased consumers' bargaining power in parallel to being a tool for enhancing effective</p>

External Condition	Questions	Findings	
		Document/Websites	In-depth Interviews
		advertising media increased since Thailand could maintain good standards and control the number of infected satisfactorily. - Twitter is another communication channel that is suitable for the beauty business since it is popular among consumers.	competition, especially through marketing communication and information processing systems.

From data collection from documents, websites related directly to the study, key entrepreneurs' websites, and in-depth interviews on the economic conditions, it was found that the situation of the domestic beauty market in Thailand used to grow continually every year and was accepted equally to well-known beauty products in Europe, Japan, and Korea. Especially, Chinese women in the new generation preferred Thai beauty products, especially until the pandemic of Covid-19 that occurred in 2020, which made the beauty market decrease in all dimensions, including import and export, because of the economic slowdown worldwide and changes in consumers' behaviors, i.e., financial management, expenses, including product purchase decisions. The slowdown of beauty products that used to grow continually like cosmetic products can be proved by its shrinking growth rate of 30%. Besides, it was found that beauty products after the Covid-19 situation have been changed. Consumers were willing to pay for quality products at higher prices. The beauty products that tend to get popular are (1) Sanitary products, (2) hair products, (3) products revealing their ingredients, and (4) UV-protection products.

The competition situation in the beauty market. The intensity of domestic the competition occurred and one of the factors causing such competition came from the emphasis of luxury goods on pricing and marketing promotions suitable for a new

distribution channel, namely E-Marketplace for market expansion and accessibility to consumers' changing behaviors towards online purchase. Besides, prices of luxury goods were lowered until they were not so different from those of Premium-Mass products to make consumers perceive financial worthiness and turn other groups of consumers to buy luxury goods. Thus, it caused a chain reaction to other groups of beauty products that needed to apply the same strategy to maintain their market shares and sales volume

Business operations approach after facing the Covid-19 situation. In the digital era, access to information is convenient and rapid; thus, the beauty markets in the Eastern Asia, i.e., China, Japan, and Korea influence consumers increasingly. Therefore, entrepreneurs have to study consumers' needs and purchase decision behaviors thoroughly. At present, consumers tended to pay more attention to products that are friendly to the environment, which is one of the factors influencing consumers' brand loyalty more than other factors. Thus, entrepreneurs have to modify their strategies in business operations and marketing communication. In 2020, it was found that budgets for digital advertising media increased as Thailand was perceived to be able to maintain sanitary standards and control the number of the infected effectively before the number of the infected started to rise again at the end of the year. The main communication channels used in digital advertising in Thailand in 2020 were Facebook, YouTube, and Creative (online video content, banners on websites, and applications). Examples of Thai digital communication channels were Facebook Ads, YouTube Ads, LINE, Display Advertising, Online Video, Instagram, TikTok, E-Commerce, Twitter, and Clubhouse. For beauty products, Twitter is one of the proper communication channels as it is popular among consumers.

Furthermore, from the data analysis of the findings from in-depth interviews with 5 samples on the economic conditions of the beauty business at the MSME level, information about factors influencing business operations and competition was found and explained by the Five Force Model, as follows:

- 1) Consumers' high bargaining power because of their ability and potential in accessing and transmitting information, including sharing both beneficial and destructive information to the business via platforms on social media rapidly and widely in real-time. Besides, consumers also gather in groups for higher bargaining

power and grievance on consumers' dissatisfaction with the products or unethical business operations that can obstruct business operations. Regarding dealers' bargaining power, although they can transmit both positive and negative information to the business. Especially, as dealers have a burden of products in the inventory for distribution, the transmission of negative information on businesses may affect products in the inventory. It is possible to change to distribute new products if the capital is sufficient.

2) An obstacle caused by lots of substitute products. Since entrepreneurs lack creativity and the ability to access research sources and knowledge for product development, mostly they rely on the product design by the OEM producers; thus, it makes plenty of products launched into the market look similar. They also lack innovation. Therefore, they needed to rely on the products designed by OEM producers, so most products launched into the market all look similar and have no innovative and unique identity. Hence, it cannot create customers' perception of their distinction from other substitute products. As a result, customers have no brand loyalty and tend to change their purchase decisions easily, especially if they perceive other substitute products are worthier or give additional value. Unless customers perceive some value in the old products, such as similar properties and prices, extra costs may be needed to change for a substitute product, such as transportation costs, etc. These extra burdens or expenses can reduce the threat of substitute products. Therefore, if they can change products without any extra expense or with only very low costs, such substitute products then will become a high threat to the old products.

3) The threat of the entry of new competitors

The beauty business in the digital era can be established much more easily than in the past so many new entrepreneurs emerged due to low-capital requirements as production technological advancement facilitates a proper size of businesses that can carry not too much purchase power and can distribute products compactly. Notably, there are other factors enhancing bargaining power in the beauty business that does not depend on the length of entrepreneurs' entry to the market since if new competitors can access key resources of the business, it can yield good productivity rapidly, especially if products can deliver unique value and help to solve consumers' problems genuinely. The new entry into the market may not be an

obstacle to business operations. On the other hand, the threats that new entrepreneurs must face in entering the market involve customers' loyalty to the old products, old entrepreneurs' selling experiences in the form of chats on social media, and the reaction of old entrepreneurs by pointing out new competitors' drawbacks.

4) Suppliers' bargaining power

At present, there are a lot of OEMs emerging in the market so entrepreneurs have more choices and can compare to find a factory that can produce products as needed the most. However, it is large-scale entrepreneurs who got affected by OEM since there are a lot of micro-enterprises that compete for market shares, copying products, adapting themselves, and finding partners with OEM.

5) The Intensity of Competitive Rivalry

Thai beauty markets have grown continually and can attract a lot of entrepreneurs into the market, which brings about high and intense competition. Besides, information and communication technological advancement is an important factor that increases consumers' bargaining power, in parallel to being a tool for enhancing competition effectiveness, especially through marketing communication and information processing systems.

Opportunities, Challenges, Problems, and Threats of the Beauty Business in the Digital Age in the Economic Dimension

From studying the economic conditions, which is the external environment of the beauty business, opportunities and threats were analyzed to examine competitive capabilities used for drawing guidelines for determining strategies. From the analysis of the economic conditions, it can be summarized as follows;

Opportunities

- 1) The beauty markets worldwide tend to be expanded
- 2) The government's measures for stimulating the economy continuously, i.e., Co-Payment Scheme
- 3) Measures have been launched for assisting MSME entrepreneurs to access loans and Credits in combination with knowledge development for increasing their competitiveness

4) Business operation approaches of the beauty business after the pandemic of Covid-19 have been changed into a more explicit model, which is like the starting of new competition among all entrepreneurs.

5) Trading activities have been moved to be operated online more rapidly due to the spread of Covid-19, which is the channel by which entrepreneurs can access consumers increasingly through effective and measurable marketing communication

Challenges, Problems, and Threats

1) Most MSME entrepreneurs lack knowledge and ability in new business management. They have no skills in business negotiation at the universal level and cannot catch up with rapid changes.

2) Due to low bargaining power caused by their relatively small size, MSMEs have to confront high production costs. Besides, they have more difficulties in accessing capital sources than large-scale businesses.

3) Consumers' bargaining power is higher because of their accessibility to and transmission of information via platforms on social media.

4) Threats of substitute products caused by entrepreneurs' lack of creativity and ability to access research sources and knowledge for product development

5) Competition is intense, especially in terms of pricing and marketing communication as information and communication technological advancement increases consumers' bargaining power.

4.1.3 The Social Conditions

Part I: The findings from Documents, Websites Related Directly to the Study, Key Entrepreneurs and Websites

As the purpose of the study is to develop a beauty business model under corporate governance in the digital era, information about the social conditions related to consumers' behaviors in relation to digital technology. The following is found.

1) Digital Society in Thailand

From the report of We Are Social, a digital agency, and Hootsuite, a social media and marketing solutions service provider, in January 2021, Thailand had

a 69.88 population with a higher proportion of women than men. The average age of Thai people was 40.3 years old. 51.8% of the Thai population lived in the cities, which is the global trend of moving into a city or the capital. Regarding the birth rate, in 2021, there were 163,000 new births, which is 10% lower than in 2020. Concerning Thai people's financial statistics in 2020, 81.6% had saving accounts, 8.3% had digital accounts, and 18.7% had online payments. Besides, from data collection in January 2021, the following information relating to digitalization in Thai society was found:

(1) The online situation and internet usage behaviors

Nowadays, the internet and social media have been highly popular. From the survey on internet users in 2021, the use of the internet was 4% higher than the past year, while the newly-born population around the world at the same time was only 1% of the world population, or it is 4 times different. Besides, social media users increased 10 times more than the newly-born populations at the same time. A mobile phone was found to be a communication device used for accessing the internet the most and 96.2% had their smartphone (98.9% of Thai people had their smartphone), followed by a computer (63.1%). From such popularity, the businesses of the owners of those communication devices, namely Smart Watch or Apple Watch, had a growth rate of 27.4%, which is 17.6% higher than last year. The growth rate of Smart TV was 15.5%, 7.6% higher than last year, and the growth rate of VR glasses was 4.8, 9.1% higher than last year. All of these growth rates reflect the readiness to move towards the age of Metaverse in the future.

During the pandemic of Covid-19, measures of reducing traveling have been launched everywhere in the world. Such measures induce people to use the internet for convenience increasingly in every part: working, entertainment, and other activities. Therefore, during 2020-2021, the growth rate of internet users increased multiply, namely a 50% increase from 2019. Until 2022, the growth rate dropped to a normal situation since almost all people have been using the internet already so the growth rate becomes stable. Similarly, the growth rate of internet users via mobile phone is also stable and tends to decrease in the future since the mobile phone market starts to be saturated

From the comparison of an amount of time spent on the internet between ages, it was found that users aged 12-22 years old used the internet 8 hours daily on average and men used the internet more than women. Users aged over 55 years old used the internet 5-6 hours daily on average, mostly for information search, communication with others, news follow-up, and recreation. Communication devices used to connect to the internet the most were mobile phone (53.96%), followed by computers (43.53%), and tablets (2.47%, which decreased from 12.4 last year).

The program used to access the internet the most was the Web Browser. 64% of users chose to use Chrome from Google, followed by Safari (19.22%), Microsoft Edge (4.19%), Firefox (3.91%), and Samsung Internet (2.80%).

Most users used the internet for searching needed information for the following purposes:

- a) Chat via personal statement (95.6%)
- b) Use social media (95.2%)
- c) Search information (83.6%)
- d) Buy products (58.1%)
- e) Look for a map or Google Maps (56.9%)
- f) Email (50.4%)
- g) Listen to music (46.9%)
- h) Read news (42.3%)
- i) Check the weather (41.9%)
- j) Exposed to entertainment (40.5%)

The website people used the most was Google, followed by YouTube, Facebook, and Wikipedia, which is all websites for searching for information and online communication. On the other hands, websites for product and service purchases, including entertainment media are in the trends while the online world is moving to the Metaverse world, especially content video, which is so popular that it becomes the mainstream media nowadays.

From classifying types of videos preferred by users, it was found that people were exposed to all types of videos the most (91.9%), followed by a music video or MV (51.4%), comedy (37.1%), know-how (31.3%), Live Streaming (30.4%), and influencer video got the least popularity (26.7%).

The online situation and the internet usage behaviors of Thai people

In 2022, more than 77% of Thai people can access the internet; although the rate is not so different from last year, the mean is higher than the mean of global use, which is 62.5%. According to Data Report Digital Stat 2022, Thai people used the internet 9.06 hours daily or they were ranked seventh in the world. Regarding the device used to access the internet, it was found that Thai people used the internet via mobile phone at a very high level and were ranked second in the world. For the internet speed, while the average internet speed on the mobile phone around the world is 29.06 MBPS, the mean of internet speed in Thailand is 31.91 MBPS and Thailand was ranked 29th in terms of internet speed. Concerning internet speed, Net Ba Nom, Thailand was ranked second at a speed of 171.37 MBPS

(2) The Condition of Social Media Use

a) The condition of social media usage around the world

In 2022, it was found that the number of social media users around the world increased by 10.1%. From classifying by sex and age, it was found that most users were men who used for job applications. While women had a smaller proportion of using social media, they spent more time using it. Besides, the younger users are, the more they use social media.

From the survey, reasons for using social media were found as follows: Talking about news and daily activities with friends and family members (47.6%)

- (a) Using during free time (36.3%)
- (b) Following information (35.1%)
- (c) Selectively being exposed to interesting content (31.6%)
- (d) Watching trends/ social movements (29.5%)
- (e) Searching for needed information (27.7%)
- (f) Buying products and services (26.3%)
- (g) Conversing or expressing ideas with others (24.5%)
- (h) Finding new friends (23.9%)
- (i) Watching live programs (23.8%)

From the overall analysis, Facebook was still used the most in the world by having more than 3,000 million users, followed by YouTube, WhatsApp, Instagram, and WeChat, which is a Chinese platform that has expanded its customer base, especially Chinese tourists who travel widely all over the world. Another platform that was highly popular and used by over 1,000 people worldwide was Tik Tok. Despite being the social media that has been used the most in the first rank, Facebook was not as popular as WhatsApp, which is a popular chat application in foreign countries, followed by Instagram, which was popular among teenagers, Facebook, WeChat, and Tik Tok respectively.

On the other hand, YouTube becomes a social media on which users spent their time the most in 2021 (23.7 hours/ month), followed by Facebook and Tik Tok (19.6 hours/month), WhatsApp (18.6/ month), and Instagram (11.2 hours/ month).

Regarding online influencers, the types of people who users choose to follow are as follows:

- (a) 45.5% Friends and family members
- (b) 29.9% Actors or comedians
- (c) 28.9% Meme Page
- (d) 28.4% Bands, singers, musicians
- (e) 27.7% TV programs
- (f) 25.1% Restaurants, chefs, and food experts
- (g) 23.0% Companies or brands from which products were bought
- (h) 22.6% Genuine experts in each field
- (i) 22.5% Favorite athletes or teams
- (j) 21.5% Brands under purchase decisions

b) The condition of Thai people's social media use

In 2022, Thai people were found to use social media, as follows:

- (a) 81.2% of Thai people used social media while people around the world used 58.4% on average

(b) Thai people used social media 2.59 hours/per day, which was higher than the mean throughout the world or 58.4%

(c) Thai people used 7.6 platforms on average, which was higher than the global mean of 7.5 platforms

(d) 47.5% of Thai people used social media for searching the brands or products in which they were interested in combination with the use of Search Engines.

(e) 15.1% of Thai people followed influencers on social media, which was lower than the global mean of 22.6%

(f) 16% of Thai people used social media for work purposes, which was lower than the global mean of 22.9%

(3) The Condition of Social Media

The situation of social media on Facebook

a) Facebook Ads could access Thai people of more than 82.8% of (or ranked the 18th in the world), while the global mean of 34.1%.

b) Facebook Messenger Ads could access Thai people more than 35.7 million baht

c) The mean of Facebook Engagement in 2022 was 0.07%

It was further found that Facebook tried to push its members to open a shop on its platform, not other channels. From the most recent information, there were more than 562.1 million shops on Facebook, and could access consumers by 26.6%, when compared in proportion with advertising.

The situation of social media on YouTube

There were over 2.56 million users on YouTube throughout the world, which was 11.9% higher than last year, or approximately 271 million users. On the other hand, 2.09 million users aged over 18 years old around the world could access YouTube Ads, while 42.8 million Thai users (63.3%) could access them. The rank was the 18th in the world.

The situation of social media on Instagram

In 2022, Instagram had with a growth rate of 21%, compared with the past year, Instagram Ads could reach Thai people of over 18.5 million users or about 30.6% of the population proportion, which was ranked the 17th in the world.

The situation of social media on Tik Tok

According to We Are Social, Tik Tok Ads could reach over 884.9 million users or 11.2% of the world population, while it could reach 35.8 million Thai users or 63.6% of the national population, which was ranked the 7th in the world.

The situation of social media on Twitter

Twitter Ads could reach over 19.5% of Thai people and were ranked the 10th in the World with 11.45 million users in 2022.

The situation of social media on WeChat

In 2022, there were over 1.26 million users of WeChat or 16% of the world population.

The proportion of male users was a little higher than female.

The situation of social media on LinkedIn

LinkedIn Ads could access Thai users of only 5.9%, which was lower than the average mean worldwide with 14.6% users.

The situation of social media on Snapchat

Snapchat is a social media that has been widely popular in the western part, but not so popular in Thailand, as it could reach only 0.5% of the Thai population aged over 13 years old.

Regarding the global situation of social media in 2022, the changing direction has been witnessed in the global main social media like Facebook up to social media on new platforms, which are popular and become New Mass, like Tik Tok. It also reflects the overall social media use on a variety of platforms by Thai people, which portrays the direction of social media use in the new era.

2) Online Purchase Behaviors

From the report, “Digital Stat 2022,” of We Are Social, surveying online purchases throughout the world in 2022, more than 58.4% of the world population aged between 16-64 years old purchased online products and services, and over 28.3% of them purchased consumer goods, which is a trend of growth around the world. Besides, 14.4% purchased online second-hand products. Moreover, it was found that 24.6% compared prices of products and services before buying, and 17.8% used “the Buy Now Pay Later” service. (Buy Now Pay Later is a financial agreement that allows consumers to buy products without paying all at once)

The factors found to stimulate online purchase decisions were no delivery fee (51.1%), discount coupons (39.2%), customers' reviews (33.5%), satisfaction guarantee and a return policy (32.1%), points collection system (25.9%), products with a lot of likes or positive comments on social media (22.1%), brands perceived as having environmental concern (20.6%), pay by installments or no interest (18.5%), cash on delivery (18%), instant order without login (15.3%), having special services or content (15.2%), Click & Collect Delivery (15.1%), Live Chat and 24-hour service (14.5%), Entry into Competitions (13.4%), and having an order or purchase button on social media (12.7%)

The digital content inducing purchase decisions were online movies or programs (31.8%), online music (24.1%), music download (20.3%), movies or TV programs download (17.9%), mobile application (16.7%), online learning (14.4%), E-Book (12.9%), payment through mobile applications (11.8%), news (11.6%), programs (10.5%), special services on the web (9.8%), online magazine subscription (9.3%) digital gifts (9%), and dating service (6.9%).

(1) Online purchase behaviors of Thai people

From the same information source, it was found that in 2022, online purchases per week of Thai people was ranked first place in the world, namely 68.3% of Thai people aged 16-64 years old, who used the internet, followed by Malaysia, South Korea, Mexico, and China. 35.5% of Thai people had online purchases via mobile phone, which was ranked ninth in the world and higher than the global mean of 30.6%. Notably, it indicates that consumers who purchased products on a computer or mobile phone device tended to have higher regular online purchases.

Regarding the purchase budgets of Thai people, Thailand was ranked first as the country that bought online products regularly every week; however, they spent money on online products lower than the global mean. Specifically, the mean of Thai people's average online purchase budgets was 518 US\$ or 17,000 Baht, while the global mean was 1,017 US\$ or 33,000 Baht. The country where people spent the most on online purchase was Hong Kong, the U.S.A., and South Korea (3,183, 3,105, and 2,995 US\$) respectively.

In terms of types of online products, it was found that Thai people were ranked first place in the world in buying online consumer goods, or 45.8% of all

Thai users aged 16-64 years old who used the internet, followed by South Korea, Mexico, Turkey, Indonesia, and Malaysia, while the global mean was 28.3%. Besides, it was found that 70.1% of Thai people bought online content, i.e., applications for movies and music, subscriptions for supporting creators' content, etc., whereas the global mean was 71.5%.

For online payment, it was found that in 2021, Thai people had a digital payment of 526 US\$ or 17,000 Baht, while the global mean was 1,766 US\$ or 57,700 Baht. Thai people paid on mobile phones the most or ranked third place in the world (32.9%), and first and second place were Hong Kong (41.6%) and Taiwan (39.3%), while the global mean was 25.8%.

3) Thai People's Bragging Behaviors in the Digital Age and Marketing Promotion Strategy

"Bragger Marketing: Know first to please braggers," organized by the College of Management, Mahidol University, pointed out an interesting issue for marketers to apply. Bragging is the human instinct to express his self or identity, social status, and happiness to show other people what he has, i.e., objects, service, physical appearance, etc. All of these factors can be used to ignite purchase behaviors.

For instance, in the case of Pimry Pie's random box, which used to be a hot issue, buyers could randomly get a car, gold, telephone, or cash from such a random box. After the random, buyers often bragged or expressed their gladness on social media; thus, it led to a current of waiting to buy her random boxes tremendously. Besides, there was also a current of collecting glasses from well-known cafes, and a lot of buyers posted on social media about their effort in buying them, i.e., waking very early to stand in line or boasting about all classes (i.e., all colors or designs) that they owned. Such behaviors are factors that stimulate buyers to imitate and cause sharing and chain effects.

Bragger Marketing is thus a strategy of taking advantage of consumers' bragging behaviors and creating an opportunity to increase consumers' perception of a brand without hiring someone's reviews. On the contrary, a brand may get more advertisements if a product can respond to buyers' needs or satisfy buyers. Generally, there are two types of bragging persons: bragger and humble bragger.

From the survey of the College of Management, Mahidol University with 810 samples: 750 samples by quantitative questionnaires and 60 samples by in-depth interview, the findings are as follows:

(1) The main reason for bragging was “to let others know that one has the best thing,” i.e., expensive brand names that are needed by many people, or good and impressive services. Most of them what one brags or wants to tell others is things in his daily life to make people memorize a bragger’s taste and identity.

(2) What was posted or shared the most were as follows: tourism (33%), consumer goods (25.5%), restaurants and cafes (19.2%), general news (10.8%), technology (4.8%), and investment (4%) respectively. From the top-three, it indicates that marketers or businesses can apply Bragger Marketing to increase consumers’ perception more easily than other businesses.

Furthermore, besides using people’s bragging behaviors as a marketing strategy to increase perception, other strategies are to use influencers with proper images and to design special or distinguished services or brands to access people who give importance to brands, which can enhance their brand loyalty. Generally, the following strategies can be applied:

(1) Brand name

The focus on a brand name is a strategy for pleasing consumers who are crazy about brand names since most brand names are expensive so they want to show them to identify their social status. Strategies recommended for branded businesses are as follows:

- a) Choose an influencer with a proper image for a product and the target group
- b) Emphasize value proposition
- c) Communicate to reflect one’s success in life
- d) Offer special gifts for important customers to stimulate word-of-mouth or sharing Restaurant

Food is another major part of consumers’ daily life, which reflects their lifestyles. Therefore, consumers prefer showing their life experiences that differ from or are superior to others’ ones, i.e., expensive meals, luxurious restaurants, etc. Strategies recommended for businesses related to restaurants are as follows:

- a) Have a unique menu and decorate the restaurant beautifully so customers can take photos and post photos on social media
- b) Create difficulty to get a service to stimulate customers' desire
- c) Maintain high standards consistently.
- d) Be certified by accredited institutes.

(2) Accommodation

Elegant and luxurious accommodation is another thing people like to boast about or show off. The more superior the service and caring are, the more check-in and reviews a business will receive. Strategies recommended for accommodation businesses are as follows:

- a) Provide a location for taking photos by each season or festival
- b) Organize trendy activities
- c) Offer special privileges for premium customers, i.e., extraordinary services, etc.
- d) Give importance to reviews on Travel Booking Platform

(3) Gym

Another group of braggers is those who like to show off their good figures as a result of their endeavor to make them look good in the eyes of others. Strategies recommended for Gym businesses are as follows:

- a) Catch up with related currents regularly and participate in those currents.
- b) Create a trend of exercises or create an ideal figure, i.e., introducing a challenging mission to create viral currents on social media.

The channels or platform preferred by braggers were Instagram as people liked to post their lifestyle, i.e. Today, where did they eat? Which restaurant did they go to? How were they dressed? Etc. Mostly, the feature of Instagram people liked to show off was IG Story.

Besides, it was found that most Thai braggers were LGBTQ with an income of 15,001-25000 Baht monthly, and were Gen Z since this group like to value themselves and develop their quality of life. However, in Thai society, Humble

Braggers were found more than Bragger. Besides, it was found that bragging through reviews or sharing influenced purchase behaviors the most.

4) Trends of Consumers' Behaviors in the Beauty Market under the Covid-19 Situation.

The pandemic of Covid-19 changes consumers' behaviors and caused negative effect on the beauty market as consumers have to stay home and seldom go outside. Accordingly, it decreases the usage and usage frequencies of beauty products. Before the spread of Covid-19, consumers preferred using complex skincare products and luxury goods, including foundation and lipsticks for their makeup. However, after the pandemic, they turn to taking care of their hair and pay more attention to sanitary and cleaning products, i.e., cleansers, etc.

Besides, the Covid-19 situation also leads Thai people to be more concerned about beauty care at home, i.e., dye or toner, etc. From a survey by Nielsen, 35% of Thai people perceived beauty care at home as a new normal lifestyle, and Thai people had this kind of behavior higher than the overall mean in Asia. Thus, it is a trend leading to the value growth of the related products. However, quantity growth is still minus. Such findings seemingly indicate that a possible change occurs nowadays in consumers' purchase patterns. Namely, they prefer buying products in a smaller package or volume, i.e., a trend of cosmetic envelopes, etc., or a purchase of product groups with premium prices.

Moreover, it was further found that the brand loyalty of consumers in the cosmetic group was only 12%, while consumers knew up to 88 brands, while the brand loyalty of consumers in the skincare group was 30%

Part II: The Findings from In-depth Interviews and Participatory Observation.

From in-depth interviews with two samples on the social conditions of the beauty business at the MSME level, the findings were explained by "A Model of Consumer Behavior" of Philip Kotler illustrates the causes or reasons why consumers decide or do not decide to buy a certain product. The model starts with the entry of stimulus into consumers' cognition, which is compared to a black box that manufacturers or marketers cannot anticipate, as illustrated below:

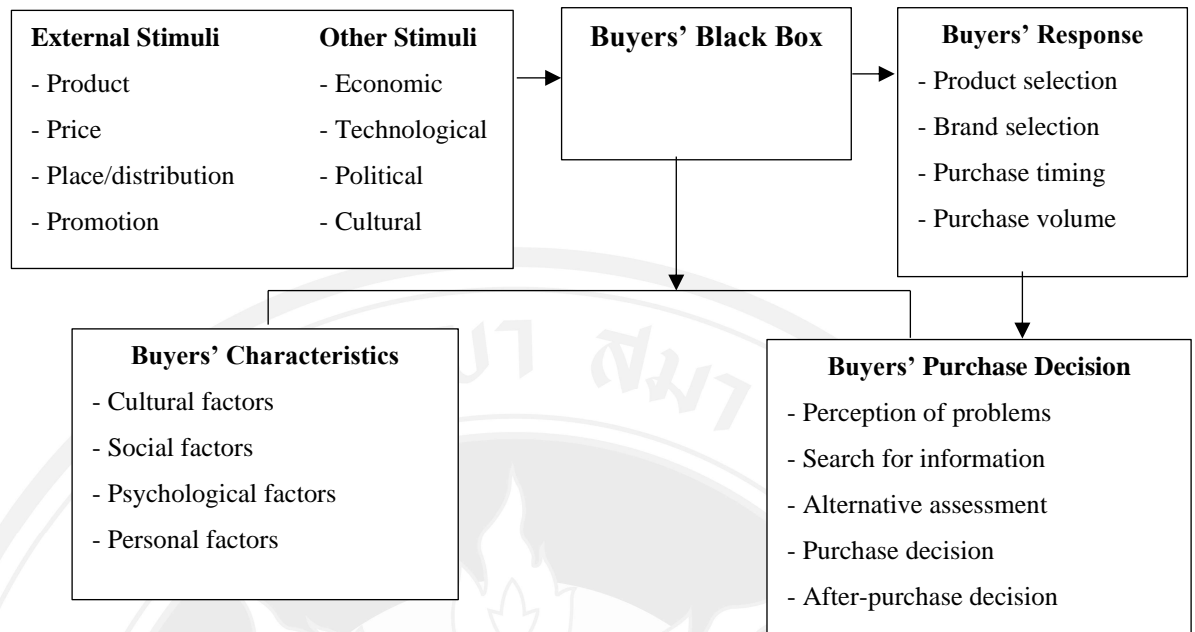


Figure 4.1 A Model of Consumer Behavior

- 1) External stimuli that can induce purchase decisions are as follows:
 - (1) Marketing stimuli
 - a) Frequently perceived products of a lot of online shops via various platforms
 - b) Products appearing in online advertisements and receiving a lot of Likes and/or positive comments from consumers.
 - c) Arousing marketing promotions, especially discounts and gifts.
 - (2) Other stimuli
 - a) The spread of Covid-19 changes consumers' needs for products and purchase behaviors clearly and rapidly
 - b) The spread of Covid-19 arouses both buyers and sellers to move to online trading or E-Commerce more quickly.
 - c) Unstable economic conditions caused by the Covid-19 pandemic reduce consumers' expenses and purchase of beauty products

d) Information and communication technological advancement, payment, and transportation create confidence toward purchase decisions

e) Consumer protection laws help to assure the standards of beauty products of MSME entrepreneurs.

2) Consumers' cognition

(1) A more variety of preferences and needs to try new products constantly

(2) A process of purchase decisions

(3) The perception of problems, which are divided into 2 kinds: problems that have happened and needed to be solved, i.e., hair loss, thinning hair, pimples, etc., and problems needed to be solved because of marketing stimulus or social value, i.e., white skin, thin figure, etc.

(4) Information inquiry. When consumers want to find beauty products to solve their problems, they tend to search for information from nearby people, opinion leaders, or key opinion leaders (KOL), etc.

(5) Assessment of alternatives. Once consumers acquire needed products, they will find distribution channels that are the worthiest for them.

(6) Purchase decisions. At present, there is a new marketing trend in Thai society, namely, packaging comes in envelopes. It means that consumers start to buy products of a smaller size or less volume per time.

(7) Evaluation after purchase. Consumers' satisfaction can be witnessed by their repeated purchases.

3) Buyers' response

Consumers nowadays pay attention to innovative products and buy them repeatedly if their problems can be genuinely solved.

(1) External Stimuli from Buyers

a) Marketing Stimuli

From in-depth interviews, consumers pay attention to beauty products in the digital era, which they often perceive from a lot of online shops through various communication channels, i.e., social media platforms, digital TV, etc. Besides, marketing stimuli include frequently advertised products with lots of Likes

and users' positive comments; however, information from entrepreneurs and dealers must go in the same direction. Furthermore, from the documentary research, the use of celebrities, i.e., actors, singers, artists, or influencers, can also stimulate consumers' purchase decisions at a certain level. However, some brands that did not use celebrities in their marketing communication were found to gain quite good sales as well. Thus, another important factor is the value of a product that can solve customers' problems genuinely.

Arousing marketing promotion is also a factor that stimulates purchase decisions effectively, i.e., discounts, gifts, etc.

“When we want to sell a product, we will create many pages and shoot throughout the country to make more people see our product more frequently so they will feel that our product should be famous because a lot of people sell it. Then, people will pay attention to it. However, our ads must be cool. Words and photos must be able to attract people to see it at once.” (Mookravee Dechakarathanakul, interview, December 17, 2019)

“We can sell several products very well without using celebrities, but we focus on ads very heavily. Importantly, content of the ads must be good. Will celebrities help to increase sales? I think it's good if such a celebrity is ok. If celebrities are not so well-known, and just appear superficially, then it is unnecessary. Did you see ads of infusion collagen powder, presented by Baifern, Yaya, and Davika? It did not help so much.” (Phichamon Sinkamonset, interview, March 6, 2021)

b) Other Stimuli

Besides the marketing mix that helps consumers decide to buy beauty products, there are also other stimuli derived from other external conditions that entrepreneurs cannot control, as follows:

The pandemic of Covid-19. No businesses anticipated that there would be a pandemic happening so there was no preparation. Factors that affect consumers' behaviors in the beauty market are as follows: (1) Changes in purchase behaviors from the purposes of solving problems, personal beauty, and following trends, etc. to the purpose of cleaning. Needs for this group of products increased

while for cosmetic products, especially lipsticks, decreased. (2) The quicker entry into online or E-Commerce. Both entrepreneurs and consumers, either in the state of adapting themselves or not, were stimulated to conduct their online trading sooner due to the government's policy factors, i.e., the lockdown measure. Hence, most consumers spent their life at home.

The economic condition after the emergence of Covid-19 trembled the income of the target consumers of the MSMEs' beauty businesses as consumers' needs decreased and consumers were more cautious about their expenditure. Thus, the number of consumers in the beauty business decreased while purchase frequencies decreased as well, which caused a gigantic impact on beauty entrepreneurs.

Technology is another factor playing a role in stimulating the beauty business explicitly during the past years. Communication technologies facilitate convenient and rapid channels for communication and trading between entrepreneurs and consumers. Technology helps to reduce travel costs and eradicate obstacles in place, traveling, and timing for business operations. What entrepreneurs can do is catch up with changing technologies and be able to use them as a tool for operating their enterprise and communicating most properly for their consumers in each period, especially during the Covid-19 situation where most sellers and buyers have to conduct their beauty activities on online platforms and consumers who need to buy beauty products can still find the products they need. Moreover, safe online payment technology is a major factor in stimulating consumers in the digital era and ensuring them to purchase beauty products via online systems. Besides, rapid transportation technology and the ability to trace the status of each delivery make a trading process run completely.

Consumer Protection Laws. They are a factor that makes consumers trust and confident of beauty products in the digital era since beauty products that can be distributed must pass safety standards inspection and be certified by the government's agencies. Besides, consumers can appeal in case any non-standard product is found. Consumers have media in hand that can spread the news instantly if there is any damage caused by purchased products. Especially, when

several consumers gather to communicate on the same issue, it will form a social current and such an issue will be corrected by the concerned agencies rapidly.

“In the past, customers did not care much about food safety or the requirement of FDA. However, in the online era, they know more about this and give more importance to it. Once our products got the specified standards, we get more customers.” (Mookravee Dechakarathanakul, interview, December 17, 2019)

“Initially, our sales volume dropped drastically, but once people are less scared, they come back to buy our products; although, the business may not be busy as before, but it gradually gets better. The important thing is consumers come back with our competitors. There are a lot of online sellers.” (Phichamon Sinkamonset, interview, March 6, 2021)

(2) Buyer's Cognition or Black Box

From the interview, it was found that before the arrival of Covid-19 spread, the number of consumers in the beauty market increased continuously since almost everyone in society wanted to make themselves look good and took care of themselves more quickly because of several motivations, i.e., to be accepted and admired in society, for self-gratification. In the past, the concept of beauty defined in Thailand was very limited to less diverse models, namely a thin figure, white or fair complexion, and a young look. However, in the digital era in which people can perceive information, culture, and value from both inside and outside the country. Definitions of beauty thus are more expanded. Although it may cause difficulties in operating beauty businesses or determining product value and marketing communication under wider definitions, it is a decent phenomenon happening in society and a more variety of beauty products can be selected. Besides, consumers' enthusiasm for learning about products in which they are interested is a factor that reduces their brand loyalty. Therefore, the life cycle of beauty products is shortened as well. Generally, although consumers may need to try a new product to find out their ideal product, beauty products on trial also come from several reasons, i.e., consumers' experience, social currents on consumers' trusted information sources, consumers' attitudes, etc.

a) Stages of the Buying Decision Process

The buying decision process comprises 5 steps as follows:

(a) Problem recognition. It was found that the need for buying beauty products is to solve the facing problems, i.e., acne or pimples, freckles, dull face, wrinkles, hair loss, thinning hair, etc.; and another reason is the need stimulated by marketing communication.

(b) Information Search. Consumers of beauty products in the digital age will search for information about products, they need several information sources. From the study, it was found that they searched from the intimate, key opinion leader (KOL), Google, YouTube, Blogger, and Facebook. Notably, at present information from celebrities or influencers is less trusted but consumers turn to find information from actual users. Twitter was found to be a social media for consumers who preferred reading actual users' shared comments. Moreover, consumers also searched for information from the admin of online shops as the shops often portray their expertise in a certain field of beauty.

(c) Alternatives assessment. After searching for needed information, consumers will consider other competing brands or substitute products, including selecting a shop that can offer the worthiest price and marketing promotion. At present, consumers like to compare prices in the E-Marketplace, which is a distribution channel with hot price competition. Some consumers will wait for the timing to get the best market promotion before purchase decisions. Although prices may affect consumers' assessment of alternatives, products' properties and value are also major factors, which consumers evaluate from direct experiences and word-of-mouth of surrounding people, including actual users on social media.

(d) Purchase decisions. Nowadays, most consumers choose to buy smaller-size products, especially in envelope packaging. Their purchase frequency is also less, and they tend to buy through online shops and nearly convenient stores

(e) After-purchase evaluation. In this step, entrepreneurs can evaluate the result of consumers' purchases from their repeated buying. Both product owners and large dealers agree that if any product does not get a good response or gets no-repeat buying, they will not invest in such a product anymore. On

the other hand, consumers in the digital era are also ready to share their information via online media about the good and bad points of their purchased products.

“Nowadays, customers are very smart. When they found a product on our page, they inquired information from our admin, but they would go to bargain prices with another page selling the same product by capturing the price from our page. Thus, if another page wants to sell, it will reduce the price for them.” (Kethwaranan Thanasangkarat, interview, 2019)

“Products I’m selling are mostly those that are pain points or can solve actual problems, i.e., hair loss, thinning hair, etc. It is customers’ hope to always look better. However, customers buy fewer pieces because of the economic conditions. Another case is they just want to try a new product and may change their mind.” (Phichamon Sinkamonset, interview, March 6, 2021)

(3) Buyers’ Responses

In general, consumers of the beauty business in the digital era like innovative and distinguished products, but also good quality. Products must be able to solve consumers’ actual problems, but with the worthiest prices. The worthiness may be defined from the market communication perspective, as consumers will choose shops that they can rely on and be accepted by other buyers. Nowadays, consumers buy in smaller volumes and with fewer frequencies. Especially, they can buy online products almost any time they want; therefore, online shops often have a team for taking care of customers all the time of their selling.

The Findings of Information about the Social Condition

From the study, the social condition can be concluded as follows:

Table 4.3 A Summary of Data Collection from Documents, Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews on the Social Condition

External Condition	Questions	Documents/Websites	Findings	In-depth Interviews
Social	<ul style="list-style-type: none"> - What are behaviors in the digital era found in Thai society? - What are the behaviors of consumers of beauty products in the digital era? - How does Covid-19 situation affect society and consumers? 	<ul style="list-style-type: none"> - The Covid-19 spread induced people to use the internet increasingly for facilitating their work, entertainment, and other activities - During 2563-2564, the growth rate of internet users increased tremendously by 50%, compared with 2019. However, up to 2022, the growth rate has decreased to the normal rate since almost all people have used the internet. - Thai people have online trade for approximately 17,000 baht weekly. - Thai people have bragging behaviors on social media over their belongings, services, physical 	<ul style="list-style-type: none"> 1. External stimuli that induce buying decisions are: <ul style="list-style-type: none"> 1.1 Marketing stimuli <ul style="list-style-type: none"> • Frequently-found products • Products receiving a lot of positive responses • Arousing marketing promotions, especially discounts and gifts 1.2 Other stimuli <ul style="list-style-type: none"> • The spread of Covid-19 changes consumers' needs, and purchase behaviors. • Unstable economic condition due to the spread of Covid-19 causes consumers to spend less. 	

External Condition	Questions	Documents/Websites	Findings
		<p data-bbox="341 1240 394 1344">In-depth Interviews</p> <p data-bbox="341 1344 394 1904">appearance, looks, etc.</p> <p data-bbox="341 1904 394 1968">- There is a change towards cleaning products to respond to their daily life during the spread of Covid-19.</p>	<ul style="list-style-type: none"> <li data-bbox="394 300 478 672">• Information and communication technological advancement, payment, and transportation ensure consumers' purchase decisions <li data-bbox="478 300 558 672">• Consumer protection laws help to make consumers feel confident about the product standards of MSME entrepreneurs. <p data-bbox="558 300 606 672">2. Consumers' black box</p> <ul style="list-style-type: none"> <li data-bbox="606 300 686 672">• A more variety of preferences and more need to try new products. <li data-bbox="686 300 766 672">• A buying decision process <p data-bbox="766 300 813 672">O Problem recognition:</p> <p data-bbox="813 300 893 672">Consumers perceive and need to solve actual problems happening to them. They also perceive problems that need to be solved because of marketing stimuli</p> <p data-bbox="893 300 941 672">O Information search occurs</p>

External Condition	Questions	Documents/Websites	Findings
			<p data-bbox="339 1238 391 1344">In-depth Interviews</p> <p data-bbox="339 1344 391 1964">when consumers want to find needed products by searching from surrounding people, KOL, etc.</p> <ul style="list-style-type: none"> <li data-bbox="391 1344 442 1964">○ Consumers assess alternatives by considering the worthiest distribution channels <li data-bbox="442 1344 493 1964">○ Buying decisions. Consumers buy smaller-size products with fewer frequencies of purchase <li data-bbox="493 1344 544 1964">○ After-buying evaluation can be reflected through consumers' repeated buying. <p data-bbox="544 1344 595 1964">Buyers' response. Consumers nowadays are interested in innovative products and will buy repeatedly products that truly solve their problems.</p>

According to the data collected from documents, websites from information sources related to the study, and key entrepreneurs' websites, it can be analyzed that the pandemic of Covid-19 starting in 2020 has changed the social condition of Thailand, especially because of the measure of reducing traveling everywhere in the world for preventing the spread. Thus, such a measure induced people to use the internet increasingly for facilitating their work, entertainment, and other activities. Therefore, during 2563-2564, the growth rate of internet users increased tremendously by 50%, compared with 2019. However, up to 2022, the growth rate has decreased to the normal rate since almost all people have used the internet.

The condition of Thai people's social media use: Nowadays, people change the way they used social media in the past for only entertainment for developing themselves, facilitating their working, and accessing useful information. Thus, traditional beauty advertising yields less effect. People start to search for information to compare the advantages and disadvantages of a product. Thus, only creative advertising can be a new option for businesses in the digital age as it is found that Thai people had online trading or E-commerce rather highly or approximately 17,000 Baht per week.

Another interesting behavior happening in the digital era in Thailand is the occurrence of bragging behaviors. Normally, it is human instinct to identify themselves and their social status, including happiness, to make others compare with what they have, i.e., belonging, services, physical appearance, etc. However, now they do all of these on social media. Such an instinct or bragging behaviors lead to the understanding of purchase behaviors. Entrepreneurs thus use these behaviors as their marketing strategies by bragging and posting their beauty products on social media to increase consumers' perception and view of their products without paying for advertising. Typically, there are two types of persons who like to brag: Braggers and Humble Braggers. The details are as follows:

Consumers' behaviors in the beauty business during the Covid-19 situation have changed evidently from the preference for complex skincare, including the use of foundation and lipsticks for make-up, to hair care and sanitary or cleaning products since consumers have hair-care behaviors at home increasingly, especially the use of dye and toners. Besides, consumers buy products in smaller sizes and volumes.

Additionally, from the in-depth interviews with two samples of the social condition of the beauty business at the MSME level, some information on consumers' behaviors was found so the researcher chose A Model of Consumer Behavior by Philip Kotler to explain reasons or causes behind such behaviors, which starts with stimulus, then buyers' black box, and buyers' response respectively, with details as follows:

- 1) External stimuli inducing purchase decisions are as follows:
 - (1) Marketing stimuli
 - a) Frequently perceived products of a lot of online shops via various platforms
 - b) Products appearing in online advertisements and receiving a lot of Likes and/or positive comments from consumers.
 - c) Arousing marketing promotions, especially discounts and gifts.
 - (2) Other stimuli
 - a) The spread of Covid-19 changes consumers' needs for products and purchase behaviors clearly and rapidly
 - b) The spread of Covid-19 arouses both buyers and sellers to move to online trading or e-Commerce more quickly.
 - c) Unstable economic conditions caused by the Covid-19 pandemic reduce consumers' expenses and purchase of beauty products
 - d) Information and communication technological advancement, payment, and transportation create confidence toward purchase decisions
 - e) Consumer protection laws help to assure the standards of beauty products of MSME entrepreneurs.
- 2) Consumers' cognition or black box
 - (1) A more variety of preferences and needs to try new products constantly
 - (2) A process of purchase decisions
 - (3) The perception of problems, which are divided into 2 kinds: problems that have happened and needed to be solved, i.e., hair loss, thinning hair,

acne or pimples, etc., and problems needed to be solved because of marketing stimulus or social value, i.e., white skin, thin figure, etc.

a) Information inquiry. When consumers want to find beauty products to solve their problems, they tend to search for information from nearby people, opinion leaders, or key opinion leaders (KOL), etc.

b) Assessment of alternatives. Once consumers acquire needed products, they will find distribution channels that are the worthiest for them.

c) Purchase decisions. At present, there is a new marketing trend in Thai society, namely, packaging comes in envelopes. It means that consumers start to buy products of a smaller size or less volume per time.

d) Evaluation after purchase. Consumers' satisfaction can be witnessed by their repeated purchases.

3) Buyers' response

Consumers nowadays pay attention to innovative products and buy them repeatedly if their problems can be genuinely solved.

Opportunities, Challenges, Problems, and Threats of the Beauty Business under the Social Condition

The findings of the social condition, an external environment, are analyzed by the opportunities and threats to consider about competitiveness, which can be applied as guidelines for determining strategies. The analysis is summarized as follows:

Opportunities

Thai society has moved towards online or E-Commerce, which facilitates business operations in many ways, i.e., distribution and communication channels, marketing communication tools, information processing systems, etc.

Challenges, problems, and threats, which are restrictions in the social condition

1) Lifestyle behaviors have changed rapidly due to many factors. For instance, the rapid advancement of communication technologies increases consumers' bargaining power. Convenience in accessing information induces consumers towards diverse needs and less brand loyalty, and the Covid-situation changes ways of living in society; thus, some organizations cannot adjust their strategies timely, etc.

2) The digital consumption society enables instant and real-time communication and information sharing; thus, entrepreneurs have to operate their business cautiously and carefully since if any negative issue takes place, it can be disseminated widely and quickly.

4.1.4 Technological Condition

Part I: The findings of data collection from documents, websites from information sources related to the study, and websites of the key entrepreneurs

In the age of rapid digital technological advancement, especially information and communication technologies, and the development of automated devices towards more intelligent working, most consumers accept and respond to these technological trends well, as witnessed by the use of online platforms and smart devices for facilitating daily life. Such a tendency is a vital factor that yields intense competition in the business sector since technological advancement and trends of consumers' changing behaviors are major forces that drive the old business entrepreneurs to develop their business operations or modify their service provision to be more innovative. On the other hand, they also facilitate new entrepreneurs with creativity and novelty to compete in the market more easily with lower marketing communication and operational costs.

Therefore, traditional business operations may not be proper to make businesses survive in the long term. The adoption of digital technology is a thus crucial variable for the businesses' existence in the market and increases their competitiveness to catch up with their competitors in the market. (Kasikorn Research Center, 2017).

4.1.4.1 MSMEs and the Application of Digital Technology

Most MSMEs use only computers and the internet as their basic working equipment for online communication and only a few of them adopt technology for application in their back-end systems. However, the application of automated and organizational technology needs high investment; therefore, entrepreneurs have to know what kind of problems their business is facing or which part of working lacks agility. Once genuine problems and pain points in each aspect are understood, then they can analyze to find what should be their solving methods or

solutions, i.e., are working systems and technology necessary? How will they help? Importantly, entrepreneurs have to choose working systems and technology that are appropriate for their businesses by focusing on solving urgent problems as a priority since they cannot apply a complete set of working systems and technology like large-scale enterprises.

Furthermore, MSMEs still confront several threats so changes toward being a technology-driven or innovation-driven organizations are not easy for them. From the study, most entrepreneurs perceived their lack of marketing information and business environment for planning as the most important threat, followed by a shortage of skillful personnel and experts in ICT, including a lack of knowledge about what kind of technology is suitable for their business. Accordingly, amidst severe competition and technological advancement, adaptability is inevitable and essential. Labor work will be replaced by information technology; therefore, it is a great challenge for MSMEs to know how they will adjust themselves, what they will adjust, what kind of technologies will be applied, when and how they will be applied, to ensure their business survival and long-term competitiveness.

Accordingly, this research analyzes technological conditions and uses the findings to modify to construct a business model. This study emphasizes the study of the conditions of information and communication, production, payment, and transportation technologies, which are related to the research objectives. The findings are as follows:

4.1.4.2 Information and Communication Technologies

1) Information technologies and business communication

E-Commerce and S-Commerce are electronic commerce occurring online media and social media as a result of information and communication technological advancement, to which MSMEs give high importance in the digital era since Thai people prefer using online and social media as a part of their daily life. Thus, it is not a new subject in Thailand. For this part, information and communication technological factors that affect the beauty business will be analyzed, while the effect of technology on consumers' behaviors has been mentioned earlier in the social conditions.

2) E-Commerce and S-Commerce in the Covid-19 situation

During the pandemic of Covid-19 in 2020, E-Commerce and S-Commerce played a role as a distribution channel that could access consumers widely since most people stayed home because of the measure of preventing the infection. Therefore, technology is a factor that drives consumers to enter online systems much earlier. Especially when the growth rate of E-Commerce is high, a lot of businesses needed to adjust their strategies by emphasizing both online marketing communication and sales as quickly as possible to catch up with consumers' changing behaviors. Besides, there is a tendency that online trading will become normal in Thai society; although, the Covid-19 situation may be resolved. Moreover, E-Commerce and S-Commerce can also establish bondage and engagement between buyers and sellers. Buyers can ask for details of a product in real-time, while social media create functions for supporting E-Commerce and S-Commerce as well by creating additional distribution channels on their platforms (Appendix B)

Online business, both E-Commerce and S-Commerce, is a channel that tends to grow increasingly in the future and consumers will give higher importance to it too because it can facilitate comfort and respond to consumers' purchase behaviors in the digital age. Thus, it is not simply a marketing communication channel but can also create sales volume.

Retail business, especially department stores, is one of the businesses that have been affected by E-Commerce and S-Commerce since consumers change to buying online products instead. Moreover, there are also E-Marketplaces, i.e., Shopee, Lazada, 11street, and Line Man, which compete with one another and try to create standards of online trading to make consumers confident and assured. Thus, entrepreneurs have to employ strategies for reducing some risks before being disrupted totally by adding online service channels for facilitating consumers in parallel to selling products at the department stores.

Furthermore, a kind of information technology called "CF Suction System," or "A System to Absorb Orders," was invented for facilitating online trading activities (Appendix B). It is real-time order management. At present, trading activities on social media via LIVE functions are widespread in Thailand. Entrepreneurs will propose their products in real-time, while buyers can place an

order through a LIVE comment box on Page Facebook, IG, LINE OA, Shopee, Lazada, and websites. Then, the total orders will automatically be sent to buyers' statement boxes to let buyers pay as conditioned. Seemingly, the suction system helps online trading activities flow and support all steps, starting from selling, purchase decisions, and deal closing. Thus, details of the said system are included in the study of the social conditions.

4.1.4.3 Production Technologies

Owing to production technological advancement nowadays, a lot of entrepreneurs in the beauty business emerged. Previously, entrepreneurship in such a business is rather difficult as it required a lot of capital to construct a factory for producing products, a test room, an ingredient purchase, etc. However, now they can produce products in smaller quantities with low costs. Especially, supported by communication technological advancement, manufacturers do not need to rely on a middleman or require only a few distributors. Manufacturers thus can use online channels to transform themselves to be distributors or original equipment manufacturers (OEM), and they can contact anyone interested in the beauty business directly. Therefore, it is an opportunity for general people who wants to own a brand since it can be done easily without huge production investment. Accordingly, such condition facilitates MSMEs greatly. On the other hand, it affects the market shares of large-sized beauty businesses, especially due to a trend of consumers' changing behaviors toward individualistic preferences increasingly. Consequently, brands of small products are more favored.

In Thailand, there are three types of manufacturers: (Wet Nuchcharoen, 2017)

- 1) OEM (Original Equipment Manufacturer). This type of factory will be contracted to produce products for various brands according to the designs specified by customers. However, it is mostly a factory with no skills in designing a product, and will not focus on building its brand.

- 2) ODM (Original Design Manufacturer) is a contractor who has both production and design capabilities and brings a product design to a branded entrepreneur or as a joint design with a brand owner.

3) OBM (Original Brand Manufacturer) is a factory developed by OEM or ODM. It is a fully developed factory that gives importance to technological investment, design, and product development to produce an accepted brand. It also has marketing capabilities.

4.1.4.4 Payment Technology

One of the factors helping MSMEs to reduce their costs and to increase payment channels is payment technology. Nowadays, payment forms have been shifted to digital payment distinctively. Earlier, Thailand laid the payment foundation by developing major infrastructure, a PromptPay System, Thai QR Code standards for payment, and the placement of EDC (Electronic Data Capture) machines to expand E-payment services more widely. (The Bank of Thailand, 2019).

The Bank of Thailand (BoT) as a financial regulatory agency launched the 4th Payment Systems Roadmap, B.E. 2562-2564 (2019-2021) with a vision that digital payment is the main alternative payment system with effectiveness, security, low costs, and suitability with service users' needs. Besides, the roadmap is for supporting the growth of MSMEs' businesses, including E-Commerce and large-sized businesses; elevating national competitiveness, and being ready to connect with foreign countries. At the same time, BoT also collaborates with the Revenue Department to take the national revenue or tax systems into digital systems in combination with the modification of related structures so that taxpayers can assess and pay their taxes more conveniently, starting from the process of registration, filing, payment, refund, services, auditing, and customer services, with a variety of digital payment channels, (Nares Laopannarai, 2021) i.e., Social Platform of FDA, Payment Gateway, and Digital Currency Rate; including cryptocurrency, etc. (Appendix B)

Amidst the spread of Covid-19, national digital payment technology plays a more important role as a major payment alternative and an important tool for providing convenient, rapid, and secure financial transactions that can be conducted anywhere and anytime under reasonable prices, while helping to avoid the risk of the spread from touching and using cash. People can use diverse payment services that can respond to service users' needs, i.e., online purchases, etc. Thai people's changing behaviors drive digital payment in the country to grow by leaps and bounds. Digital

2021 Global Overview Report states that transactions through mobile banking of Thai people ranked first in the world with an increase of 70% from 2019.

The aforementioned digital payment technologies are crucial mechanisms that facilitate economic and financial activities, business operations, and ways of living of Thai people, especially during the pandemic of Covid-19. Thailand can move towards a cashless society further in the future. (Chanikarn Hothai, 2021)

4.1.5.5 Transportation Technology

The beauty business in the digital era where trading is conducted online systems, or so-called “E-Commerce” and “S-Commerce,” still connect buyers and sellers through the internet systems, both B2B or B2C, domestically and internationally. It can say that nowadays the world is borderless and businesses can deliver their products through easy, rapid, economical, and time-saving methods. They just print a face sheet or address label on product packages and deliver them to a transportation company at a service point or call for door delivery to send products further to the destination or consumers. Thus, transportation technology can help to deliver products from a shop to consumers in good condition and make an online trading process complete.

Transport of goods via online trading is not difficult as before when consumers were worried about risks that might occur and possible delays, compared with direct purchases from a shop. Besides, they were also not confident that distributors or sellers will deceive them to pay for products without actual delivery, etc. Nowadays, such worries relatively decline due to technological advancement and people’s knowledge about risks they may face from online trading on platforms. Moreover, E-payment and internet banking have been developed to have more security, which fosters E-Commerce increasingly. (Office of Service Business Development and Promotion, Department of International Trade Promotion, the Ministry of Commerce, 2018). Therefore, E-Commerce and S-Commerce become major alternatives for product purchase channels of people in the digital era and make the beauty business grow and expand continuously, especially in the spread of Covid-19 where consumers change their purchase behaviors towards online purchases increasingly as they spend most of their time at their accommodation.

The beauty business in the digital era necessarily requires transportation services as the main factor, no matter whether they are large or small enterprises. Typically, each entrepreneur has different channels for distributing products and services. In Thailand, there is a lot of competition among transport companies in the market. Moreover, the determination of strategies that respond to consumers' needs and attract E-Commerce and S-Commerce user to services. Especially, the delivery of products has been developed to have better quality in terms of safety, rapidity, and transportation costs so beauty entrepreneurs in the digital era can choose for their businesses properly. From the statistics of the use of transportation services during January-May 2021, the companies that had the highest rate (www.thaiware.com, 2564) are as follows:

- 1) Flash Express Usage frequencies: 4,705,110 with 2.51 scores
- 2) Shopee Xpress Usage frequencies: 4,656,443 with 1.58 scores
- 3) Thailand Post Usage frequencies: 4,615,815 with 2.80 scores
- 4) J&T Express Usage frequencies 4,222,099 with 2.06 scores
- 5) Kerry Express Usage frequencies 4,094,157 with 2.53 scores

Moreover, it is found that transport management at present has applied information technologies to integrate with companies' working systems for smoothening their services and making the services as complete as possible at a one-stop service. Such a transport system is called, "Fulfillment" (Appendix B), a service for inventory, packaging, and delivery management, which is popular and tends to grow increasingly in Thailand as it is the service that can help solve problems, reduce burdens for business operations, and thus induces effective business operations with more agility. It is suitable for online distributors who need more systematic E-Commerce. The details of transportation systems are explained in the technical conditions as well.

Part II: The Findings from In-depth Interviews and Participatory Observation.

From in-depth interviews with 6 samples, technologies perceived as the most important in the beauty business are as follows:

1) Information and Communication Technology for increasing opportunities and decentralizing business operations and marketing communication for MSME entrepreneurs. On the other hand, it can also decentralize bargaining power to consumers.

2) Production technology increases the opportunity to enter the beauty market for MSME entrepreneurs. However, at present, a lot of entrepreneurs are found to lack creativity and accessibility to research information and innovation.

3) Financial technology promotes online trading activities especially in the deal-closing stage to be more convenient and rapid. Besides, the constant development of secure systems increases consumers' confidence in online payment systems.

4) Transportation technology. Quick transport systems and the ability to trace transport status make consumers' purchase decisions easier.

The details of each kind of technology are as follows:

1) Information and Communication Technology

The advancement of information and communication technology helps to decentralize competition power and increase the opportunity to access distribution channels and marketing communication to MSME entrepreneurs in the beauty business in the digital era greatly since entrepreneurs can control marketing communication costs to suit the business size and access the target customers effectively. The ability to access and communicate with consumers directly affects the market shares of large-sized beauty businesses. Later, large-sized businesses also adjust themselves for their business survival and business success in the digital age. As a result, competition in the beauty market is very intense and severe.

“When our radio station was closed by NCPO (National Council for Peace and Order), we started to sell on Facebook via personal profile and it could create very high income. Later, we faced a lot of competitors, in combination with the limit of our sales via personal profile among friends and friends of friends. Therefore, we started to have ads, which cost something.

We also had to learn a lot about the creation of ads.” (Mookravee Dechakarathanakul, interview, December 17, 2019)

“Earlier, shooting of ads on Facebook was the worthiest as we spent not too much money while the results were overwhelming, but now it is not. We shoot ads sometimes, not always as we have to put a lot of money on it to make a substantial amount of people see it.” (Phichamon Sinkamonset, interview, March 6, 2021)

Moreover, communication power is also spread to consumers and organizations responsible for monitoring ethics in business operations. Accordingly, businesses need to be operated discretely; otherwise, posted or advertised content can be transmitted widely and quickly, which can be constructive or destructive for businesses.

“Nowadays, consumers will not wait for policemen or the governmental agencies. Once any misconduct occurs with them, they have media in hand to attack you instantly.” (Nattapon Muangtum, interview, January 20, 2020)

Regarding the adoption of AI (Artificial Intelligence) and data for business benefits, nowadays, a large number of MSMEs have not adopted them in their businesses as it requires special skills and additional costs. However, initially, MSMEs can use some tools free of charge.

“We never use any equipment or tool for data analysis, but we use the list of our old customers for up-sale by tele sale. When many product owners want us to help, we found that they have never collected their customers’ data.” (Phichamon Sinkamonset, interview, March 6, 2021)

Communication channels in the digital age are plenty. At present, it is apparent Which population prefers using which channel so businesses can select communication channels to match with the target?

2) Production Technology

Production technology in the beauty business can help to produce a break-even point per production in fewer quantities, so production costs are low.

Additionally, inclusive and rapid communication encourages a lot of factories to be contractors. For instance, OEMs can communicate directly with their target people who are interested in establishing beauty businesses without relying on dealers or agents like in the old days. Therefore, a huge number of entrepreneurs in the beauty business emerge in the market.

“OEMs are everywhere now. You can find easily from Google, but there are several grades of contractors and each of them has different expertise. Some may be skillful in sun-block cremes, while some are well-known of their premium, scarce, and innovative raw materials. Costs thus depend on the quality.” (Suriya Sudsakorn, interview, 2021)

3) Transportation Technology

Worthy transportation costs and transport of goods with information technologies can facilitate information systems for customers and help entrepreneurs to follow the track of the delivered products so it avoids mistakes and delays and makes the trading more complete; as a result, customers will trust online purchases, especially shops with a good reputation of fast delivery and that are certified by actual buyers, both old and new customers. Moreover, clear communication about transport from entrepreneurs' experience can help to manage customers' satisfaction well. For example, a variety of transport companies are offered with different rates and quality of services. Advance notification to let customers or shops know the rounds or schedule of transportation can make customers expect reasonably without expecting to get ordered goods immediately, etc.

“We offer a variety of transport companies for customers to choose. Now, most customers know rates and service systems of each company. Thus, it can somewhat avoid being complained. If there's any problem, they will complain to the transport company if it is caused by the transport company. However, such problems do not happen often.” (Mookravee Dechakarathanakul, interview, December 17, 2019)

“Now, we can deliver goods very fast, i.e. by Grab, Line Man, Thailand Post, Kerry. However, Mistine will have rounds for delivery. Some customers do not want to wait, so we have to adjust ourselves and draw these

transport companies to be our partners.” (Arisa Soranannuphap, interview, September 16, 2019)

At present, many MSME entrepreneurs of beauty products choose the Fulfilment System for transport management to help every step, starting from inventory, picking, packaging, and delivery management, with notification of the transport status to inform the seller and buyer.

“We worked by an agent system for a while and perceived some problems, so we picked up the Fulfillment system to help our agents to work more easily. Once an order is received, it can be keyed into the system. Then, we just manage our delivery and stocks, so it is unnecessary to bear any risks of products’ shelf life.” (Waewwan Gunnanthorn, interview, February 7, 2022)

4) Financial Technology

At present, online trading is rapid and complete. Customers can pay easily and quickly through online transactions. Such convenience at a fingertip can stimulate consumers’ expenses too.

“Freight collect helps consumers to make quicker purchase decisions. However, it takes time for us to get money from a transport company so we have to wait for a while. Sometimes, if customers did not get our products, besides not being paid, we had to pay for transport too. Thus, we solve problems by offering little special discounts if customers have a pre-paid payment before delivery.” (Kethwaranan Thanasangkarat, interview, 2019)

“All QR Codes, PromptPay, and Mobile Banking make the trading more agile and we can inspect right away. It is beneficial for a shop. If we are credible, customers will dare to transfer money to us. Now, they use all online transactions as legal evidence as well.” (Phichamon Sinkamonset, interview, March 6, 2021)

The Findings of Data Analysis on the Technological Condition

From analyzing the technological condition, it can be summarized as follows:

Table 4.4 A Summary of Data Collection from Documents, Websites on Information Sources related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews on the Technological Condition

External Condition	Questions	Documents/Websites	Findings
Technological	<ul style="list-style-type: none"> - What are domestic fundamental technologies related to the beauty business? - What is the condition of communication technology accessibility for Thai people in the digital era? 	<ul style="list-style-type: none"> - Significant technologies related to the beauty business in the digital era are information and communication, production, payment, and transport. - Information and communication technologies that play a role in the beauty business are E-Commerce, E-Marketplace, S-Commerce C-Commerce, which have no or very little expenses. - “CF Suction System” was created for facilitating trading activities on social media that is 	<ul style="list-style-type: none"> - Information and communication technology helps to increase an opportunity and decentralize business operations and marketing communication to MSME entrepreneurs. At the same time, it also decentralizes bargaining power to consumers. - Production technology increases MSME entrepreneurs. However, at present, a lot of entrepreneurs lack creativity and accessibility to research information and innovation so they must rely on OEM and

	Findings	
External Condition	Questions	Documents/Websites
		In-depth interviews
	<p>very popular and widely used nowadays</p> <ul style="list-style-type: none"> - Advanced production technology helps to produce products in smaller quantities with low costs, and facilitates small enterprises while affecting the market share of large enterprises. - The mode of payment in Thailand moves towards digital payment and is a major mechanism in supporting economic and financial activities. Especially, during the spread of Covid-19, digital payment is the main alternative 	<p>ODM to design and develop products for them.</p> <ul style="list-style-type: none"> - Financial technology promotes online trading activities, especially at the deal closing, to be convenient, rapid, and secure, which can assure consumers of online payment. - Transport technology facilitates quick transportation systems and enables tracking of delivery status, which motivates consumers to make purchase decisions more easily.

External Condition	Questions	Documents/Websites	Findings
		<p>payment system and helps to reduce the risk from direct contact.</p> <p>- At present, transport technology can help to deliver products more easily and quickly with low costs and time-saving via transport companies.</p> <p>Besides, information technology is used for tracking transport status.</p> <p>- Fulfillment System is a transport management system that facilitates inventory, packaging, and delivery management.</p>	<p>In-depth interviews</p>

From data collection from documents, websites from information sources related to the study, and key entrepreneurs' websites on the technological condition, the important technologies related to the beauty business are information and communication, production, payment, and transport technologies, with details as follows:

1) Information and communication technology

In the beauty market in the digital era, what plays a role in business explicitly is marketing communication and online trading channels in the form of E-Commerce (Electronic Commerce), E-Marketplace (such as Shopee, Lazada, Amazon, etc.), and S-Commerce (Social Commerce) on popular platforms, i.e., Facebook, Instagram, YouTube, Twitter, Line, Tik Tok, etc., and C-Commerce (Conversational Commerce), i.e., Line or Messenger, which is often connected on the platforms of S-Commerce. These channels have no or very little expenses, compared with traditional media with high costs. Besides, these channels are extraordinarily efficient, measurable, and effective within a short time. Information and communication technology can also create engagement between sellers and buyers and can give all detailed information about a product in real time; thus, it facilitates new entrepreneurs to enter the market easily. On the other hand, it also affects retail businesses, especially department stores. Accordingly, these entrepreneurs have to create strategies for reducing risks before being disrupted by increasing online trading service channels to provide consumers convenience in parallel to product distribution in the department stores. Especially during the spread of Covid-19 in 2020, most people in society spent most of their time at their accommodations. Therefore, infection prevention measures are factors that accelerate consumers' behaviors toward online consumption more quickly. E-Commerce and S-Commerce assist businesses in providing distribution channels that can access consumers outstandingly. When online trading rates keep growing, several businesses need to adjust their strategies by focusing on marketing communication and commerce through online channels to respond to consumers' changing behaviors.

The suction system is another innovative system of information and communication technology, developed for facilitating online trading activities or generally called, the "CF Suction System" or "Order-Sucking System," which is a

real-time order management system since there are a lot of trading activities on social media via the LIVE function widely. Namely, entrepreneurs will propose their products in real-time, while buyers can place an order instantly via comments in LIVE. Then, the system will conclude all purchase orders and send the information automatically to buyers' text boxes so buyers can pay according to the conditions. Such a suction system makes online trading activities run smoothly and agilely, including supporting all steps, starting from the sales initiation, purchase decision, and closing of a deal.

2) Production Technology

The current production technology can produce products in smaller quantities with low costs. Additionally, communication advancement enables manufacturing factories to operate their businesses without relying on a middleman or agent for finding customers for them anymore. Producers can use online channels to transform themselves to be distributors or contractors, including being able to contact those interested in the beauty business directly. As a result, general people have an opportunity to become brand owners easily. This kind of condition is very beneficial for MSMEs, but affects market shares of large enterprises, especially when consumers' behaviors move towards the trend of individualistic preference increasingly. Thus, the popularity of new small-scale product brands emerged widely.

3) Payment Technology

The current payment system of Thailand is effective, secure, less costly, and responds to service users' needs. Besides, it supports MSMEs' business growth, including E-Commerce and large enterprises to be accredited and trusted by both sellers and buyers. It helps MSMEs to reduce their financial costs and increase payment channels. Now, the form of payment in Thailand is changed towards digital payment explicitly and is an important mechanism in supporting economic and financial activities, and business operations, including elevating the national competitiveness and ability to connect with foreign countries. Digital payment channels are diverse, i.e., Social Platforms, Payment Gateway, and cryptocurrency. Amidst the pandemic of Covid-19, digital payment technology becomes the main alternative for payment to reduce infection risks from direct contact; thus, digital payment in Thailand grows by leaps and bounds. Digital 2021 Global Overview

Report states that transactions through mobile banking of Thai people ranked first in the world with an increase of 70% from 2019.

4) Transport technology

The beauty business in the digital era can deliver products with easy, rapid, low-cost, and time-saving methods via a transport company. It is not so difficult as in the past, when customers were worried about the receipt of products that were not as ordered or delayed delivery of products, including being unconfident about pre-paid products, compared with direct buying. Transport companies thus adopted information technology for providing services for customers by which they can follow the tracking of product delivery. Therefore, E-Commerce and S-Commerce become other alternatives for product purchase in the digital era.

The fulfillment system is a transport management system that plays a great role nowadays. Information technology is applied to make operations smoother and more complete by one-stop service: inventory, packaging, and delivery services. Thus, it is the service that is popular and tends to grow increasingly in Thailand as it helps to solve problems and reduce burdens in running a business to ensure more effective and agile operations. Accordingly, it is suitable for online distributors who want to make their online business more systematic.

Besides, from analyzing information from the in-depth interviews with 6 samples, it is found that the technology in the beauty business in the digital era that is mentioned the most and given high importance is similar to that found in documentary analysis. Namely, it is information and communication technology, which helps to increase opportunities and decentralize business operations to MSME entrepreneurs as well as decentralize bargaining power to consumers.

Production technology also increases opportunities for MSME entrepreneurs to enter the beauty market. However, at present, a lot of entrepreneurs lack creativity and accessibility to information, research, and innovation, so they have to rely on OEM and ODM for product design and development.

Financial technology provides quick convenience for online trading activities in the deal-closing step. Consistently developed security makes consumers assured of online payment.

Transport technology provides a quick transportation system and enables the tracking of delivery status, which makes consumers decide to purchase products more easily.

Opportunities, Challenges, Problems, and Threats of Technology in the Beauty Business

From the study, the technological condition, which is the external environment, was analyzed to find opportunities and threats for considering competitiveness and used them as guidelines for determining strategies, as follows:

Opportunities as a result of technology that facilitates or promotes MSME entrepreneurs including dealers are the ability to operate their businesses more easily and the tool to access and assist MSME inclusively, as follows:

- 1) Information and communication technology
 - (1) MSME entrepreneurs can access information that is beneficial for imposing strategies easily and having more power in marketing communication with low costs.
 - (2) There are a lot of distribution channels with low costs without a shop window and can trade products 24 hours.
 - (3) Consumers conduct online trading activities increasingly, which is the channel that requires low costs and can compete by the quality of content.
- 2) Production technology
 - (1) Thailand has plenty of standardized OEMs.
 - (2) Thailand has a variety of production recipes or formulas, natural raw materials, and herbs, including importing raw materials from abroad for producing healthy and beauty products.
 - (3) Thai factories are flexible in downsizing production as desired by customers of both small and large.
- 3) Financial technology
 - (1) Financial transactions on online systems are safe, rapid, and auditable, which creates confidence in entrepreneurs and consumers so the agile condition of trading activities on online systems supports the beauty market in the digital era.
4. Transport technology

(2) Consumers on online systems trust and decide to buy more easily since transport service providers adopt information technology to facilitate the tracking of the status of product delivery.

Challenges, Problems, and Threats

The technological conditions that are restrictions in business operations in beauty operations are found clearly, are as follows:

- 1) Entrepreneurs cannot adapt themselves and their strategies to catch up with consumers' rapidly changing behaviors in the digital age so their potential for successful business operations is reduced.
- 2) Consumers' accessibility to information and communication technology conveniently enables them to compare products and prices immediately so they have higher bargaining power.
- 3) Rapid technological advancement induces supporting technologies for effective business operations; therefore, entrepreneurs who want to develop their businesses or be able to compete in the market need to have the capital for their technological adaptation.
- 4) Experts in information and communication technology are still insufficient.
- 5) Technological crimes cause losses and damages to both entrepreneurs and consumers.
- 6) Identical or similar products are dispersed in the beauty market.

4.1.5 Environmental Condition

Part I: The findings of data collection from documents, websites from information sources related to the study and websites of the key entrepreneurs

In this part, only information on the natural environmental condition was analyzed as the environment created by human beings has been explained earlier as external conditions in other domains, i.e., policy, economic, social, technological, and legal. The natural environment that causes the most enormous impact clearly on the beauty business during the period of the study is the pandemic of Covid=19, with details, as follows: (McKinsey, 2020)

The overall effect of Covid-19 on the beauty business.

1) Decreased sales volume. During the pandemic of Covid-19, the sales volume of beauty products dropped instantly as they are not necessity goods. In the first quarter of 2020 or the initial period of the pandemic, the sales volume of these products decreased explicitly. Several companies had to adapt themselves and changed to produce cleaning products, i.e., hand gels, soaps, or cleansing solutions, to serve consumers' increasingly abrupt needs and to compensate for the loss from selling other products.

In China, it was found that in February 2020, the beauty business decreased by 80%, compared with the same period of the previous year. McKinsey assessed that the gross revenue of the beauty business around the world in 2020 decreased approximately by 20-30%, except in the U.S.A. If the pandemic repeatedly occurs or continues, the decrease maybe 35%. In Japan, from the survey of Intage Holdings, a Japanese marketing research, the sales of lipsticks in the mid of May 2020 decreased by 69.7%, compared with the previous year because all women had to wear face masks to go out. Contrarily, the group of beauty products whose sales volume increased is those for eye make-up, for the area around the eyes out of a mask. Such findings accord with Alibaba, which found that the sales volume of eye cosmetics in February increased 1.5 times, compared with the earlier month. Concurrently, Lotte Shopping reported that Bobbi Brown and Dior could sell eye cosmetics higher by 40% to the year before.

2) Volume of storefront sales decreased. Offline shops, i.e., drugs or cosmetics, were found to have decreased sales volume due to the lockdown measure of the government, while people avoided leaving to reduce infection risks. Boots reported that from March 25 – April 3, 2020, its sales volume decreased by almost 70%.

3) A shift of buying channels. Because of Covid-19, consumers turned to buying beauty products via online channels very increasingly. McKinsey assessed that on average, each seller had its online sales increase by 20-30%. In the shops equipped with online selling and delivery systems before the spread of Covid-19, their sales volume increased doubled.

A large-scale seller in the U.S.A., Sephora, reported that its online sales increased by 30%, compared with 2019. Similarly, in China, it was estimated

that the online sales of each entrepreneur increased by 20-30% during the severe pandemic.

Therefore, entrepreneurs and consumers in the beauty business were stimulated to enter the beauty market through online systems faster than before.

4) No return to shop in a department store. From the statistics of foreign markets, it was found that although some governments have relieved the lockdown measure and allowed shops and stores to open, as usual, the sales volume at offline shops has still been low and has not bounced back to the previous level before Covid-19. In April, more than 90% of Chinese department stores, shops, and beauty businesses could open their businesses, but they lost customers by 9-43%, compared with the period before the pandemic.

5) A change in needs of products. A change in customers' product purchases is apparent in the group of cosmetics. Due to a new lifestyle during the new normal age, consumers' purchase behaviors changed gigantically due to the government's policies; for instance, working from home, the consistent wearing of a face mask when leaving home, etc. Hence, a large number of people give less importance to a make-up and fragrances.

The effect of Covid-19 on the Thai beauty business.

During the severe pandemic of Covid-19, beauty salons, spas, and wellness The business was closed temporarily so it made sales volumes of beauty brands obstructed. Especially, during the initial stage, many big companies, i.e., Estée Lauder, L'Oreal, etc. stopped their production and turned to producing alcohol gels for donating to hospitals and physicians who were frontiers to cope with Covid-19. Later, all miscellaneous brands started to adjust their plan to produce and distribute alcohol gels instead, such as Thai beauty product brands, i.e., Divana, Panpuri, and Harnn changed to emphasize hand-wash products and anti-virus products to draw some income to their brands.

Therefore, businesses that cannot adjust themselves or ignore change for raising their competitiveness potential will lose their opportunities in marketing and will gradually lose their competitiveness, or they can even close down their businesses in the future as they could not bear severe competition among both old and new competitors for seizing the market shares, especially in the situation that is

beyond businesses' control but yields highly negative impact on the businesses. As witnessed nowadays, the spread of Covid-19 has affected consumers' behaviors, business models, and economic activities, drastically.

Remarkably, the facing pandemic of Covid-19 now is an example of unexpected a phenomenon that is hard to control, but yields so enormous impact on economic activities in all dimensions that business operations in the traditional way have to be ended. For example, entrepreneurs cannot visit their customers via a face-to-face channel and cannot provide usual services for them closely like before; businesses lack raw materials to proceed with their production, sales volume drops and cannot accomplish the determined goal, etc. On the contrary, there are some types of businesses that can be proceeded because they adopt digital technology and ICT. Thus, these kinds of incidents are a crucial challenge for entrepreneurs at all levels and of all types to be concerned about the implementation of digital transformation and the use of digital technology and ICT seriously as tools for increasing their working effectiveness and driving their businesses vigorously towards the long-term survival and accomplishment. Notably, entrepreneurs who can adjust themselves fast and before others will get less effect, while being able to transform crises into business opportunities over their competitors.

Part II: The Findings from In-depth Interviews and Participatory Observation

From in-depth interviews with 2 samples on the environmental condition of the beauty business at the MSME level, it was found that since 2020, the pandemic of Covid-19 has yielded enormous effects on the beauty business all over the world, including Thailand, in several dimensions. The main findings are as follows:

Consumers' changing needs and behaviors. Consumers shifted from beauty products to cleaning ones. Besides, their purchase needs change in both purchase quantities and frequencies, and some consumers may even stop buying beauty products due to unstable economic conditions. Some entrepreneurs faced economic decline so they had to lay off employees or cut down salaries. Accordingly, there are a lot of people who want to be dealers or agents to earn extra

Moreover, beauty trading activities were stimulated to have online operations faster than before due to some protective measures, i.e., no leaving one's

accommodation, etc. Still, the samples who are samples of the study revealed that they got little effect as their businesses have been operated online earlier.

“We have been working through online channels since before the pandemic, so we need little adjustment. However, content and quality of products have to be modified to respond to customers’ needs. For instance, now they are more concerned about health than beauty. At the early stage of Covid-19, our sales volume also decreased as people are scared of spending their money and they could not leave home. Therefore, they did not have to take care of their beauty so much. However, when the situation gets better and people are not so scared, our sales volume starts to be increased gradually, but we also face a lot of competitors.” (Pichamon Sinkamonset, interview, March 6, 2021)

“During the Covid-19 spread, besides my products are sold well as they are dietary supplements, I also have more dealers. A lot of air hostesses buy our products.” (Waewwan Gunnanthorn, interview, February 7, 2022)

The Findings of Data Analysis on the Environmental Condition

The findings can be concluded, as follows:

Table 4.5 A Summary of Data Collection from Documents, Websites on Information Sources related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews on the Environmental Condition

External Condition	Questions	Documents/Websites	In-depth Interviews
Environmental	<ul style="list-style-type: none"> - Which environmental condition affects the beauty business? 	<ul style="list-style-type: none"> - The environmental condition that has affected the beauty business most distinctively since 2019 is the pandemic of Covid-19. - The sales volume of beauty businesses around the world decreased. - Both entrepreneurs and consumers were stimulated to enter online purchase systems increasingly. - Products needed by consumers change from make-up and fragrances to sanitary products. - Businesses that cannot adapt themselves or ignore change to 	<ul style="list-style-type: none"> - Beauty trading activities were stimulated to enter online business operations faster. For the samples, they have not been so affected since they have operated businesses online since earlier.

External Condition	Questions	Findings
	Documents/Websites	In-depth Interviews
		<p>elevate their competitive advantages will lose their opportunities towards competitiveness and can cause businesses to close down in the future.</p> <ul style="list-style-type: none"> - Several types of businesses can be proceeded by the adoption of digital technology and ICT

From the data collected from documents, websites from information sources related to the study, and key entrepreneurs' websites on the environmental situation, it was found that the environmental condition affected the beauty business severely since 2019. Namely, the condition of Covid-19 spread in the first stage, the sales volume of the beauty business around the world decreased explicitly because of economic decline and it is unable to anticipate trends in the future. As a result, consumers are very cautious about their expenses, especially beauty products distributed to storefronts lost sales volume tremendously because of the measure determined by governments all over the world for controlling the spread so consumers seldom leave home. However, the sales volume of electronic storefronts tends to be increased among entrepreneurs who have online systems equipped before the pandemic of Covid-19. Some of them had a twice increase. Moreover, both entrepreneurs and consumers were stimulated to enter beauty trading online faster due to the aforementioned situation. Moreover, consumers' needs for beauty products also changed from cosmetic to sanitary products.

Entrepreneurs all over the world including Thai entrepreneurs have tried to adapt themselves to cope with the facing situation, i.e., increasing online distribution and marketing communication channels, modifying strategies for supporting consumers' changing behaviors, etc. Consequently, at the beginning of the pandemic, several entrepreneurs who could not cope with such a situation got damaged.

Besides documentary analysis, in-depth interviews with 2 samples of the entrepreneurs in the beauty business at the MSME level in the digital era on the environmental condition, it was found that the samples were affected by the pandemic of Covid-19 in the same direction as found in the documentary analysis. However, although beauty trading activities were stimulated to be operated online faster, the samples did not get affected since they have had their online business operations since earlier.

Opportunities, Challenges, Problems, and Threats of the Beauty Business in the Digital Era in Environmental Dimension

From the study on the environmental condition of the beauty business in the digital era, opportunities, problems, and threats were analyzed to find the

competitiveness of the business for applying them as guidelines for determining strategies, as follows:

Opportunities caused by the environmental condition that facilitate or promote MSME entrepreneurs, including dealers, are as follows

1) The spread of Covid-19 induces consumers to have online purchases increasingly; thus, it is an opportunity for micro-enterprise entrepreneurs who can adapt themselves quickly can access consumers first and propose their products to the target customers more easily.

2) There has been a movement toward the development of E-Commerce platforms and other technologies that help to support effective online trading activities increasingly.

Challenges, Problems, and Threats that restraint the beauty business in the digital era caused by the environmental condition, are as follows:

1) The spread of Covid-19 caused economies over the world to slow down, consumers' purchase power decreased, and consumers were more cautious about their expenses.

2) Entrepreneurs who could not adapt themselves to catch up with consumers' abruptly changing behaviors lost an opportunity to create income and lost their allocated resources before the crisis.

3) A lot of entrepreneurs moved towards online markets so competitions were more severe, among both old and new competitors.

4.1.6 Laws and Regulations Condition

The beauty business was popular and a lot of people invested in this business during the past ten years, especially during the digital era in which product purchases have been operated through online systems. During the initial stage of online business operations, doubts and suspicion about the efficiency of covering laws and regulations were witnessed widely as online transactions seemed to be new in Thai society. On the other hand, the existing laws at that time were not updated to catch up with rapid changes. Therefore, to resolve such worries, concerned agencies have tried to correct and improve laws, including drafting additional laws. Therefore, up to now, there have been several related laws that try to catch up with these changes and support,

regulate, and surveillance of online businesses to proceed orderly and righteously for both entrepreneurs and consumers, to avoid undesirable effects on society and consumers if there is any violation. Accordingly, laws for protecting cosmetics purchases via online media were issued in the following categories: protection of rights in getting compensation for any damage, the control of cosmetic production and imports, and regulations on entrepreneurs in the E-Commerce systems. (Rattanaoporn Chattramongkol, 2018)

1) Rights of protection in getting compensation for any damage

Consumers' rights will be protected in the case that any purchased product is not as advertised. According to Consumer Protection Act, B.E. 2522 (1979), and B.E. 2541 (1998,) amended, the consumer has the following right of protection

- (1) The right to receive correct and sufficient information and description as to the quality of goods or services
- (2) The right to enjoy freedom in the choice of goods or services
- (3) The right to expect safety in the use of goods or services
- (4) The right to receive a fair contract
- (5) The right to have the injury considered and compensated

Despite no legal provision for protecting consumers' purchase of online products or services specifically, the intent of the laws protects consumers in all cases, including online product purchases.

2) Cosmetic Control:

According to Cosmetics Act, B.E. 2558 (2015), legislations for importing cosmetics are as follows:

Section 25 When there is an announcement under Section 6 (9), the importation for the sale of cosmetics must pass the inspection of the competent officer at the cosmetic checkpoint

Section 26 The Notifier must produce or import the cosmetic product as notified.

Section 27 No person shall produce for sale. import for sale hired to produce or sell cosmetics as follows

- (1) cosmetics that are unsafe to use

- (2) counterfeit cosmetics;
- (3) cosmetics substandard;
- (4) Cosmetics prohibited by the Minister under Section 6 (1).
- (5) Cosmetics whose information receipt has been revoked under section 36 or section 37.

Section 28 Cosmetics having any of the following characteristics: Considered as a cosmetic that is unsafe to use.

- (1) cosmetic products produced or used in unhygienic containers which may be harmful to users;
- (2) Cosmetics containing degradable substances may cause toxicity and harm to the user.
- (3) Cosmetics containing substances that may be harmful to users.
- (4) Cosmetics containing materials prohibited from being used as ingredients in the production of cosmetics under section 6 (2).

The Food and Drug Administration (FDA) is responsible for regulating the quality and standards of production and imported products into the Kingdom, and the distribution of quality, standard, and secure cosmetics for use. Thus, the scope of the FDA comprises pre-marketing control and post-marketing control, including elevating production standards of health products and the development of people's consumption behaviors.

3) Surveillance of online merchants

According to the 44th Announcement of the Central Committee on Prices of Products and Services, B.E. 2560 (2017) on the display of prices and details about the sales of goods and services, online merchants must display prices and details about the sales of goods and services via electronic commerce or online services (announced on January 24, 2017) so that consumers have an opportunity to compare prices or service fees before deciding to buy a product or use a service. Under Section 9 (5), Section 28 of the Act on Prices of Goods and Services, B.E. 2542 (1999), the Central Committee on Prices of Goods and Services, hereby issues the following Notification:

(1) In this announcement, “business operators” are business operators dealing with the sale of goods or services through commercial electronic or online systems.

(2) Business operators shall display selling prices, and service fees, including type, kind, nature, size, weight, and details of goods or services by writing, printing, or making them appear, by any other means in the electronic commerce system or online system of that business operator in a manner that is clear, complete, open, and easily readable product price display service fee under paragraph one shows the price per unit. Prices or charges can have numbers in any language but must have Arabic numerals. Messages or items displayed along with selling prices or service fees must be in the Thai language but may have other languages as well.

(3) If other expenses are collected in addition to the selling price of the product or service fees shown under Clause 3. The business operator must display such expenses as complete and open. It shall be displayed together with the display of the selling price of goods or service charges.

(4) The display of retail selling prices of goods or service charges must be presented to match the selling prices or service charges.

In the part of the online beauty business, laws that are often neglected are quality of products, exaggerating advertisements of product properties, including possible side effects from non-standard products. The wrongdoing of each type will be regulated by different concerned agencies and laws. For instance, drugs and chemical use is under the responsibility of the Food and Drug Administration (FDA) through the enforcement of the Food and Drug Act specifically, while propaganda and advertisements of properties and effect from oral medicine or external use drug are under the responsibility of the Office of Consumer Protection Board (OCPB) through the enforcement of Food and Drug Act. The latter has appealed to a lot of consumers that they do not receive fairness from product purchases. The mostly received appeal is the result is not as advertised, i.e., weight loss, whitening skin, hairiness, etc.

Preliminary solutions for the abovementioned problems were specified. Namely, cosmetics and supplement food produced or imported for sales after September 26, 2008, must be notified by the producer or importer to get a label from the Food and Drug Administration, authorized by the Ministry of Public Health to

certify that ingredients in food, drugs, and cosmetics have standard quality and are safe for consumers, which will be an alternative to make consumers of the product.

Besides the FDA mark that can protect consumers, the GMP (Good Manufacturing Practice) Mark is a symbol to illustrate that manufacturers of cosmetics and supplement food have passed a standardized production system that has universal quality specified by the Ministry of Public Health. GMP is thus regulations that are applied for controlling the production of drugs, food, and cosmetics to enforce producers to comply as specified by laws towards secure production without any toxic, dangerous, or unsafe risks. Mostly, cosmetic and supplement food manufacturers prefer using the specific symbol, “GMP Cosmetics,” which is certified by the Ministry of Public Health only, without any investigation of a private company like the food industry to ensure that the inspection is strict enough. Generally, after each certified inspection, a license of 1-3 years will be granted, depending on the scores each cosmetic or supplement food manufacturer receives.

Regarding advertising, entrepreneurs must use fair advertising statements as exaggerating advertisements are occasionally found, i.e., an overclaim about properties for healing, reference to the weight losers, the use of celebrities or actors as product presenters to deceive consumers, etc.

Part II: The Findings from In-depth Interviews and Participatory Observation.

From in-depth interviews with 4 samples, it was found that most entrepreneurs acknowledged and complied with the laws, but perceived some unfairness from the course of duty of the government agencies, with details as follows:

“For regulations about advertising and product safety, at first I may know fairly, but after operating business for a while, then I know them well as there will be officers who keep on fining us if any wrongdoing takes place. Therefore, if we want to be in the business for the long run, we have to do it right without wasting time dealing with a charge.” (Phichamon Sinkamonset, interview, March 6, 2021)

“We never have any exaggerating advertisement or intentionally violate any law because if we make a mistake no matter if it is intentional or not, it is not worth having our Page closed, either by platforms or consumers’ appeal. Besides, for the page we created, we took time to get our Fanpage

engagement, including accounts used for shooting ads, it's not worth." (Karn Phermtawee, interview, January 21, 2020)

"Fern is very rich (drawing). Each product can catch on in the market, so she gets very large sum of money. There was only once that she was fined of something, but then it's silenced. After that, she keeps launching a new product." (Suriya Sudsakorn, interview, 2021)

"Do you know Be Bright, Ex' cream with mercury? It's sold up to hundreds million. Many products were launched, but all with mercury, or otherwise, contains no substance at all. (the substance that can help consumers' problems). They have no FDA mark but I never see Ex be arrested." (Suriya Sudsakorn, interview, 2021)

The abovementioned legal condition causes a feeling of getting no fairness for entrepreneurs of beauty products in the digital era as there are no sufficient agencies to control product standards, which is an important factor for maintaining fair competition in the market. However, agencies for collecting taxes from entrepreneurs are plenty without a shortage. They have all information, i.e., credits and debits, of entrepreneurs at present and in the past 10 years.

"It's been already 10 years. The agency just called us to clear our taxes. Even we tried to show our evidence that we have operated our business correctly, but the agency had our information of more than 5 boxes and placed it in front of us. I could not argue as we don't know that some income has to pay for taxed. Therefore, they did not only collect taxes from us, tracing back to the past 10 years, but we also have to pay for fines." (Wiranpat Chinnapaktanatchiri, interview, January 24, 2022)

The Findings of Data Analysis on the Legal Condition

From the study on the legal condition, the findings can be summarized as follows:

Table 4.6 A Summary of the Findings from Documentary Analysis of Documents, Websites from Information Sources related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews on the Legal Condition

Findings			
External Condition	Questions		
External Condition	Documents/Websites		
External Condition	In-depth Interviews and Participatory Observation		
Legal	<ul style="list-style-type: none"> - What are laws related to the sale of beauty products? - How is the enforcement of laws? 	<ul style="list-style-type: none"> - At the initial stage of the occurrence of the beauty business in the digital era, existing laws were not updated enough to carry the changes. - Concerned agencies corrected, improved, and drafted additional laws. The laws protecting cosmetic purchases via online media are categorized as follows: <ol style="list-style-type: none"> (1) The right of protection of getting compensation from the damage, (2) control of cosmetic production and imports, and (3) 	<ul style="list-style-type: none"> - Most entrepreneurs acknowledge and comply with the laws, but feel some unfairness from the course of duty of the government agencies. - There is a shortage of agencies controlling product standards and the serious enforcement of laws - On the other hand, agencies responsible for collecting taxes from entrepreneurs are sufficient and have entrepreneurs' data, both current and the past 10 years in hand - Besides the national laws,

External Condition	Questions	Findings
In-depth Interviews and Participatory Observation	Documents/Websites	Participatory Observation
	the surveillance of entrepreneurs in E-Commerce systems.	entrepreneurs must be cautious of regulations of the platforms on which they have their online businesses for trading activities.

From the documentary analysis of documents, websites from information sources related to the study, and key entrepreneurs' websites on the legal condition of the beauty business in the digital era, it is found that nowadays, the beauty business is dispersed and there have been a lot of investments in this business during the past ten years, especially in the digital era in which trading is done easily through E-Commerce. However, on the other hand, online channels are difficult for the government sector to monitor thoroughly. During the initial period, the beauty business through online channels was questioned and doubted about the efficiency of regulating laws and regulations as it was quite new for Thai society while the existing laws at that time were not updated to catch up with all rapid changes. To solve such problems, concerned governmental agencies thus corrected, improved, and drafted additional laws to be updated and to be able to support, control, and surveillance the beauty business to be operated orderly and fairly for both entrepreneurs and consumers. To prevent negative effects on society and consumers in the case of any violation or ignorance, laws for protecting cosmetics purchases through online media were issued and categorized as follows: (1) The right of protection of getting compensation from the damage, (2) control of cosmetic production and imports, and (3) the surveillance of entrepreneurs in E-Commerce systems.

Besides documentary analysis, from in-depth interviews with 4 entrepreneurs and dealers of beauty products in the digital age, it was found that most entrepreneurs acknowledged and complied with the laws. However, they perceived some unfairness in the governmental regulator's duty performance as there was a shortage of agencies for controlling product standards, which is a major factor in keeping equality in competition in the market and enforcing the laws seriously with wrongdoers. However, there was a gap, and a lot of mistakes occurred. Thus, a group of entrepreneurs who complied with the laws strictly and another group that violated the laws but could make a lot of profit from doing so were compared. Especially, when some entrepreneurs were charged with violating the laws, after a while they could go back to wrongdoings again or produce new products that were non-standard. Accordingly, it made entrepreneurs discredit the law enforcers and may find to follow no laws in the future. Contrarily, it appeared that there were sufficient agencies in tax collection that were ready to trace back entrepreneurs' income in the past 10 years.

Besides the national laws, entrepreneurs have to be aware of the regulations of the platforms on which they operate their online shops. If any wrongdoing is claimed by consumers, such online shops may be closed and their accounts used in marketing communication may be withheld and they will be recorded on a blacklist. Consequently, it will be more difficult to re-open their shops. Accordingly, most entrepreneurs chose to operate their businesses legally and correctly.

Opportunities, Challenges, Problems, and Threats of the Beauty Business in the Digital Era in the Legal Dimension

From studying the legal condition, which is the external environment, to analyze Opportunities and threats towards competitiveness, used as guidelines for determining strategies, the findings are as followed:

Opportunities as a result of the legal condition that facilitates or promotes MSME entrepreneurs and dealers are as follows:

- 1) Laws and regulations can control and induce fair competition in the beauty business in the digital era.

Challenges, Problems, and Threats caused by the legal condition that obstruct the beauty business in the digital era are as follows:

- 1) The enforcement of laws was not strict and inclusive so some groups of entrepreneurs took advantage of a gap to make profits from selling harmful goods to consumers. Besides, it discouraged entrepreneurs who complied with the laws. Thus, it suggested wrongdoing by unethical entrepreneurs.

- 2) The government sector lacked collaboration with the private sector in notifying useful laws for entrepreneurs; thus, it caused entrepreneurs' negative attitudes toward concerned agencies, which might affect other collaborations, especially in policies for joint mobilization of both the government and private sectors.

4.2 The Findings from Data Collection of Good Governance in the Beauty Business

In studying good governance in the beauty business, the researcher reviewed documents, websites from information sources, key entrepreneurs' websites, research, and academic articles related to the concept of good governance and ethics in the beauty business from 4 organizations: 1) The World Federation of Direct Selling Association, 2) Amway (Thailand), L'Oreal (Thailand), and Amorepacific. The findings of this part are presented as follows:

Part 1: The findings of data collection of documents, websites from information sources related to the study and websites of the key entrepreneurs

Part 2: The findings of data analysis of good governance and business ethics.

1) Ethics of World Direct Selling of WFDSA

The direct selling code of ethics of the World Federation of Direct Selling Associations (WFDSA), which is a non-profit private organization, was established for satisfying and protecting consumers while promoting fair competition in the scope of free trade and for enhancing positive attitudes toward direct selling to the general public. WFDSA's code of ethics or corporate governance comprises the following categories: ethics for consumer protection, ethics between the organization and independent sellers, and ethics among companies. These three categories are related in terms of direct selling, with proper and useful content for the beauty business via dealership through networking. (World Federation of Direct Selling Associations, 2017: <https://wfdsa.org/wp-content/uploads/2021/04/Code-of-Ethics-Booklet-2017.pdf>)

2) Ethics towards Business Security of Amway (Thailand)

Network marketing (MLM) of Amway (Thailand) Co., Ltd. Is one of the world's retail businesses that is successful in direct selling. It is an organization that adopts ethics for managing corporate business by defining the ethical scope of Amway businessmen, which is a key factor in business operations and guidelines for Amway businessmen's conduct for co-working in the organization, which can be applied as a prototype of beauty business ethics emphasizing selling via network marketing. (http://www.amwayshopping.com/mcs/ffe/ethics_inside_12.html)

3) Code of Conduct and the Ways We Work in L'Oreal (Thailand)

L'Oreal is a leading beauty company with the No. 1 sales volume in the world for many years. Ethics that are suitable for the beauty business in the digital era are determined. Besides, it established missions in presenting the best cosmetic innovation in terms of quality, effectiveness, and security to consumers around the world through core values: “passion, innovation, entrepreneurial spirit, open-mindedness, a quest for excellence, and responsibility.” <https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/2-group/news-and-documentation/publications/code-of-ethics/codeofethicsthai.pdf?rev=39b378f795c3412594fd31861d1d4c3e&hash=F835EDE950E28AF665E9B649791B7C69>

4) Code of Ethics of Amorepacific

Amorepacific Co., Ltd is a Korean company with the No. 1 sales of beauty products and is one of the leading beauty entrepreneurs in the world that grows leaps and bounces by “Korean Wave,” as seen in series, songs, or entertaining programs, which help to diffuse Korean culture, including Korean products, throughout the world and influences behaviors of Thai beauty consumers. Their core values are “caring for customers, respect for employees, harmonious growth, protection of the company’s assets, and responsibilities as a corporate citizen. (Amorepacific Code of Ethics: https://www.apgroup.com/tw/zh/resource/attach/dam/about-us/ethical-principles/codeofconduct_en.pdf)

Part 2 The Findings of Data Analysis on Business Ethics

From the documentary analysis of documents, websites from information sources related to the study, and key entrepreneurs’ websites on good governance and ethics in business operations based on 4 concepts of 4 organizations, which are different by their business nature, are categorized and classified into different domains (Appendix C) under the framework of good governance that accords with nine components in the business model. The categorization of ethics in the business model is expected to be used as fundamental guidelines and latent strategies in business operations.

Good Governance Framework in the Beauty Business Model in the Digital Era

From analyzing 4 concepts of business ethics of 4 organizations, a framework of good governance in the beauty business model in the digital era is synthesized as follows:



Table 4.7 Good Governance Framework in the Beauty Business Model in the Digital Era

<u>Key Partners</u>	<u>Key Activities</u>	<u>Value Propositions</u>	<u>Customer Relationship</u>	<u>Customer Segments</u>
<ul style="list-style-type: none"> - Taboos of gift-taking and hospitality - Taboos of bribery-taking - Fair commercial relationship establishment - Fair competition - Respect for individuals' rights 	<ul style="list-style-type: none"> - Ethics in competition - Responsibilities as a corporate citizen - Fairness maintenance during the competition 	<ul style="list-style-type: none"> - Security and product quality 	<ul style="list-style-type: none"> - Marketing communication - Respect for rights of privacy <u>Dealership</u> - Respect for individuals' rights 	<ul style="list-style-type: none"> A Code of ethics for customers is inserted in the component of value proposition, customer relationship, channels, and revenue streams
	<ul style="list-style-type: none"> - Human resource management - Protection of the company's assets - Conflict of interest - security and protection of corporate confidential - Individuals' rights and 		<ul style="list-style-type: none"> <u>Channels</u> - Selling ethics - Identification - Description and demonstration - Trading activities - Protection of benefits - Quality assurance - After-sales service 	

<p>data protection</p> <ul style="list-style-type: none"> - Corporate representation Sanitation, security, and stability - Diversity - Harassment - Respect for employees 	<p><u>Channels</u></p> <p><u>Dealership System</u></p> <ul style="list-style-type: none"> - Joint venture
<p><u>Cost Structure</u></p> <ul style="list-style-type: none"> - Cost management 	<p><u>Revenue Streams</u></p> <ul style="list-style-type: none"> - Business and financial records
<p><u>Dealership System</u></p> <ul style="list-style-type: none"> - Inventory and product return - Marketing Media 	<p><u>Revenue Streams</u></p> <p><u>Dealership System</u></p> <ul style="list-style-type: none"> - Joint-venture - Compensation and account balance - Competition ethics - Corporate ethics

From the above analysis and a summary of ethics in business operations, good governance and ethics in business operations based on 4 concepts of 4 organizations, which are different by their business nature, are categorized and classified into different domains under the framework of good governance that accords with nine components in the business model with details, as follows:

1) Customer Segments

Ethics for customers are inserted in the components of the value proposition, customer relationship, channels, and revenue streams.

2) Security and product quality

(1) Domestic and international provisions and regulations must be complied with to ensure accordance with the company's entire products.

(2) Products pass a process of development, production, and delivery with a quality-control system toward maximal standards in all steps (including the selection of raw and support materials, security, effectiveness, quality, etc.) and are inspected thoroughly and cautiously to avoid environmental, social, and ethical problems.

(3) Any possible problems related to security and product quality must be raised for immediate correction and notified to responsible agencies.

3) Channels

(1) Selling ethics

a) No selling strategies that mislead, deceive and are unrighteous.

b) No exploitation of consumers' lack of knowledge and experience, trust, and sickness

c) No exaggerated properties of products (i.e., raising unauthorized or untrue case studies or confirmation, using outdated or inapplicable information, no relevance with sales but misleading consumers, etc.)

d) No deceptive persuasion by advertising partial or full discounts given to consumers who recommend to other customers in the case that such discounts or product returns may not be applicable in the future.

(2) Identification

The display of a seller's genuine status to interested consumers clearly from the beginning without waiting for being requested by identifying the name of the company, proposed products, and purposes of the invitation.

(3) Description and demonstration

Providing complete and correct description and demonstration, especially prices, including other offers, i.e., the payment condition, the length of time for a product trial, product return policies, etc. with correct and understandable answers to all questions of a customer. In the case of production effectiveness description, the only information that has been certified will be given.

(4) Trading activities

a) Deliver a purchase order to customers at the selling time or before sales. A purchase order must have the company's and an independent seller's full name with a permanent address, the company's telephone number, sold products, selling conditions, warranty or detailed product guarantee, restriction of after-sale service, a name and address of the insurer, insurance period, and problem-solution methods for customers. All of such information must be specified in a purchase order that must be attached to the product and all conditions must be written clearly and understandably.

b) Deliver products as per consumers' purchase orders within an appropriate time.

c) Before delivery, all inspection and quality management must comply with both domestic and international regulations and requirements and must be inspected thoroughly to ensure a strict internal audit standard of the company.

d) No influence on customers' price policies.

(5) Benefit protection, quality assurance, and after-sale services

a) Notify consumers to know about the length of time they allow to consider and cancel a product. Consumers should have the right to return products to get a refund. In the case of general quality defects or consumers' sound appeals, they should get a full refund for products that can re-sell. The length of time for checking a product must be specified clearly. In some cases, it depends on legal requirements or exceptions in specifying inspection time.

b) Provide services for customers with responsibilities regularly and consistently with some continual visits and follow-up on the sold products.

c) Report consumers' appeals or complaints to the Consumer Division for immediate problem-solving. In the case that customers' health or property is affected due to some security flaws or some possible doubtful causes, a company must not ignore or restrain from opinion exchanges about the security of a product.

(6) Dealership System

Joint-venture

a) Notify conditions to dealers to be acknowledged and comply with corporate ethics to maintain their membership in the dealership system of the company.

b) Do not cause any misunderstanding, seduction, or unfairness in persuading interested people or dealers to maintain their membership.

c) Do not persuade minors or people aged over 18 years but not 20 years old completely who are required to get official consent from their parents as it involves several responsibilities, i.e., juristic act, organizational management, ethical and regulatory compliance, and financial responsibilities.

d) Do not try to change or persuade others to change their line of work

e) Present complete and correct information about business opportunities, involved rights, and engagement to interested people or dealers without presenting any unprovable information or giving impossible promises, or offering deceptive information about benefits that will be received.

f) Submit a written agreement for co-signature with another company. The document must contain necessary details about the nature of the relationship between a dealer and a company. The company must notify all legal commitments, licenses, registration, and tax payment related to the business.

4) Customer Relationship

(1) Marketing communication

a) Design media for sale promotion and advertising by correct and provable information with the description of details, properties, or illustrations of the product without causing any misunderstanding or deception. The name, address, and telephone of the company must be identified, including the telephone number of the dealer.

b) Do not answer any question about the product without knowledge or authority.

c) Inspect the internal audit process of public relations and any claims to avoid violating any involved laws or corporate policies. Responsible persons must have sufficient time for advance inspection.

d) Communicate to support diverse kinds of beauty and be sensitive to religious, racial, cultural, and social issues, including human dignity, violence, and gender.

e) Content in advertisements and product promotion must accord with the corporate code of ethics and be cautious to avoid violation of ethics, i.e., violation of human rights, pollution and damage to the environment, products for kids or teenagers, etc.

f) Be aware of using any animal for public relations, specially reserved species or vulnerable animals that might not be accepted to be trained for any purpose.

g) Do not exaggerate in public relations that the use of a certain product can yield occupational or social benefits or a product is necessary for overcoming occupational problems or gaining social acceptance, including not claiming falsely about the relation to environment and society intentionally.

(2) Respect for privacy

a) Protect consumers' personal information and avoid doing the following:

(a) Bringing customers' information or document out of the working sphere.

(b) Making customers' information leak out.

(c) Reusing without destroying customers' information after use.

(d) Conducting any similar actions as above, i.e., leaving customers' information behind without caring or ignoring to manage it properly, etc.

b) Have proper steps in storing customers' personal information and in using it as agreed.

c) Collect no information for marketing purposes without notifying the internet users first.

d) Contact consumers in a polite manner at an appropriate time to avoid violation of their privacy and stop demonstrating or product proposing immediately upon a customer's request.

(3) Dealership System

Respect for individuals' rights

Contact dealers properly at appropriate timing to avoid violating their privacy. Personal information of consumers, people who are interested in doing business, or dealers will not be disclosed as appearing in local laws on privacy and information protection policies.

5) Revenue Streams

(1) Financial and business records

a) Financial and business records must not be for laundering money.

(a) Participate in supervising financial and business records, including financial reports, to be correct.

(b) Follow guidelines on document retention

(c) Work with customers in conducting activities correctly and legally and avoid money from criminal activities.

(d) Collaborate with internal and external auditors fully.

(e) No selling nor transferring ownership nor abandoning any corporate property without written permission or consent.

(f) No acceptance of transactions in cash. If inevitably, accept it in the amount allowed by the laws only. Besides, transactions in cash need to be recorded as legal and authorized evidence.

(g) No concealment of payment through the third person.

b) Store documents and records related to tax correctly. Be prepared to submit tax documents, and not allow the company to violate tax provisions intentionally.

(2) Dealership System

a) Joint venture

Fees

(a) No unreasonable collection of fees. If any, they must accord with the status of a joint venture or the status of the dealership.

(b) No compulsion to buy products upon application, except it is included in the business operational handbook since the beginning. However, to buy a business operational handbook voluntarily if it does not violate any code of laws.

(c) Fees collected by the company for participation or status maintenance, dealership, and additional services must be refundable after subtracting received commissions. In the case that a dealer cancels his status within 30 days, it is determined to refund fees within 30 days before the termination of the status.

(d) Dealers are prohibited to get commissions from the persuasion toward the joint venture.

b) Compensation and account balance

(a) Keep informing account balances to dealers from time to time, i.e., sales volume, purchase orders, details about income, commissions, bonuses, discounts, product delivery, order cancellation, and other involved information, as agreed with dealers. Payment will be made promptly and completely by schedule and tax is deducted correctly and fairly, while compensation will be paid must come from sales income as income may come from sale volumes or self-consumption, including sales volume and downline consumption.

(b) The citation of compensation figures

(aa) No citation of sales volume or the expected circulation.

(ab) The figures for compensation and sales volume must be true and disclosed without any distortion, deception, or misunderstanding, including in accordance with the figures appearing in the related markets.

(ac) Persons interested to be dealers must be informed of the correct balance.

Sales volume may be different for each person, depending on selling ability, working hours, hardship, and other factors. They must also obtain sufficient data for assessing opportunities for income earning. Therefore, the company and dealers will not cite the figures of possible sale volumes deviating from the actual figures. Besides, compensation or sales volume figures must have evidence in writing.

c) Ethics in competition

(a) Selling at the determined prices. Cutting prices will reduce the full profits one deserves to get while affecting and taking advantage of other partners, which may cause chaos and confusion in the business operation cycle.

(b) Never order or deliver products to dealers in other lines to avoid conflicts between organizations.

d) Ethics for the organization

No scramble or exploit of benefits from knowledge or relationship with other dealers in selling other products that do not belong to the organization.

6) Key Resources

(1) Human resource management

Organize training sufficiently to provide knowledge for dealers to operate business ethically.

(2) Protection of the company's assets

a) Protection of intellectual property

(a) Intellectual property, important information, knowledge, assets, and other documents, etc. owned by the company must not be used for self-benefits.

(b) The company's traditional technology, major strategies, knowledge for working, and business confidential that are the company's confidential and increase the company's competitiveness must not be shared without

approval from the manager of the division related to data protection of the organization or the immediate manager. Moreover, business confidentiality must comply with the company's information protection policy.

(c) Design, trademark, technology, writing, and information of the company or other persons can be applied after permission from the owner only and the company must be cautious of buying products or services that violate the intellectual property of others.

(d) If problems of identification, management, and protection of intellectual property or business confidentiality occur, the company must consult with the division of intellectual property or legal division without delay.

b) The proper use of the company's assets

(a) All company assets must be used to be served for working only. Therefore, the company's products, facilities, equipment, expense budgets, etc. are not used for personal benefits.

(b) The use of the company's assets for other purposes beyond working must be approved by the immediate superior or the Office of Corporate Ethics.

(c) During the working period, employees are waived from personal activities that disturb their work. The company's computer and equipment or devices are not allowed for obscenity or unethical conduct, i.e., gambling, pornography, or other similar activities, etc.

(d) The company's assets must be respected and protected to avoid disappearing, being damaged, or misusing. Thus, employees must not borrow, sell, or donate any asset of the company, including transferring ownership without righteous permission.

c) Conflict of interest

(a) Adhere to one's duties and responsibilities for the utmost benefit of the company and avoid a conflict between personal interest and the company's interest, including displaying a code of ethics in working and communication.

(b) Disclose what may cause conflicts of interest to the manager without concealment, which may influence one's decisions or work.

(c) Employees are prohibited to do their businesses or other businesses without prior permission. If the employee asks for prior permission, the persons in charge of approval must consider thoroughly if the employee's concentration will yield a negative effect on his work or not.

(d) Employees must not give or accept cash, vouchers, etc., including other financial agreements to or from colleagues or employees of their customers or partners.

d) Security and protection of the company's confidential

(a) Limit the dissemination of inside information to only those "who necessarily have to know it," for performing his/her duties. Before sharing inside information with a third person outside the company, it is important to inspect if and which kind of information one has a right to communicate.

(b) Follow the latest information about regulations of information management.

(c) Keep records that are confidential of employees, consumers, customers, and suppliers well.

(d) Protect confidential information of the company even outside the workplace and off the duty. Even after quitting a job, employees must not take out inside information with them. If necessary, they must ask for approval from their immediate supervisor and manager responsible for protecting the company's information.

(e) Do not reveal inside information about former employees

(f) The use of inside information for stock trading

(aa) Be cautious of using inside information for investment that may be charged with insider trading

(ab) Keep confidential inside information that one has a right to access to avoid information disclosure accidentally.

(ac) Do not buy or sell internal or external stocks of other companies when inside information is in hand.

(ad) Do not disclose inside information to both people inside and outside the company.

e) Personal rights and information protection

(a) Inform the person whose information is collected about the types of information being collected, methods planned to use such information, and methods to contact in the case of having any questions.

(b) In information management, only needed information of specific persons is gathered, while incorrect or incomplete information has to be destroyed or corrected. The information must be stored safely and only proper and important information is provided to authorized persons. Persons in charge of information collection and usage must comply with the principles.

(c) Sensitive information should not be collected (especially information related to health, ethnicity, sexual orientation, political opinion, or religious belief) without the consent of the persons involved. Information is prohibited to be stored too long or longer than necessary. Access or correct personal information is prohibited.

f) Representation of the company

(a) Display the company's code of ethics for working and communication.

(b) Supervise not to communicate and express personal opinions and conducts that may be misunderstood as the company's opinions. Speech or writing about anything out of one's expertise and authority is prohibited, except those approved formally. To identify oneself as an employee of the company on social media is a part of occupational activities, which requires proper preparation before online communication about the company.

(c) Inside information about the company and sensitive business information must not be shared or posted online. When participating in online activities, it is required to comply with the corporate guidelines on using social media, both in working and personal places.

(d) Employees must not misuse their status for criticizing, defaming, or discriminating against people based on ethnicity, religion, or gender, and must comply with corporate ethics both inside and outside the organization.

(e) When referring to the company, brand, or work for responding to media about work-related issues, employees must identify themselves as a member of the company, including their name and position.

(f) All employees must refrain from violating national and local laws and be concerned about the consequences of their conduct, including maintaining the good reputation of the company always.

(g) Maintaining political neutrality

(aa) The company must not give financial support or political facilities personally, to any political party, especially illegal ones.

(ab) If employees participate in political activities personally, they must be cautious to ensure that personal statements, opinions, or actions will not convey their representation of the company.

(ac) Employees cannot use their working time or the company's assets for participating in political activities. When they cannot perform their duties honestly due to their participation in political activities, they must notify their superior and the office of ethics directly.

g) Sanitation, security, and stability

(a) The company must conduct all legal practices related to the enforced sanitation, security, and environment for business operations strictly, including the production and sale of products, services, etc.

(b) Employees must comply with necessary preventive measures for their, their colleagues,' and customers' safety; and report to their superior and security manager without delay. If any malpractice or irregularity is witnessed or if there is any accident, they must learn how to cope with urgent situations that might occur in the workplace.

(c) During their stay at the office or doing activities related to work, employees must not possess or drink alcohol, possess illegal drugs, etc., that might obstruct a secure and effective course of duties, especially illegal acts, i.e., driving while drinking, gambling, etc. Such conduct will not be accepted in any case. However, there might be some exceptions to achieve business purposes, i.e., drinking on the formal occasion, etc., or if getting prior approval from the safety manager.

h) Diversity

(a) Support and promote the missions of the company in the diversity dimension related to human resource management, marketing, purchasing, and social benefit creation by having suppliers, customers, and business partners informed of the diversity policy.

(b) Do not discriminate, violate, or bully the following: sex, disabilities, marital status or family status, sexual orientation, age, political opinions and philosophy, religious belief, association activities, ethnicity, society, culture, and race. The prohibition against discrimination does not cover only recruitment, but also training, promotion, continued employment, and other working conditions, including the relationship with suppliers, customers, business partners, and the third party.

i) Harassment

(a) Harassment and physical, verbal, and psychological bullying

(aa) Promote and support missions in creating a workplace without any harassment and bullying: physical, verbal, and psychological, or any behaviors that hurt others, destroy others' dignity and reputation, including visual, verbal, and physical conduct, and any activity occurring outside the workplace

(ab) Be humble and treat colleagues and business partners as well as how one expects to be treated by others.

(b) Sexual harassment

(aa) Promote and support missions in creating a workplace without sexual harassment

(ab) Refrain from all forms of sexual harassment to the third person or person in contact, both inside and outside the organization. It does not cover only physical actions, but verbal or visual cues that make others feel discriminated against or minded, especially when someone misuses power or authority or any superior advantage to harass others, the consequence will be very severe.

(ac) Employees who used to face or witness sexual harassment must report to the concerned office, i.e., immediate superiors or the office of ethics.

(c) Violation of human rights. The company must comply with laws related to employment and labor in each country in which the company operates its business and prevent the violation of human rights, i.e., the use of the labor force, forced labor, etc.

j) Respect for employees

(a) Have mutual respect without concern about social and cultural differences and work together based on the value of openness and friendship through the use of diverse knowledge and experience.

(b) Do not disclose personal information and information of other employees to persons who are not permitted. When there is no need related to work or no consent from a troubled person, persons who are responsible for information management must not reveal the assigned information from their duties to others.

k) Human resource management

To improve employees' working capabilities, the company should prepare a variety of educational opportunities to implant gifts and leadership for employees, while having fair performance appraisals and rewards.

7) Key Activities

(1) Ethics in competition

Do not make a comparison that may cause misunderstanding. The issue raised for comparison should base on the truth that can be proved without slandering any company, business, or product unfairly either directly or indirectly. Trademarks and symbols of other companies, businesses, or products should not be used. Trademarks and symbols of other companies, businesses, or products, including the reputation of others, must be exploited unfairly.

(2) Responsibilities as a corporate citizen

a) Environmental surveillance

(a) Fulfil the company's missions by establishing a production process without destroying or being harmful to the environment. Support recycling raw materials and develop packaging that can save the environment.

(b) Develop the process of production, transportation, and sales that reduce waste and are friendly to the environment by creating new things to create environmental values.

(c) Comply with the laws related to the environment in combination with the creation and compliance with internal standards that are more strict than legal standards honestly. Besides, the company must examine changes in the regulations related to the environment regularly to prevent a violation.

(d) Be cautious of releasing toxic chemicals that may affect directly the environment or ecological systems, including abnormal leaking into climate, soil, and river. If there is any leak, it must be reported to the immediate superior and environmental security division immediately.

b) The contribution to society

(a) The company must support and participate vigorously in welfare, culture, art, etc. of the local communities and perform their duty as a member of the community.

(b) All social-support activities must reflect the corporate code of ethics and social support principles. The company must participate in the determined plan clearly to cultivate a partnership with the community.

(c) Employees or business partners must not be forced to donate their gifts or capital for social responsibility activities to assist the society that the company supports.

(3) Maintaining fairness in the competition

a) Conduct all activities under fair competition with other companies

b) Do not intentionally persuade or invite distributors or dealers of other member companies.

c) Do not defame or allow sellers or agents to defame other companies about their products, sales plans, and marketing, or any aspects of those companies unrighteously.

d) Report to the manager immediately if one accidentally gets or uses confidential information or information owned legally by competing companies or outsiders, including no giving of confidential information of the previous or former company that is a competitor.

e) Do not cut or obstruct product sources or sources of releasing products of the competitors

f) Do not persuade customers or suppliers to violate their contracts with competing companies. Besides, do not obstruct competitors' suppliers or customers or create defaming statements on competitors without truth.

g) Do not make a contract with the main content to support Tied-Sale between products and services or allow subtract discounts without considering legal advice correctly.

h) Do not collect information on the competing companies by an unethical or illegal process. Besides, new employees should not provide confidential information about the previous company that is a competitor.

i) Do not exchange information with competitors about prices, products, sales conditions, sales territory, profit or margin, market share, distribution methods, etc. Do not use such information for conspiracy nor do not consent or consult formally or informally to yield an influence.

j) Do not attend a meeting or gather with competitors when the meeting objectives are not clear or there is no meeting agenda. If necessary, employees must get prior approval from their immediate superior or the legal division first.

k) In the case that employees attend a meeting or gather in a group with competitors unintentionally, they must write details of the meeting and report to their immediate superior or the legal division. Besides, if the planned meeting objectives or the gathering changes, the employees must leave that place immediately and submit details of the meeting to their immediate superior or the legal division.

8) Key Partners

(1) Gift-taking/taking and hospitality

a) If employees necessarily contact stakeholders, they must not offer or accept any illegal present or hospitality, etc. Especially, they must not accept products, special treatment, money or benefits, etc., from customers, sellers, and inside employees, etc.

b) Employees may accept presents or gifts that are determined by laws or are just small gifts to enhance smooth business operations, but they must examine clearly if the offered gifts or hospitality do not violate laws and policies or corporate procedures. If any gift or hospitality is accepted, they must report to their immediate supervisor or the Ethics Office.

c) The corporate ethics policy must be reported to customers, sellers, partners, dealers, and all stakeholders and employees must comply with the ethical standards of the company. If any unethical action or corruption is found, they must report it to the Office of Ethics.

d) Since the tradition of gift-taking and hospitality varies in each country or culture, employees must be cautious to avoid violating corporate policies and national and local laws.

(2) Bribery

a) The offer or the acceptance of the offer of bribery, products, special treatment, hospitality, and any non-monetary benefits for business purposes or personal benefits is prohibited.

b) Employees may present gifts or hospitality to stakeholders for smooth business operations that is appropriate or is the tradition but must consider thoroughly if such conduct violates the laws or the corporate code of ethics. Besides, before deciding to present any gift or hospitality, they must consider if it is beyond the criteria that are acceptable by the contractor or not.

c) If employees are pressed or asked to give a product, gift, hospitality, etc. that is inappropriate or illegal by stakeholders in the business or working situations, they must report it to the Office of Ethics of the company.

d) Under the OECD Convention on the Anti-Corruption, foreign-affair staff of the signed countries is prohibited to offer facilitation payments to the governmental agencies or officers of other countries, as follows:

(a) o Persons living in a foreign country and are elected or appointed through legal procedure, administrators, or judiciaries.

(b) o Persons performing their duties as government officers or representatives of the international public organizations

(3) Righteous commercial relationships establishment

a) Support and promote suppliers to understand and respect ethical standards with which they have to comply while avoiding working with those who reject the compliance.

b) Pay suppliers promptly and by the determined conditions, except for legitimate reasons for not doing so.

c) Suppliers must not depend on the company's business in terms of an economy too much.

d) In business relationships, Advantages or superiority must not be applied improperly to force customers or sellers toward unrighteous agreements.

e) The decisions to terminate business relationships with customers or sellers must be made cautiously by emphasizing neutral and fair criteria. Besides, evidence proving that the agreement is terminated in sound and righteous ways must be kept.

(4) Fair competition

a) Choose suppliers by providing an opportunity to involve in price competition openly. Prices will be compared and considered fairly.

b) Conduct a transparent bidding process, which can be explained to the suppliers who lose in the competition clearly, based on the foundations of fair components.

(5) Respect of rights

Confidential information of customers, sellers, etc. must be protected.

9) Cost Structure

Good governance related to the cost structure is inserted in the components of key partners, key resources, and key activities since the cost structure is determined by these three components.

(1) Dealership systems

a) Inventory and product return

(a) Do not determine or stimulate too high a quantity of inventory unreasonably, but on the other hand, there should be appropriate inspection methods to ensure that dealers can get yields from the purchase orders, either by consumers or through a dealership system.

(b) In the case that dealers request to terminate the relationship with the company, the company must buy the unsold or re-sold inventory, i.e., business promotion equipment, sale promotion equipment, and business operations manuals that are bought within the past 12 months, and refund payment of the goods by deducting from operational costs of the maximum of 10% of the goods' costs. Still, the policy of inventory must be notified to dealers explicitly.

(c) The compulsion or persuasion to buy products or sell promotion equipment is not appropriate as it is considered to be an unrighteous and deceptive act of persuading others to join the business. The company must find ways to make sure that it will not lose its financial benefits because of these prohibited behaviors.

(d) In the case that behaviors of inviting others to join business incorrectly with an intent to cause misunderstandings or deception, the administrators of ethics must find ways to make sure that there will not be any appeal leading to financial loss because of these misconducts. Besides, it includes the compulsion to have members repeatedly buy inventory, business promotion equipment, sale promotion equipment, and/or business operation manuals, which are the same products that the petitioners have bought earlier.

b) Sales media

(a) Construction materials

(aa) It is prohibited to do marketing or determine others to buy equipment that has not been approved, which does not accord with the corporate policies or regulations. Besides, the sale of training documents or sales promotion equipment that are approved by the company and are legal must do the following:

Present equipment that accords with the standard determined by the company only.

Do not determine that dealers must buy sale promotion equipment that the company produces.

Sell sales promotion equipment with reasonable and fair prices without focusing on excessive profit-making. Besides, such equipment can be compared with the equipment sold widely in the market.

Determine product return in writing, which includes that of the affiliate company.

(ab) Find proper inspection methods to ensure that sales promotion equipment or equivalent, produced by a dealer, which complies with the provision of ethics, and does not cause any misunderstanding or seduction.

(b) Do not accept income from the sales of training programs.

4.3 Collection of Good Governance in the Beauty Business

For developing a beauty business model under good governance in the digital Era, the researcher used lessons learned from successful beauty business models in the digital era, and then integrated the findings with good governance before being opinionated by the experts from the in-depth interviews. The decoding of such lessons is based on three kinds of beauty businesses and each kind comprises three businesses. Thus, the total number of beauty businesses to be studied in this part is nine businesses, with details as follows: The researcher reviewed documents, websites from information sources related to the study, and key entrepreneurs' websites about the following businesses: (1) 3 businesses with growing sales volume during the Covid-19 situation, and other two groups by in-depth interviews with entrepreneurs of the beauty business in the digital era, namely (2) 3 businesses through a dealership system, and (3) 3 retail businesses via online shops

Thus, the findings in this part are presented in order as follows: 1) The findings of the lessons learned from the model of beauty businesses in the digital era with growing sales volume during the Covid-19 situation on the components of the

business model. 2) The findings of the lessons learned from the model of beauty businesses through a dealership system on the components of the business model 3) The findings of the lessons learned from the retail businesses via online shops on the components of the business model.

1) The findings of the lessons learned from the model of beauty businesses in the a digital era with growing sales volume during the Covid-19 situation on the components of the business model.

The findings were analyzed from documentary analysis of documents, websites from information sources related to the study, and key entrepreneurs' websites of 3 beauty branded companies with growing sales volume in the Covid-19 situation: (1) Rojukiss International Public Company (2) N.R.P.L Asia Co., Ltd. (3) Yves Rocher (Thailand) Co., Ltd. with details as follows:

(1) Rojukiss International Public Company

Rojukiss International Public Company develops and creates beauty and health products that respond to the lifestyles of urban people who need convenience and worthiness with proper packaging, prices, and distribution channels so that consumers will have an opportunity to use the products inclusively. All of these are the values the company presents to customers. The young generation and aging population are its main target customers.

The revenue of Rojukiss comes from the selling of three main groups of products: skincare, cosmetic, and food supplements for skincare of over 200 items under 5 brands: Rojukiss, PhDerma, Best Korea, Sis2Sis, and Wonder Herb, a new brand. Most income comes from the Rojukiss brand, which is a skincare serum that has been popular in the market for over 13 years and was ranked No. 1 in the group of skincare serum products for women in 2019. Besides, the company has continually adopted innovation for this product so Rojukiss has been growing rapidly. During 2017-2019, the growth rate was 92%. Even during the crisis of Covid-19 in 2020, the company still grew by 25%, compared with the previous year. Besides, the company launched a new product in the group of dietary supplements for the first time; thus, they earn very high income from the domestic market of skincare serum and very good responses from its export to Indonesia, in combination with the income from dietary supplement products. The distribution covers all kinds of channels,

namely convenience stores, health and beauty shops, large retail shops, general shops, and Direct-to-Consumer (D2C) via E-Marketplace and E-Commerce platforms, i.e., www.rojukissth.com and Line@Rojukiss, including foreign markets, such as Indonesia, the Philippines, Laos, Cambodia, and is going to expand to more additional markets.

Rojukiss collaborates with strong partners so they are successful in business operations through the “Asset Light Model” or “Light-Pocket Strategy,” which means no investment for high-cost products, i.e., hiring an OEM without having a shop, distribution through both offline and online channels, etc. One of the main partners in South Korea is a leading company in research and development (R&D) of skincare products and world cosmetics that is listed on the Stock Exchange of South Korea. Its distribution partners are partners in Indonesia that can access networks of the biggest convenience store in the country through both online and offline channels so the products can be distributed widely and partners in the Philippines that have expertise in product distribution. Moreover, in 2021, the company collaborated with GMM Grammy Public Company in developing innovative products and the Direct-to-Customer (D2C) channel, aiming to promote the strength of ASEAN markets through cooperation with leading local partners that are skillful in marketing. The target markets are Indonesia, the Philippines, and Vietnam, which are beauty and health markets with high growth potential.

Despite the production by OEM, the product formula belongs to Rojukiss, which is considered the key resource of the company. The following strategies enable the company to focus on its activities, namely the positioning to be the leader in the Thai Market, the market expansion to foreign countries: the introduction of a complete cycle of new products in health and beauty markets, the study of consumers’ behaviors, the design of products that respond to the lifestyle of city people, the study of a marketing channel for each group of consumers, the development of innovative products by technological trends, the invention of formulae and new ingredients, the research and development that enables to adapt the formula to be suitable for each country, and customer relationship establishment. Moreover, Rojukiss invented a Mobile Web-based Skin Analysis or a facial skin analysis tool based on Thai people’s facial skin samples. Consumers can use such a

platform to analyze their facial skin and the program will advise a product that is suitable for their skin. Besides, the company provides a channel for connecting to E-Commerce for a complete order. Furthermore, consumers' data become Big Data that are used for further research and development of new products to respond to the market's needs increase. This helps to increase its competitiveness and leads to sustainable growth. The target project is aimed to be accomplished in 2024.

Although the company faced the crisis caused by the pandemic of Covid-19 in 2020, its gross revenue reached 965 million Baht or a decrease of growth of 15.2%, but with a net profit of 168 million Baht or 17.4%, which was a better rate than the previous year. One factor enabling the increased income was the export of Rojukiss, the facial skincare serum brand, to Indonesia and the extension of new products, namely dietary supplements. Its effective management of costs and expenses mostly came from its ability to control expenditure on advertising and public relations, especially in the second and third quarters of the year, which made the net profit rate increase. However, in the fourth quarter, the company had to pay for destroying the expired products, which mostly were cosmetics that had been affected by the Covid-19 situation.

(2) N.R.P.L. Asia Co., Ltd.

N.R.P.L. Asia Co., Ltd. is the owner of the "Clear Nose" brand, a product specializing in acne-reducing and sensitive skin. Since 2011, the company has had 14 products, which are all acne solution products that received 15 quality-guarantee awards at the global level. The main target customers are teenagers and students.

As the target group is the group with low income or no regular income so the late period the sales volume decreased because of economic decline. Therefore, Clear Nose increased convenience and worthiness for customers by adjusting their strategies in products, prices, and distribution channels. Previously, the company imported large-sized products from Japan with higher prices, or approximately no lower than 800 Baht per piece, and sold them in convenience stores and beauty shops. The company modified its key activities by importing no instant products for sale but increasing key resources to the business by constructing a manufacturing factory in Thailand and importing only some raw materials for

production to lower costs and reduce prices. Then, it decided to distribute its products in the form of “enveloped cream” or cream packed in an envelope and distributed them in convenience stores all through the country to give a value of convenience and worthiness to customers instantly. Thus, the profit is reduced to digits. However, before modifying its strategy, the company surveyed consumers’ changing behaviors (which is one of the company’s key activities) and found that consumers needed products in a smaller size with cheaper prices, but with the same quality or standard. Accordingly, despite the reduction of net profits to digits per unit, the result was that Clear Nose serum in an envelope-packing got unexpectedly overwhelming responses as it responds to the new normal lifestyle of consumers, especially in the situation where consumers face acne problems and allergies due to their wearing masks all day.

Remarkably, the gigantic modification of strategies in all dimensions: products, prices and distribution channels are considered as a modified business model of the company, which did not result in higher operational performance but also created consumers’ brand loyalty. The company believed that after the trial of Clear Nose, customers would surely purchase it repeatedly (repurchase), which made them confident to buy Clear Nose in big size with a higher price later. Therefore, the company could establish customer relationships through their products in a worthy size. Moreover, before the Covid-19 pandemic, the company communicated with its customers through offline channels, but now it emphasizes online marketing communication and gives importance to “micro-influencers” on Instagram, Facebook, and YouTube. Besides, its communication with customers focus on “truth” and “sincerity” without using celebrities or actors as its presenters, but micro-influencers who are smart consumers with positive attitude and sincerity. After a trial of the product, the word-of-mouth of these people will be transmitted to others through their honest feeling so the brand can reach more groups of customers.

(3) Yves Rocher (Thailand) Co., Ltd.

Yves Rocher (Thailand) Co., Ltd., the owner of the green-product or eco-friendly brand from France, belongs to a botanist, the pioneer, for over 60 years who collected local and scarce plants of over 1,500 species to grow in the city

and searched for over 250 ancient plants from the plantation of organic plants all over the world. He gives high importance to the balance of nature. Thus, it is a 100% Vegan brand, which does not only use natural extracts without any chemicals, but is also the first brand that denies experiments on animals before other brands since 1989 due to its concept, “you’re beautiful, but the world is not.” Thus, the brand tries to convey all these values to customers and focuses on the beauty of one’s style. In Thailand, Yves Rocher emphasizes two main groups of customers: the group growing with the brand or customers aged over 43 years old, and a new group or consumers aged over 25 years old.

The reason why Yves Rocher can maintain its eco-friendly brand distinctively and has been a strong brand since the first day of the business its key activities and key resources support the company’s vision and missions, starting from the plantation, invention, production, and distribution. To illustrate this, the owner has a 70-hectare organic farm in La Gacilly, which is almost the same size as 100 Football fields, for producing naturally renewable energy in the factory in a radius of 30 kilometers from La Gacilly to reduce the loss of natural resources during the process of transporting raw materials. Besides, a more effective formula with more intense substance was invented to reduce the use of containers or packages. The “Made in France” products have been sold and delivered to consumers in 100 countries all over the world, both via shops and employees, not dealers. Every seller must understand the concept of Yves Rocher on diversity and know customers’ needs genuinely. More than 10,000 workers on the farm and in the factory, including the company’s employees at the company’s storefronts are counted as key partners of Yves Rocher.

Yves Rocher (Thailand) Co., Ltd. distributes its products via retail shops in 88 ranches throughout the country with 330 storefront employees. Thus, the rent of storefronts and employees is the main cost of the company, while the revenue comes from the sales of beauty products and massage services at the company’s branches. In normal situations, massage services could create 30% of income. Later, due to the Covid-19 crisis, storefronts were closed down to comply with the preventive measure of the government. Accordingly, Yves Rocher had to adapt itself drastically in distribution channels and ways of employees’ working, which are the main costs. The business proceeded through online sales or E-Commerce, whereas the

sale of storefront sellers was modified to BA Social Commerce. In other words, storefront sellers became Bas sell the products through other channels, not storefront, i.e., telephone, Line official accounts. Thus, the strength of Yves Rocher is no sales through a dealership system; thus, it has information on old or previous customers that can be used for planning.

The modified strategies for coping with the Covid-19 situation led Yves Rocher to develop customer relationships in a new form, including relationships with new customers. When Yves Rocher saw an opportunity for online communication, he emphasized online marketing communication continually during the Covid-19 crisis. As a result, at the beginning of the fourth quarter of 2020, customers returned to buy products at storefronts, and in December 2021, Yves Rocher got the highest sale volume in 22 years after the opening of branches in Thailand. Still, the entrance into the online markets induced Yves Rocher to reduce its prices via marketing promotion toward severe competition. Although the brand may lose its old customers to other brands, it also gained an increase of 110,000 new customers from social media channels, excluding e-marketplaces like Shopee and Lazada.

From documentary analysis, it was found that its communication plans before the Covid-19 crisis did not focus on online marketing communication. However, later a new communication strategy focusing on online communication was imposed under the project called “Social Selling,” which is the integration of both E-Commerce and Social Commerce with direct sales. This is a quite big modification of a new communication model of Yves Rocher. It was expected that if it was accomplished in Thailand, it would be adapted to be used around the world. However, the spread of Covid-19 occurred before the implementation of this project.

In 2020, despite the pandemic of Covid-19, the growth rate of the brand increased by 7% with a sales volume of 1,300 million Baht. Haircare products had the highest growth rate with sales increasing by 60%. At the beginning of 2021, sale volume increased continuously by 11%; although the third round of Covid occurred again this year.

Moreover, Yves Rocher (Thailand) Co., Ltd. has key activities in re-branding simultaneously around the world for the first time in 60 years of Yves

Rocher. Yves Rocher (Thailand) operates its business in the same direction as the mother or parent company to modify its image to be more contemporary and be able to attract a new generation, including expanding its customer base through the following strategies:

- a) Create a customer base for new generations on social media via “Share of Voice.”
- b) Emphasize Omni-Channel, expand online channels, and reduce some unprofitable branches.
- c) Apply Digital CRM for learning individual customer
- d) Adjust a package for creating a perception of Yves Rocher as a French brand

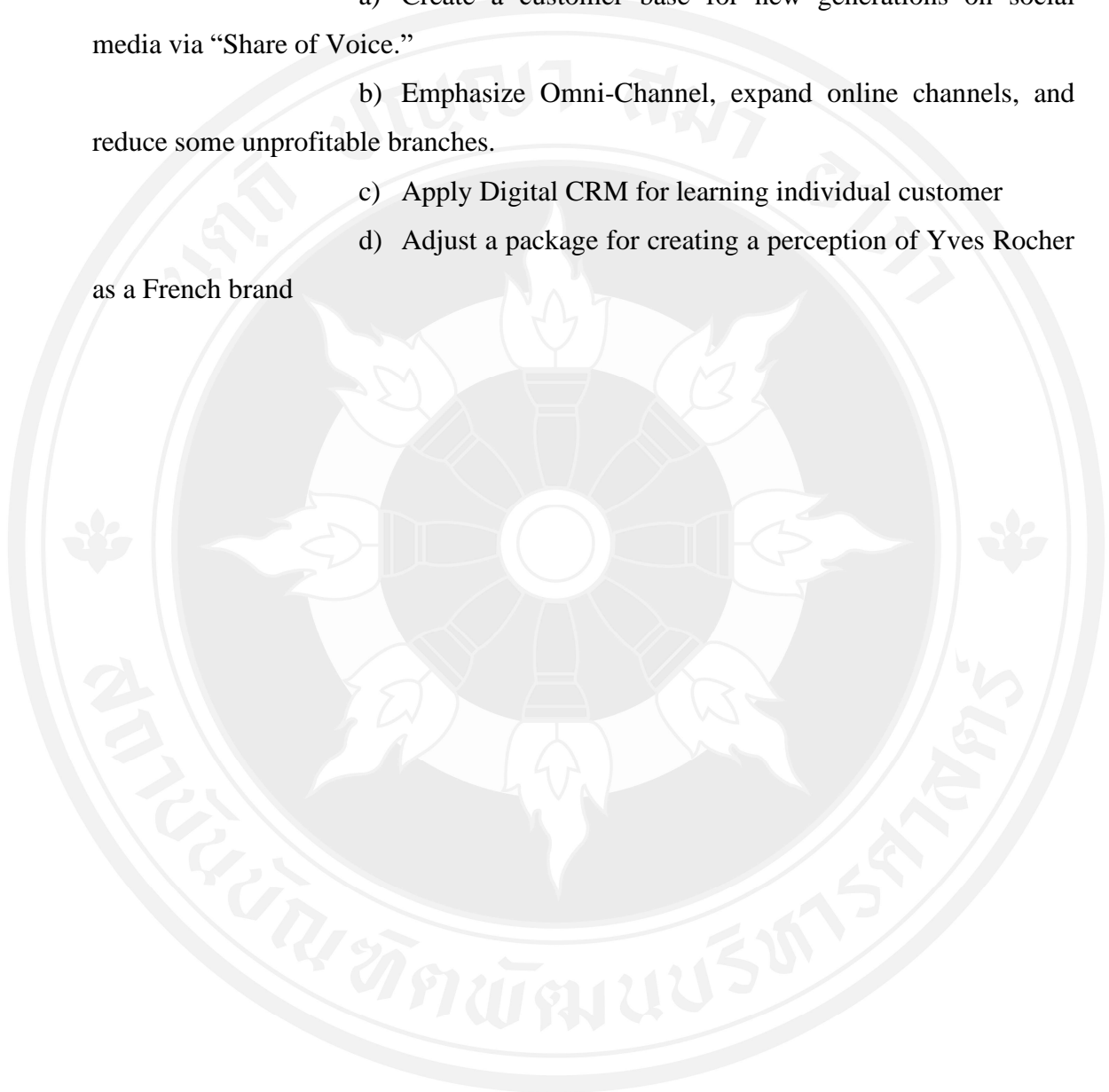


Table 4.8 The Findings of Lessons Learned from a Model of Beauty Businesses with Growing Sales Volume in the Covid-19 Situation on the Components of the Business Model, Collected from Information from Documents, Websites from Information Sources Related to the Study, and Key Entrepreneurs' Websites

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
		Rojukiss International Public Company N.R.P.L Asia Co., Ltd. Yves Rocher (Thailand) Co., Ltd.
Customer Segment	<ul style="list-style-type: none"> - Who are persons expected by the business to be its customers? - To which group does the business gives special attention? 	<ul style="list-style-type: none"> - Young Gen and Aging Population - Teenagers and students - Groups of customers growing with the brand, aged approximately 43 years old - Groups of millennials or people aged 18-41 years old.
Value Proposition	<ul style="list-style-type: none"> - What kinds of value the business delivers to customers? - Which value makes customers decide to 	<ul style="list-style-type: none"> - Acne solution serum for reducing acne and sensitive skin problems. - Have a big - Cosmeceutical produced from innovation and creativity - A variety of packaging for more convenience, worthiness, and easy access - No 1. French beauty products giving importance to natural balance and eco-friendly products based on the

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
Business Model		Rojukiss International Public Co., Ltd. N.R.P.L Asia Co., Yves Rocher (Thailand) Co., Ltd.
Distribution Channels	<p>buy the business's products instead of the competitors'?</p> <p>- Which channel or method does the business used for disseminating information, advertising, public relations, and</p>	<p>concept "you are beautiful, but the world is not."</p> <p>- Inclusive products, i.e., fragrance, cosmetics, haircare, cleansers, facial skincare and Hygiene skincare.</p> <p>- Beauty shops in department stores in 88 branches throughout the country - E-Market Place</p>
Distribution Channels	<p>- Which channel or method does the business used for disseminating information, advertising, public relations, and</p>	<p>package and envelope-pack in low prices with the same good quality</p> <p>- Beauty shops in department stores</p> <p>- Convenience stores</p> <p>- E-Marketplace</p>
Distribution Channels	<p>- Which channel or method does the business used for disseminating information, advertising, public relations, and</p>	<p>Convenience store</p> <p>- Health and beauty shops</p> <p>- Large retail shops</p> <p>- General shops</p> <p>- Direct-to-Consumer (D2C) channels via E-Marketplace and E-Commerce,</p>

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
		Rojukiss International Public N.R.P.L Asia Co., Yves Rocher (Thailand) Co., Ltd.
Customer Relationship	<p>delivering value and services after-sales services to each group of customers?</p> <p>- What kind of relationship does the business have with its customers?</p> <p>- How does the business establish and maintain relationship with its customers? In which form?</p>	<p>i.e., www.rojukissth.com and Line@Rojukiss</p> <p>- Exported to foreign countries, i.e., Indonesia, the Philippines, Laos, Cambodia</p> <p>- Mobile Web-based Skin Analysis or a tool for analyzing skin condition. Consumers can use to analyze their facial skin. Then, the program will advise which product is suitable for their skin condition. The business also has channels for connecting to E-Commerce for a complete instant order.</p> <p>- “Micro-influencers” who are smart to choose products with positive attitude and sincerity. After trial on the products, they will disseminate their sincere feeling</p> <p>- BA Social Commerce for direct contact with customers on telephone and Line Official Account</p> <p>- Social Selling Project</p> <p>- Distribution of product samples to arouse trial and witness their effectiveness, including using result display via Testimonial</p>

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
Revenue Streams	<ul style="list-style-type: none"> - Where does the business revenue come from? (i.e., sales of products, membership or subscription, etc.) 	<p>Rojukiss International Public Co., Ltd.</p> <ul style="list-style-type: none"> - 5 brands: <ul style="list-style-type: none"> - Rojukiss - PhDerma - Best Korea - Sis2Sis
		<p>N.R.P.L Asia Co., Yves Rocher (Thailand) Co., Ltd.</p> <ul style="list-style-type: none"> - Campaign from general actual users and from the Expert Panel by skin experts or dermatologists - Promotion during the product introduction, determination of lower prices than premium brands in the same line of products. - Yves Rocher products - Facial massage
		<ul style="list-style-type: none"> - through word-of-mouth on social network. - Clear Nose

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
		Rojukiss International Public Company Ltd. Yves Rocher (Thailand) Co., Ltd.
Key Resources	<ul style="list-style-type: none"> - Wonder Herb - Product formula - Consumers' information 	<ul style="list-style-type: none"> - A manufacturing factory - BA - Raw materials - Customers' information
Key Activities	<ul style="list-style-type: none"> - What are necessities used to operate the business to follow the designed model? - Which activity does the business have to do toward its success? - Which activity is the identity or uniqueness of the business? - Which activity can create value, access the market, maintain customer 	<ul style="list-style-type: none"> - Launching inclusively new products covering health and beauty products. - Research, formula invention, the development of innovation and new production technology - The development of product formula suitable for each country. - The development of Mobile Web-based Skin Analysis or a - Stop importing but constructing a production factory and importing only necessary raw materials for self-production to be able to lower prices - Social Selling is the integration of E-Commerce, Social Commerce, and Direct Sell - Adjust prices to be lower

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
Business Model	relationships, and create revenue?	<p data-bbox="405 898 491 1308">Rojukiss International Public Company</p> <p data-bbox="405 232 491 860">N.R.P.L Asia Co., Ltd.</p> <p data-bbox="405 232 491 465">Yves Rocher (Thailand) Co., Ltd.</p>
	relationships, and create revenue?	<p data-bbox="517 898 660 1323">tool for analyzing facial skin, collected from database of Thai people's facial skin samples, which will be Big Data for further research and new product development.</p> <p data-bbox="852 898 995 1323">- Cost and expense management for determining the most appropriate prices.</p> <p data-bbox="517 232 660 584">via marketing promotion amidst severe competition of online market in Thailand</p> <p data-bbox="740 232 1050 584">- Re-branding and modifying image to be more contemporary for attracting new generations and expanding customer bases</p>
		<p data-bbox="1075 255 1327 584">1. Creating a customer base for new young generations on social media via “Share of Voice.”</p>

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
Key partners	<ul style="list-style-type: none"> - Which persons, companies, or agencies that are indispensable in the channels of media commerce, 	<p data-bbox="405 232 494 1308">Rojukiss International Public Company Ltd. N.R.P.L Asia Co., Yves Rocher (Thailand) Co., Ltd.</p> <ul style="list-style-type: none"> - Partners in package design - GMM Grammy Public Company jointly developed channels of media commerce,
Key partners	<ul style="list-style-type: none"> - Which persons, companies, or agencies that are indispensable in the channels of media commerce, 	<ul style="list-style-type: none"> 2. Emphasizing Omni-Channel, expanding online channels, and reducing unnecessary branches. 3. Applying Digital CRM for learning individual customer 4. Adjust a package to create the perception of Yves Rocher as a French brand. - Workers in the farm - Workers in the factory - The company's storefront employees.

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
		Rojukiss International Public Co., Ltd.
		Yves Rocher (Thailand) Co., Ltd.
<p>designed business model?</p> <ul style="list-style-type: none"> - Which business partners help to promote business or products towards the utmost readiness and benefits? (i.e., joint-venture for developing new businesses or business partners) 	<p>brands, and new products, created a new perception, and developed distribution channels via platforms of GMM media for expanding a new target customers base</p> <ul style="list-style-type: none"> - Networks of Thai factories for producing supplement products. - Leading companies in research and development of global skincare products and cosmetic, listed in the Stock of Exchange in South Korea for producing beauty products. - Partners in distribution, i.e., 	

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Research/and Key Entrepreneurs' Websites
Business Model		<p data-bbox="405 237 437 1308">Rojukiss International Public N.R.P.L Asia Co., Yves Rocher (Thailand) Co., Ltd.</p>
Cost Structure	<p data-bbox="459 1352 491 1653">- What are the total costs? (Fixed costs, i.e., salary, depreciation, rent, etc., and non-fixed costs, i.e., raw materials, sale promotion, etc.)</p>	<p data-bbox="459 898 491 1323">Company</p> <p data-bbox="517 898 826 1323">partners in Indonesia to reach the biggest convenience store network with both online and offline distribution; and partners in the Philippines with distribution expertise</p> <p data-bbox="852 689 884 1323">- Advertising and public relations - The factory</p> <p data-bbox="906 936 938 1323">- Costs for destroying expired goods</p> <p data-bbox="852 495 884 577">- Rent</p> <p data-bbox="906 286 995 577">- Salaries of storefront employees</p> <p data-bbox="1018 376 1107 577">- Marketing communication</p> <p data-bbox="1129 255 1267 577">- Divided income to E-Marketplace by % of the sales</p>

The above findings of lessons learned from a model of beauty businesses with growing sales volume in the Covid-19 situation on the components of the business model, collected from information from documents, websites from information sources related to the study, and key entrepreneurs' websites illustrate what kinds of strategies each brand applies for their marketing and how they are similar and different. However, information of some components could not be collected as the entrepreneurs could not reveal them. From the table, it can be analyzed into the following strategies:

Table 4.9 A Summary of Lessons Learned from a Model of Beauty Businesses with Growing Sales Volume in the Covid-19 Situation on the Components of the Business Model

Business Model	Findings	Documents/Websites Related to the Study, Key Entrepreneurs' Websites		
		Rojukiss International	N.R.P.L. Asia	Yves Rocher
		Customer Segment	Determine groups of customers clearly	•
	Having more than one group of customers to whom different product values are presented for increasing revenue	•		•
Value Proposition	Cosmeceuticals (health & beauty)		•	
	Acne Solution		•	
	Facial skin cleanser		•	•
	Nature-orientation			•
	Innovation for skincare	•	•	
	High credibility as products of the country with a beauty	•	•	•

Business Model	Findings	Documents/Websites Related to the Study, Key Entrepreneurs' Websites		
		Rojukiss International	N.R.P.L. Asia	Yves Rocher
	reputation.			
	A diversity of products	•		•
	A variety of packaging for convenience and worthiness.	•	•	
Distribution Channels	Convenience stores	•	•	
	Health and beauty shops	•	•	
	Large retail shops	•		•
	General shops	•	•	
	E-Marketplace / E-Commerce / S-Commerce	•	•	•
	Distribution in foreign countries	•		
Customer Relationship	Mobile Web-based Skin Analysis to help consumers to analyze their facial skin and be advised of a proper product, including providing channels for connecting to E-Commerce for placing an order.	•		
	Conveying message through “micro-influencers” who are smart in selecting products with positive attitude and sincerity and will transmit their word-of-mouth to others on social		•	

Business Model	Findings	Documents/Websites Related to the Study, Key Entrepreneurs' Websites		
		Rojukiss International	N.R.P.L. Asia	Yves Rocher
	media after their trial with honest feelings.			
	BA Social Commerce by direct contact with customers on the phone and Line Official Accounts.			•
	Social Selling Project, which integrates E-Commerce, S-Commerce, and Direct Selling			•
	Distributing product samples for trial to experience product effectiveness, including result display via Testimonial Campaign from actual users and Expert Panel by dermatologists			•
	Promotion during product introduction and the setting of lower prices than premium brands in the same line of products.			•
Revenue Streams	Selling one main product brand			•
	Selling many product brands but revenue comes from 2-3 main product brands	•		•

Business Model	Findings	Documents/Websites Related to the Study, Key Entrepreneurs' Websites		
		Rojukiss International	N.R.P.L. Asia	Yves Rocher
Resources	Facial massage service			•
	Product formula	•		
	Consumers' information	•		•
	A manufacturing factory		•	
	Raw materials		•	
Key Activities	BA			•
	Launching new products covering complete health and beauty products	•		
	Research, formula invention, development of innovation, and new production technology	•		
	Developing Mobile Web-based Skin Analysis, based on consumers' information, which is Big Data that can be used for further research and new product development.	•		
	Managing costs and expenses to determine the most appropriate prices	•		
	Stop importing, but constructing a manufacturing factory, and importing some raw materials for self-production to make prices			•

Business Model	Findings	Documents/Websites Related to the Study, Key Entrepreneurs' Websites		
		Rojukiss International	N.R.P.L. Asia	Yves Rocher
	lower.			
	Adjusting prices to be lower via marketing promotion in the severe competition of online markets in Thailand			•
	Regular marketing communication via online channels in the Covid-19 situation			•
	Social Selling by integrating E-Commerce, Social Commerce, and Direct Selling			•
	Rebranding by modifying towards a more contemporary image to attract new generations.			•
Key Partner	Partners in package design	•		
	GMM Grammy Public Company jointly developed a Media Commerce channel for branding and creating new perception, including expanding distribution channels via platforms of GMM Grammy's media to cover new target groups of customers.	•		
	Networks of Thai factories	•		

Business Model	Findings	Documents/Websites Related to the Study, Key Entrepreneurs' Websites		
		Rojukiss International	N.R.P.L. Asia	Yves Rocher
	for producing supplement products			
	A global leading R & D in skincare and cosmetic products, listed on the Stock Exchange in South Korea, for producing beauty products	•		
	Distribution partners: partners in Indonesia, that can access the largest networks of convenience stores and distribute through both online and offline channels; and partners in the Philippines with distribution expertise.	•		
	Farm workers			•
	Factory workers			•
	Storefront employees			•
Cost Structure	Advertising, PR, marketing communication	•	•	•
	Costs for destroying expired goods	•		
	Factory		•	
	Rent of a shop			•
	Hireling of storefront employees			•
	Divided income to	•	•	•

Business Model	Findings	Documents/Websites Related to the Study, Key Entrepreneurs' Websites		
		Rojukiss International	N.R.P.L. Asia	Yves Rocher
	e-marketplace by % of sales volumes			

From the above table that illustrates the comparison between three kinds of beauty businesses: Rojukiss Internaitonal Public Company, N.R.P.L. Asia Co., Ltd., and Yves Rocher (Thailand) Co., Ltd., on the components of the business model, each component can be summarized:

(1) Customer Segment

All of these three organizations determine their target customers clearly. Rojukiss International Public Company and Yves Rocher (Thailand) Co., Ltd., are large organizations so they classify their customers into two groups with different value propositions for expanding channels for increased revenue.

(2) Value Proposition

All three organizations propose the value of the products as being produced by the leading country with beauty reputation. Besides, the proposed values accord with the Covid-19 situation in which consumers pay attention to health products the most, i.e., products with distinguished properties in facial skin cleansing, products for acne solution and protection, and cosmeceutical. Notably, Yves Rocher is eminent as natural and eco-friendly products and has a variety of cleansing products for selection so it can facilitate consumers and increase an opportunity for increased sales volume.

Moreover, during the situation where consumers reduce their expenses apparently, Rojukiss and Clear Nose offer the value of convenience and economic worthiness for customers by producing a more variety of product sizes, especially in envelope-packaging with lower prices. Thus, both organizations propose value of skincare innovation, which is paid high attention by consumers nowadays.

(3) Distribution Channels

All three organizations distribute their products via E-Marketplace, E-Commerce, and S-Commerce. Yves Rocher (Thailand) Co., Ltd., is the organization that enters online channels the latest, but it could adapt the business quickly and promptly so it could pass the Covid-19 crisis. Earlier, it focused on distribution at its shops located in large retail stores.

Rojukiss and N.R.P.L Asia emphasize distributions through convenience stores, health and beauty shops, and general shops. N.R.P.L has just entered convenience stores by introducing envelop-packaging as it expands to cover the target groups who are teenagers and students, during the beginning of the Covid-19 spread, so the company was very successful and gained a lot of income from such a distribution model modification. Rojukiss still distributes its products at large retail stores, and successfully expands its consumer base through exporting to foreign countries.

(4) Customer Relationship

All three organizations establish their customer relationships that comply with their budgets, product positioning, and business operations. N.R.P.L Asia is a medium-sized organization selling acne solution products. It delivers its sincere message to “micro-influencers,” while Rojukiss (Thailand) is a large-sized organization with high budgets and gives importance to consumers’ information for extending its business in the future by establishing a project called “Mobile Web-based Skin Analysis,” for helping consumers to analyze their facial condition and advise proper products for them through channels connected to E-Commerce for purchase orders. Yves Rocher (Thailand) distributes products of medium to high prices of natural quality products. It has maintained customer relationships through storefront BA for a long time. At present, it extends to online and telephone channels responsible by BA as well. Besides, free product samples and consumers’ feedback after use are what Yves Rocher communicates with its customers as before.

(5) Revenue Stream

The main income of all three organizations comes from product sales mainly. N.R.P.L Asia has one main brand, whereas Rojukiss and Yves Rocher

have 1-2 main products with a variety of brands. Besides, Yves Rocher also earns income from facial massage services.

(6) Key Resource

Rojukiss and Yves Rocher give importance to consumers' information. Rojukiss has its product formula as valuable resources, while Yves Rocher has BA as its representatives and income makers. N.R.P.L Asia has a factory and raw materials for self-production to reduce its production costs and can determine products with lower prices; thus, it has no longer imported products.

(7) Key Activities

All three organizations have two concurrent key activities: the decreased prices and the expansion of customer bases. Besides, they have other key activities that are congruent with other components of business operations, as follows:

Rojukiss is a large organization that plans to expand consumer bases by launching new products covering health and beauty products completely with research, formula invention, and new production technologies and innovation, in combination with the development of Mobile Web-based Skin Analysis. Consumers' information is its big data that can be used for extending its further research and new product development. Especially, during the Covid-19 situation, the organization has to manage its capital and expenses towards the most appropriate pricing.

On the other hand, N.R.P.L Asia had to stop its imports and produces products by itself to be able to determine lower prices due to too costly products previously, which obstructed market expansion.

Yves Rocher has just moved into online markets as it has to adjust or lower product prices via its marketing communication amidst severe competitions, which is the current situation of online markets in Thailand. Therefore, online marketing communication is conducted regularly during the Covid-19 situation. Moreover, it develops a project of Social Selling by integrating E-Commerce, social commerce, and direct sales, including rebranding and modifying its image towards more contemporary to attract new-generation consumers to expand its customer bases.

(8) Key Partner

The data in this part was collected only from two organizations: Rojukiss and Yves Rocher as N.R.P.L Asia could not publicize it. Both organizations have key partners that comply with their business operations as follows:

The partners of Rojukiss are a factory in package design to create a variety of designs for purchase selection; a company in communication channels and media commerce development to create new perceptions of the products for expanding the base of new target customers; Thai factories for producing supplement goods, a leading company in product research and development, and partners for distributing products to foreign markets. For Yves Rocher, the key partners are its personnel, i.e., farm workers, factory workers, and BA, all of whom reflect their identity as a green organization.

(9) Cost Structure

Digitalization and the Covid-19 situation are major factors that move entrepreneurs towards online commerce more quickly. All three organizations thus have some costs of dividing their revenue to E-Marketplace and distribution channels that consumers use during such a situation. Another cost is marketing communication for displaying the organization's movement consistently amidst changes in the markets. Rojukiss has costs covering the destruction of expired goods, while the main cost of N.R.P.L Asia is manufacturing costs and Yves Rocher has costs for rental and storefront employees.

2) The findings of the lessons learned from the model of beauty businesses through dealership system on the components of the business model

This part is the findings of lessons learned from the model of beauty businesses through dealership system on the components of the business model, collected from documents, websites from information sources related to the study, the website of one entrepreneur, namely The Icon Group Co., Ltd., and in-depth interviews with 2 entrepreneurs, namely Waewwan Gunnanthorn, CEO of Rose Gold (Thailand) and Pathitta Sawangsup, the manager of AK Nine One Group Co., Ltd. The findings are as follows:

(1) AK Nine One Group Co., Ltd.

AK Nine One Group Co., Ltd., is the distributor of food supplement for skincare, DRA Eighteen, that is in the trend in Thailand. It is the first MSME beauty business by dealership whose partners are top stars of the country. Besides, its marketing communication is widespread and covers all areas in a short time to communicate to two main groups of customers: General people who want to be dealers and the ultimate consumers.

From the researcher's observation, communication at the beginning emphasized the group of general people who were interested to be the company's dealers, then followed by communication with the ultimate consumers. For the first group, the value proposition of AK Nine focuses on the value of being a Korean food supplement product that everyone can access and is easy to distribute, including the novelty of the products. Besides, it was the first time in the MSME beauty business through a dealership system to have a well-known actress, Taew or Nattaporn Temeerak, who was popular at that time, joined as a partner. Moreover, the company also organized promotions to stimulate advance booking for dealers powerfully through trips and special yields besides sales profits.

DRA Eighteen started to be distributed to consumers at the end of November 2017 by proposing conduct quality with distinguished and different ingredients from its competitors at that time. Most of all, the products are produced by a top Korean manufacturer in beauty innovations. Prices were also set for a variety of consumers to reach.

Later, the manufacturing factory was changed to reduce costs. All OEM factories producing products for the company, including those of packing and dealers are key partners of the company with product formula, dealers, and employees as key resources.

AK Nine One Co., Ltd distributes its products through a dealership system but tries to enhance the image of MSME online beauty products through a dealership system to be comparable to branded products at a counter of King Power department store. Furthermore, communication to consumers about the products is transmitted through a variety of media: online, printed, radio, TV, outdoor media, etc.

In the beginning, AK Nine One Co., Ltd. Established its interpersonal relationship with those expected to be dealers at the top level of the system, or so-called “dealers attached to a company,” by providing crucial information about business plans for these people to transfer such plans to them and let them find dealers to their teams one after the other, which is a dealership system. During that time, the company collected deposits before a summary of production orders, which help the company to manage product costs to the lowest. As a result, sales volume and the number of dealers grew by leaps and bounces, especially when the company could establish its credibility by introducing its partner, who was a famous actress and was very well-known by the film “Nakee” as the main factor promoting the products. A lot of dealers ordered the products excessively beyond the company’s selling capability. Moreover, the company prepared all information, marketing tools, selling facilities, training, support, and encouragement, both at an individual and a group level, to empower sellers by communicating through the company’s LIVE channels and dealers’ LINE, while they communicate to customers through Line Official to express their after-sale services.

Explicitly, the company’s continual and inclusive marketing communication covering all areas, intimate and consistent management and communication with dealers, and problem-solving for the business and dealers, i.e., price-cutting problems, inventory release, etc. are the company’s key activities.

From analyzing the company’s operations, its main cost structures are the costs and budgets for production, back-end system, marketing, presenters, advertising, PR, sales stimulation, and supervision and empowerment of dealers

Later, AK One Nine Co., Ltd launched a new product, namely dietary supplement, “Praya by LB” for taking care of body shape, “Hira Blue,” skincare cream, and “Hira Blue,” sunblock products. At first, the same model as Dra Eighteen was applied by focusing on the same dealer groups that were plenty at that time. However, the company faced some obstacles. For example, the credibility of Dra Eighteen’s dealers dropped severely because of untimely delivery, inventory could not be released promptly, products were excessive, and a lot of expiring products were stocked. Consequently, price-cutting was used widely so small dealers with higher costs were disadvantageous and could not sell their products, including

damaged products during transportation. Such problems led to a gigantic change in MSME online beauty businesses, in combination with negative news of one product brand that produced non-standard and harmful products and used exaggerated advertising via celebrities and actors. A famous actress, the partner, withdrew before the expiry date of the contract to protect her fame. The company solved the problem by adjusting the package size to be smaller and cheaper, including increasing consumers' convenience, and accepting product returns to a newly-produced product. (from Praya by LB to Hira Blue), including giving training about selling techniques on social media, especially advertising on Facebook, etc.

After the decline of MSME online beauty products, the government watched over this kind of business more strictly, especially due to the negative image caused by AK Nine One Co., Ltd earlier. The company solved overstocked goods by releasing them through the assistance of dealers who are skillful in online distribution via Facebook ads and reduced the role of the business from distributing through dealers to direct selling; for instance, the most recent product, Hira Blue, is online-selling and sold at the counter of King Power. A part of products is still distributed by a large dealer through Facebook ads, without a focus on dealerships anymore.

(2) Rose Gold (Thailand) Co., Ltd.

Rose Gold (Thailand) Co., Ltd., distributes its products under 5 brands: "Secret Forest Cream," skincare cream; "Secret Forest Cleansing," cleansing gel; "Sakana Collagen," food supplement for skincare; "Soft Touch Acne Gel," acne solution gel; and "Le Oxi Serum," skin nourishment cream. The product that brings the company's reputation is Sakana Collagen, which is a beauty product distributed by a dealership at the MSME level and presented by a top actor of the nation. Rose Gold (Thailand) Cp., Ltd., has two main target groups: general people who are interested to be its dealers and general consumers with skincare orientation.

Rose Gold (Thailand) Co., Ltd., distributes its products through a dealership system only without having its storefront. Communication about the products is transmitted through online media, printed media, radio, TV, and outdoor media. The value proposed to consumers is its high-quality products as every single product is produced abroad, such as France, Korea, etc., while Sanaka Collagen is produced in Japan, one of the manufacturing sources with reputation in beauty

innovations. Other value propositions are the positioning of the products and pricing at a premium level, and opportunities for everyone's better quality of life. Because of its high-quality products and sincerity to consumers and dealers, in 2020, the company upgraded its credibility and stability value to dealers by having a presenter for the products as the first time. The selected presenter was Chompoo or Araya A. Hargate, and in 2021, the company had Madam Pang or Nualphan Lamsam as the latest presenter to emphasize the value and luxurious image of the products.

Furthermore, the company invented and developed a formula with its manufacturer, including designing and creating packaging that makes the products predominant with another packaging factory. Both factories and dealers attached to the company are thus its key partners, while the key resources are product formulae, dealers, employees, E-payment gateway, Dropship Fulfillment System, and inventory warehouses.

For communication for establishing relationships with ultimate consumers, it communicates the identity of products and the sincerity of the business by revealing all product development steps, the actual use of presenters, and after-sales service channels. For those who intend to be the company's dealers, the company communicates to them openly about the business and products from the starting step and product development step, personal content about business owners and old distributors, training emphasizing the use of all online channels, contact channels for assistance, equipped information, marketing tools, trading system, stock management, and product delivery to dealers or called the "Fulfillment" system, which has just operated to provide sales facilities for dealers after one year of its business operations as they realize the possible problems and aim to develop effective sales.

From the anticipation of possible problems that might occur in the MSME online business before the establishment of Rose Gold (Thailand) Co., Ltd, key activities were determined for 2 main groups of customers. For consumers, the company aims to solve their problems and propose the beauty success to them by intensely selecting and presenting high-quality, secure, and worthy products with sincerity and without exaggeration. For dealers, the company aims to bring about their occupational success and sustainable economics by producing effective and safe

products that can be sold by its quality and bring about repeated purchases, but within a restricted quantity per time. They do not organize promotions to accelerate sales volumes beyond the market's demand. Besides, the company works out with all involved on the continual market extension plan, namely extending from the old customer groups to new target bases, including in foreign countries, both in ASEAN regions and European countries via its dealers' online media, without competition for sales.

Therefore, the main activities of the company are product development, marketing communication to consumers continually and inclusively, management and communication closely and regularly with dealers, problem-solving for the business and dealers, i.e., price-cutting, stock release, continual market extension planning, stock releases into the market to reduce excessive products, Dropship Fulfillment, and the use of the acquired information.

From analyzing its operations, the main cost structures are the costs and budgets for production, back-end system management, Dropship Fulfillment system, marketing, presenters, advertising, PR, sales stimulation, supervision and empowerment of dealers.

(3) The Icon Group Co., Ltd.

The Icon Group Co., Ltd is a company producing dietary supplements through a dealership and teaching online business courses. The major customers are general people who are interested in being its dealers and the ultimate consumers. The company produces 10 dietary supplements: Room Coffee, BOOM COCOA PLUS, Boom D-NAX, Boom Gluta Shots, Boom VITAMIN, C COMPLEX, Boom Collagen Plus, Room Fiberry, Zip Whey Protein Plus, ZIP LOCK, and Boom IZ, with quality extracts and imported innovation as its value propositions to consumers.

The company presents its credible values to dealers by being a distributor of dietary supplements with 50 million registration capital, and good governance award for operating its business legally and ethically. Besides, it provides an opportunity of ownership without too high investment nor delivery and inventory management. The rapidly growing success of the company helps to ensure that the company will support and create online occupations for them. Moreover, 5 of 10

products are presented by famous and top actors of the country, i.e., Boy or Pakorn Chatborirak, Weir or Sukollawat Kanarot, Pong or Nawat Kulrattanarak, Dome or Pakorn Lum, PP or Krit Amnualdechkorn, and Kan Kantathavorn, and a lot of well-known actors and MCs participated as the Communication Directors.

The Icon Group Co., Ltd., distributes the products through a dealership system and communicates to consumers through online and printed media, radio, TV, and outdoor media.

The company has a manufacturing and packaging production factories, including dealers attached to the company as its key partners, while the key resources are product formula, dealers, employees, an online business school, E-payment Gateway System, Dropship Fulfillment System, inventory warehouses, and a large Food Grade.

For communication to establish relationships with those who want to be dealers, the company organizes a channel for looking after them in terms of working, teaching how to sell products, training, supporting dealers about online selling from the beginning up to the advanced level, including providing information, marketing tools, facilities, sales promotion, Fulfillment Systems for facilitating dealers during sales and stock management.

Thus, inclusive marketing communication, training dealers, management, and intimate and regular supervision and communication, Dropship Fulfillment System management, and the use of the acquired information are thus the key activities of the company.

From analyzing its operations, the key cost structures are the costs and budgets for production, back-end system management, Dropship Fulfillment, marketing, presenters, advertising, PR, sales stimulation, supervision and empowerment of dealers.

Table 4.10 The Findings of Lessons Learned from a Model of Beauty Businesses through a Dealership System on the Components of the Business Model, Collected from Information from Documents, Websites from Information Sources Related to the Study, and Key Entrepreneurs' Websites

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
Customer Segment	<ul style="list-style-type: none"> - Who are the persons the business expects to be its customers? - To which group of consumers does the business pay special attention? 	<p style="text-align: center;">AK Nine One Group, Co., Ltd.</p> <p style="text-align: center;">Rose Gold (Thailand) Co., Ltd.</p> <p style="text-align: center;">The Icon Group Co., Ltd.</p> <ul style="list-style-type: none"> - Persons who want to be dealers - Persons who want to take care of their skin and body shape - Persons who want to be dealers - Persons who want to take care of their skin - Persons who want to be dealers - General consumers
Value Proposition	<ul style="list-style-type: none"> - What kind of value the business deliver to customers? - Which value makes customers decide to buy the company's products 	<ul style="list-style-type: none"> - Korean-standard dietary supplement that everyone can access. - Innovative components of the dietary products for skincare in the market. - Premium dietary supplements by Japanese standards. - A chance of better quality of life of everyone from doing the business of good - A credible distribution company of dietary supplements through a dealership system with the registration capital of 50 million baht and good

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
		The Icon Group Co., Ltd.
		Rose Gold (Thailand) Co., Ltd.
		AK Nine One Group, Co., Ltd.
	instead of those of its competitors?	<ul style="list-style-type: none"> - The first time that the well-known top actors who are in the trends of Thailand join as partners. - Travel trips and special remuneration besides sales profits.
		<ul style="list-style-type: none"> - quality products with sincerity to consumers and dealers - Reinforcement of credibility by adding well-known top actresses of Thailand as presenters.
		<ul style="list-style-type: none"> - governance award, with correct and ethical business operations. - A company that creates people's success in online selling - An opportunity to be a business owner without too high investment nor delivery and inventory management - Growth by leaps and bounces from selling dietary supplements through a dealership system. - Marketing via 5 famous actors as presenters and the

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
		AK Nine One Group, Co., Rose Gold (Thailand) Co., The Icon Group Co., Ltd.
Distribution Channels	<ul style="list-style-type: none"> - Through which channel does the business disseminate its information, advertising, and PR to deliver its after-sales service to each group of customers. 	<ul style="list-style-type: none"> - Dealers - King Power department store - Online media - Printed media, radio, TV, and outdoor media
Customer Relationship	<ul style="list-style-type: none"> - What kind of relationships does the business with each group of customers? - How or which pattern does the business create and maintain customer relationships? 	<p>director of communication is a well-known actor/ MC.</p> <ul style="list-style-type: none"> - Printed media, radio, TV, and outdoor media <ul style="list-style-type: none"> - Dealers - Online media - Printed media, radio, TV, and outdoor media <ul style="list-style-type: none"> - Line Official for communicating with consumers after sales - Line Official for communicating with consumers after sales - Line for communicating with dealers about working - Training for assisting and supporting dealers - Information, marketing

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
		AK Nine One Group, Co., Rose Gold (Thailand) Co., The Icon Group Co., Ltd.
		Ltd.
		tools, facilities and sales promotion for dealers
		beginning to the advanced levels
		- Information, marketing tools, facilities and sales promotion for dealers
		- Fulfillment Systems for facilitating steps of selling and inventory management for dealers
		Distributing 5 kinds of products under the Rose Gold brand:
		- Selling online selling courses
		- Distributing 10 kinds of dietary supplements: Boom IZ Room Coffee BOOM COCOA PLUS Boom D-NAX
		- Dietary supplements for skin care: Sakana Collagen
		- Skin nourishing cream: Secret Forest Cream
		- Facial washing gel: Secret
		Secret
Revenue Streams	- Where does the business revenue come from? (i.e., sales of products, membership or subscription, etc.)	Distributing 3 brand products of four kinds of products: Dietary supplements for skin care: Eighteen Dietary supplements for body-shape care: Praya by LB

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
		AK Nine One Group, Co., Rose Gold (Thailand) Co., The Icon Group Co., Ltd.
		Ltd.
	<ul style="list-style-type: none"> - Skin nourishing cream: Hira Blue - Sun-block: Hira Blue 	<ul style="list-style-type: none"> Forest Cleansing - Acne -solution gel: Soft Touch Acne Gel - Skin nourishing cream: LE OXI SERUM
	<ul style="list-style-type: none"> - What are necessities used to operate the business to follow the designed model? 	<ul style="list-style-type: none"> Boom Gluta Shots Boom VITAMIN C COMPLEX Boom Collagen Plus Room Fiberry Zip Whey Protein Plus ZIP LOCK - Product formula - Dealers - Internal employees - An online business school - E-payment Gateway System - Dropship Fulfillment System - A large Food Grade inventory warehouse
Key Resources		

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs	
		AK Nine One Group, Co., Ltd.	Rose Gold (Thailand) Co., Ltd. The Icon Group Co., Ltd.
Key Activities	<ul style="list-style-type: none"> - Which activity does the business have to do toward its success? - Which activity is the identity or uniqueness of the business? - Which activity can create value, access the market, maintain customer relationships, and create revenue? 	<ul style="list-style-type: none"> - Marketing communication to consumers - Intimate and regular management, supervision, and communication with dealers - Problem-solving and finding solutions for the business and dealers, i.e., price-cutting, stock releases, etc. 	<ul style="list-style-type: none"> - Solving their consumers' problems and propose the beauty success to them by intensely selecting and presenting high-quality, secure, and worthy products. - Marketing communication with sincerity and without exaggeration. - Delivering their occupational success and sustainable economics by producing effective and safe products that can be sold by its quality and bring about repeated purchases - Developing products

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
		<p data-bbox="395 412 427 1964">AK Nine One Group, Co., Ltd. Rose Gold (Thailand) Co., Ltd. The Icon Group Co., Ltd.</p>
		<p data-bbox="443 412 475 1964">continuously</p> <ul data-bbox="491 412 683 1964" style="list-style-type: none"> - Conducting continual market extension plan - Intimate and regular management, supervision, and communication with dealers <p data-bbox="699 412 730 1964">-Problem-solving and finding solutions for the business and dealers, i.e., price-cutting, stock releases, etc.</p> <ul data-bbox="746 412 938 1964" style="list-style-type: none"> - Planning product releases into the market to reduce overwhelming products (i.e., no promotion for stimulating sale volumes

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
		AK Nine One Group, Co., Rose Gold (Thailand) Co., The Icon Group Co., Ltd.
Key Partners	<p>to avoid over supply in the market)</p> <ul style="list-style-type: none"> - Managing Dropship Fulfillment and making use of the acquired information. 	<p>Ltd.</p> <ul style="list-style-type: none"> - A manufacturing factory - A manufacturing factory - A package production factory - Dealers attached to the company - A manufacturing factory - A package production factory - Dealers attached to the company - Production costs - Back-end System management costs - Dropship Fulfillment costs - Marketing, presenters, and PR costs
Cost Structure	<ul style="list-style-type: none"> - Which persons, companies, or agencies are indispensable in the designed business model? - What are the total costs? (Fixed costs, i.e., salary, depreciation, rent, etc., and non-fixed costs, i.e., raw materials, sale promotion, etc.) 	<ul style="list-style-type: none"> - Dealers attached to the company - Production costs - Back-end System management costs - Marketing, presenters, and PR costs - Sales volume stimulation - Dealers attached to the company - Production costs - Back-end System management costs - Dropship Fulfillment costs - Marketing, presenters, and PR costs

Components of the Business Model	Questions	Documents/Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, In-depth Interviews with Entrepreneurs
		AK Nine One Group, Co., Rose Gold (Thailand) Co., The Icon Group Co., Ltd.
	<p>costs</p> <ul style="list-style-type: none"> - Supervision and empowerment of dealers costs. 	<p>Ltd.</p> <ul style="list-style-type: none"> - Sales volume stimulation costs - Supervision and empowerment of dealers costs.
		<ul style="list-style-type: none"> - Sales volume stimulation costs - Supervision and empowerment of dealers costs.

The documentary analysis of documents, websites of key entrepreneurs, in-depth interviews with entrepreneurs, and participatory observation indicates that the beauty businesses through a dealership system of MSMEs in the digital era have similar components of the business model despite some information that cannot be disclosed. Thus, there might be some parts that cannot display all actual operations. From the findings, the components in the business model of all three organizations are summarized as follows:

Table 4.11 The Findings of Lessons Learned from a Model of Beauty Businesses through a Dealership System on the Components of the Business Model, Collected from In-depth Interviews

Business Model	Findings	Documents, Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews		
		AK Nine One Co., Ltd.	Rose Gold (Thailand) Co., Ltd.	The Icon Group Co., Ltd.
Customer Segment	Two groups of customers: the ultimate consumers and dealers	•	•	•
	No specific or clear determination of groups	•	•	•
Value Proposition	Credible products as high-quality dietary supplements from Korea, the country of reputation in beauty products.	•	•	
	Concentrated ingredients and	•	•	

		Documents, Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews		
Business Model	Findings	AK Nine One Co., Ltd.	Rose Gold (Thailand) Co., Ltd.	The Icon Group Co., Ltd.
	novelty from old products in the market			
	Sincerity without exaggeration	•	•	•
	No 1 beauty company through a dealership system, with good governance awards as an ethical company that complies with the laws and code of ethics.			•
	A company that brings about people's occupational success in online commerce.			•
	The first time of the MSME online beauty business that has a top and famous actress of the nation as a partner.	•		
	Emphasis on the business's credibility by adding more top and famous celebrities of the country to be product presenters.		•	•
	An opportunity to have better quality of life than before from the		•	•

Documents, Websites from Information Sources
Related to the Study, Key
Entrepreneurs' Websites, and In-depth

Business Model	Findings	Interviews		
		AK Nine One Co., Ltd.	Rose Gold (Thailand) Co., Ltd.	The Icon Group Co., Ltd.
	business with clear, continual, and sustainable plans.			
	An opportunity to travel abroad and get a lot of valuable rewards from promotions to stimulate sales volume.	•	•	•
Distribution Channels	Dealers	•	•	•
	All online platforms	•	•	•
	Printed media, radio, TV, and outdoor media	•	•	•
Customer Relationship	King Power Department Store	•		
	Marketing communication to consumers via dealers occasionally, mostly focusing on prices.	•	•	
	Communication about products via business owners, partners, presenters, and dealers, by a variety of media, especially online media.	•	•	•
	Communication about the business and products via business owners, partners, and old dealers, through	•	•	•

		Documents, Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews		
Business Model	Findings	Interviews		
		AK Nine One Co., Ltd.	Rose Gold (Thailand) Co., Ltd.	The Icon Group Co., Ltd.
	face-to-face and online media.			
	Providing information, marketing tools, facilities for dealers	•	•	•
	E-Payment Gateway System		•	•
	Dropship Fulfillment System for increasing the effectiveness in the steps of selling, delivery, and inventory management to dealers.		•	•
	Training for increasing knowledge about online commerce to dealers.	•	•	•
	Seminar for empowering and assuring dealers' confidence of the business success.	•		•
	Online channels for after-sales services	•	•	
	Online channels for sales assistance.	•	•	•
Revenue Streams	The distribution of more than one kind of products	•	•	•
Key Resources	Dealers	•	•	•
	Product formula	•	•	•
	The company's	•	•	•

		Documents, Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, and In-depth		
Business Model	Findings	Interviews		
		AK Nine One Co., Ltd.	Rose Gold (Thailand) Co., Ltd.	The Icon Group Co., Ltd.
Key Activities	employee			
	An online business school			•
	E-Payment Gateway System		•	•
	Dropship Fulfillment System		•	•
	Inventory warehouse		•	•
	Product development		•	
	Regular marketing communication to Consumers	•	•	•
	Intimate and consistent management, supervision, and communication with dealers.	•	•	•
	Problem solving and finding solutions for the business and dealers	•	•	•
	Planning of product releases into the market to balance between demand and supply to reduce dealers' problem of inability to release their products.		•	
	Continual planning for market expansion by still conducting marketing to the old			•

		Documents, Websites from Information Sources Related to the Study, Key Entrepreneurs' Websites, and In-depth Interviews		
Business Model	Findings	Interviews		
		AK Nine One Co., Ltd.	Rose Gold (Thailand) Co., Ltd.	The Icon Group Co., Ltd.
	target groups and expanding to the new target groups, including foreign markets.			
	Dropship Fulfillment System		•	•
Key Partner	Dealers attached to the company	•	•	•
	Manufacturing factories	•	•	•
	Package production factories	•	•	•
Cost Structure	Product production	•	•	•
	Back-end system management	•	•	•
	Dropship Fulfillment and E-Payment Gateway Systems management		•	•
	Marketing, presenters, advertising, and PR	•	•	•
	Sales stimulation	•	•	•
	Supervision and empowerment of dealers.	•	•	•

From analyzing the in-depth interviews with the entrepreneurs in the beauty businesses through a dealership system related to the components of the business model, namely AK Nine One Co., Ltd., Rose Gold (Thailand) Co., Ltd., and the Icon Group Co., Ltd., the findings of each component are as follows:

(1) Customer Segment

All three organizations classify their customers into two groups: consumers and dealers without identifying specific qualifications of each group.

(2) Value Proposition

All three organizations propose value of their organizational credibility through well-known public figures of the country. AK Nine One is the first organization that created a current throughout the country by having a business partner who is a famous actress. Besides, all organizations emphasize their ethical marketing communication for elevating the standards of the online beauty business through a dealership system, and offered opportunities for travelling abroad with lots of valuable prizes in their promotion for sales stimulation. Rose Gold and the Icon Group also propose a better quality of life from the business that has clear, continuous, and sustainable operational plans.

Furthermore, the Icon Group also proposes the value of its credibility as the Number 1 or the top beauty company through a dealership system that won a good governance award for operating business legally and correctly. Besides, another proposed value is a company that creates occupational success in online commerce as it has a school for teaching online business as well.

(3) Distribution Channels

All three organizations distribute their products through dealers mainly by focusing on online media only, while having their marketing communication through printed media, radio, TV, and outdoor media. AK Nine One displays its products at King Power Department Store for upgrading its online beauty products to be comparable to those at counters of branded products.

(4) Customer Relationship

All three organizations have similar approaches in establishing relationships with two groups of customers. With consumers, they communicate about products via business owners, partners, presenters, and dealers through a variety of media, especially online media and open online channels for after-sales services.

With dealers, they communicate about their businesses and products via business owners, partners, and old dealers, both face-to-face and online channels. They also provide information, marketing tools, facilities for dealers' sales,

training for increasing online commerce to dealers, seminars for empowering and assuring dealers towards success. Moreover, Rose Gold and the Icon Group, also provide systems of E-Payment Gateway and Dropship Fulfillment for increasing the effectiveness of sales, product delivery, and inventory management for dealers.

(5) Revenue Stream

The revenue of all three organizations comes from the distribution of more than one kind of product.

(6) Key Resource

The key resources of all three organizations are dealers, the company's personnel, and product formula. Rose Gold and the Icon Group have additionally the E-Payment Gateway and Dropship Fulfillment Systems, including inventory warehouses, while the Icon Group has its online business school as another important key resource.

(7) Key Activities

All three organizations have a similar key activity for consumers, namely regular marketing communication to consumers. Rose Gold also gives importance to product development toward consumers' beauty success and dealers' success in the sustainable distribution of quality products.

The main activities with dealers are intimate and regular management, supervision, and communication with them, including problem-solving and finding solutions for the business and dealers. Rose Gold and the Icon Group also support dealers with the Dropship Fulfillment System for increasing their sales effectiveness. Moreover, both companies also have a continual plan for expanding markets to both old and new customers, and also to foreign markets.

Rose Gold also has another key activity additionally, namely planning of product releases into the market to balance between demand and supply, and reduce problems of unsold products in dealers' inventory.

(8) Key Partner

The key partners of all three organizations are dealers attached to the company, production factories, and package production factories. AK Nine One also has a famous star, as a joint key partner.

(9) Cost Structure

All three organizations have similar cost structures: production, back-end system management, marketing, presenters, advertising, PR, sales stimulation, supervision and empowerment of dealers. Rose Gold and the Icon Group also have the costs of Dropship Fulfillment and E-Payment Gateway Systems management.

3) The findings of the lessons learned from the retail businesses via online shops on the components of the business model.

They are lessons learned from in-depth interviews with 3 entrepreneurs, as follows: (1) Phichamon Sinkamonset: The owner of an online shop specializing in hair solution products. (2) Mookravee Dechakarathanakul: The owner of an online shop specializing in dietary supplements and cream with worthy prices. (3) Hongsapas Pattanapeeradej: The owner of an online shop specializing in medical products

(1) Phichamon Sinkamonset

Phichamon Sinkamonset is an entrepreneur in the online beauty business. Her expertise and income is the distribution of hair products (hair-loss solution) via advertising through Facebook Fanpage, as the main channel, and LINE Official and Google Ad as supplementary channels. These channels present the value of the products in preventing, relieving, and solving hair loss problems and ensure consumers have self-confidence again. The initial products that she accepted to distribute had no presenters. Later, she chose ones that had presenters so that she can make consumers feel more confident. Normally, customers of online shops are consumers who search products or information from online media to solve their hair-loss problems and general consumers on social media. This entrepreneur establishes her relationship with customers by giving knowledge about beauty, giving consultation after product purchase, and assuring their satisfaction.

The main activities for making her online shop successful are to find products for consumers to help them solve beauty problems that affect them psychologically so they will be ready to pay for it. However, such products must be effective. Thus, they are products that limit the number of dealers all through the country, namely no more than 10 dealers. They are products provided in a set, and

each set can yield income of over 1,500 Baht to cover the cost of advertising. Mostly, they are trendy products with packed advertising plans for at least one year to make sales easier. When the entrepreneur finds any interesting product, she will test from online advertising of all in various forms before ordering products in big quantities for distribution. However, the entrepreneur must train its admin to have skills in selling, closing the deal, and looking after customers after sales. During the actual trading, online advertising must be managed and evaluated after sales.

For key resources, merchant accounts in Facebook Fanpage and LINE Official, advertising creatives, and admin are key resources of the shop and the product owner is the key partner to whom the entrepreneur agrees to join his/her business or sign a contract about conditions for distributing products since the entrepreneur is the investor of advertising and sales skills. Thus, she needs a right to be a distributor without a lot of competitors in the same line of products and requires effective marketing communication from the product owner for promoting easier sales.

Regarding the cost structure of this online shop, the main costs are products, advertising, graphic workers, back-end staff, and admin's commissions.

(2) Mookravee Dechakarathanakul

Mookravee Dechakarathanakul is an entrepreneur in the online beauty business. Her expertise and income are the distribution of dietary supplements for skin and body-shape via advertising through Facebook Fanpage, as the main channel, LINE Official and Tik Tok as supplementary channels. These channels present the value of the products in products' worthiness, effectiveness, and low costs. Normally, customers of online shops are consumers who search products or information from online media to solve their problems that match the products, and general consumers on social media. This entrepreneur establishes her relationship with customers by giving knowledge about beauty, giving consultation after product purchase, and assuring their satisfaction.

The main activities for making her online shop successful are to find good quality products with low to medium prices as they are not products with severe price-cutting in the market. They are products provided in a set, and each set can yield profit of over 500 Baht to cover the cost of advertising. Mostly, they are

trendy products with packed advertising plans for at least one year to make sales easier. When the entrepreneur finds any interesting product, she will test from online advertising of all in various forms before ordering products in big quantities for distribution. However, the entrepreneur must train its admin to have skills in selling, closing the deal, and looking after customers after sales. During the actual trading, online advertising must be managed and evaluated after sales.

For key resources, merchant accounts in Facebook Fanpage, LINE Official, and Tik Tok, advertising creatives, and admin are key resources of the shop and the product owner or large dealers are the key partners with supportive relationships. Besides, the entrepreneur also has other entrepreneurs as her key partners by joining the same order to reduce costs.

Regarding the cost structure of this online shop, the main costs are products, advertising, graphic workers, back-end staff, and admin's commissions.

(3) Hongsapas Pattanapeeradej

Hongsapas Pattanapeeradej is an entrepreneur in the online beauty business. Her expertise and income are the distribution of dietary supplements and skin nourishing cream via advertising through Facebook Fan Page, as the main channel, LINE Official and Tik Tok as supplementary channels. Normally, customers of online shops are consumers who search products or information from online media to solve their beauty problems because of the shop's expertise. Besides, consumers of the same group are also classified into sub-groups based on their characteristics, i.e., groups who are interested in health, but have no trust about the quality yet, groups who are interested in health, but hesitate to pay, etc.

The entrepreneur establishes her relationships with customers by offering special discounts for the next purchase and other promotions. Besides, the shop provides knowledge and consultation about beauty issues by the physician who is the owner of the product. Besides, there are after sales services and assurance of satisfaction.

The key activities that the entrepreneur does towards the success of her shop are to search good quality products that require limited numbers of dealers. The profit per piece is over 500 Baht. After organized in a set, it can bring over 1,000 Baht profits per set to cover advertising costs. The products have packed marketing

plans regularly all through the sales life as most products of this shop have 2-3 years of sales life. Online advertising of all products will be tested in many forms before ordering in big quantities. After sales will be followed while the operation of online advertising will be managed. Besides, admins will be trained in selling skills, closing a deal, and after-sales services.

The key resources of the shop are merchant accounts of Facebook Fan Page, LINE Official, Tik Tok, graphic designer, and admin, while the product owner and teachers of online advertising classes are their key partners. Teachers of online classes play a role as a mediator who helps to search for products to be advertised and distribute them via online shops. Besides, most selected beauty products belong to the beauty physician. Distributors must have an agreement or contract about conditions for distribution since the entrepreneur is the investor of advertising and sales skills; therefore, she wants a right to be a distributor without large number of competitors in the same product and wants effective marketing communication from the product owner to promote easier sales.

From analyzing the cost structure, the main costs of the entrepreneur are products, advertising, graphic designers, back-end employees, and admin's commission.

Table 4.12 The Findings of Lessons Learned from a Model of Retail Business Via Online Shops on the Components of the Business Model, Collected from In-depth Interviews with Entrepreneurs

Components of the Business Model	In-depth Interviews		
	Phichamon Sinkamonset	Mookravee Dechakarathanakul	Hongsapas Pattanapeeradej
Customer Segment	<ul style="list-style-type: none"> - Who are persons expected by the business to be its customers? - To which group does the business gives special attention? 	<ul style="list-style-type: none"> - General consumers on social media - Consumers who search for products or information on online media to help solve their problems. 	<ul style="list-style-type: none"> - Consumers who search for products or information on online media to help solve their problems.
Value Proposition	<ul style="list-style-type: none"> - What kinds of value the business delivers to customers? - Which value makes customers decide to buy the business's products instead of the 	<ul style="list-style-type: none"> - Products that can prevent, relieve, and correct beauty problems, which can make consumers feel confident again. 	<ul style="list-style-type: none"> - Quality products produced by physicians

Components of the Business Model	Questions	In-depth Interviews		
		Phichamon Sinkamonset	Mookravee Dechakarathanakul	Hongsapas Pattanapeeradej
Distribution Channels	<p>competitors?</p> <p>- Which channel or method does the business used for disseminating information, advertising, public relations, and delivering value and services after-sales services to each group of customers?</p>	<p>Facebook, LINE Official, Google Ad, and Tik Tok</p>	<p>Facebook, LINE Official, and Tik Tok</p>	<p>Facebook, LINE Official, and Tik Tok</p>
Customer Relationship	<p>- What kind of relationship does the business have with its customers?</p>	<p>- Providing beauty knowledge - Giving consultation after sales</p>	<p>- Providing beauty knowledge - Giving consultation after sales</p>	<p>- Giving special discounts for next purchases and other promotions in</p>

Components of the Business Model	In-depth Interviews		
	Phichamon Sinkamonset	Mookravee Dechakarathanakul	Hongsapas Pattanapeeradej
Questions	- How does the business establish and maintain relationship with its customers? In which form?	- Satisfaction assurance	the Facebook group
Revenue Streams	- Where does the business revenue come from? (i.e., sales of products, membership or subscription, etc.)	- Satisfaction assurance - Product distribution	- Providing beauty knowledge - Giving consultation after sales - Satisfaction assurance - Product distribution
Key Resources	- What are necessities used to operate the business to follow the designed model?	- Merchant accounts on Facebook, LINE Official, and Google ads - Advertising design employees	- Merchant accounts on Facebook, LINE Official, and Tik Tok - Advertising design employees

Components of the Business Model	In-depth Interviews		
	Phichamon Sinkamonset	Mookravee Dechakarathanakul	Hongsapas Pattanapeeradej
Key Activities	<p>- Admin</p> <ul style="list-style-type: none"> - Finding products for consumers to help them solve beauty problems that affect them psychologically so they will be ready to pay for it. However, such products must be effective. Thus, they are products that limit the number of dealers all through the country, namely no more than 10 dealers. They are products provided in a 	<p>- Admin</p> <ul style="list-style-type: none"> - Finding good quality products with low or medium prices without severe price-cutting in the market, and getting over 500 Baht per set. - Being trendy products with packed advertising plans for at least one year. - Testing online advertising of all products in various forms before ordering products in big quantities for distribution. - Follow-up after sales, 	<p>- Admin</p> <ul style="list-style-type: none"> - Finding good quality products with limited numbers of dealers with profit of 500 Baht per piece and 1,500 Baht per set. - Being trendy products with packed advertising plans for at least one year. - Testing online advertising of all products in various forms before ordering products in big quantities for

Components of the Business Model	In-depth Interviews		
	Phichamon	Mookravee	Hongsapas
Questions	<p>Sinkamonset</p> <p>set, and each set can yield income of over 1,500 Baht.</p> <ul style="list-style-type: none"> - Being trendy products with packed advertising plans for at least one year. - Testing online advertising of all products in various forms before ordering products in big quantities for distribution. - Follow-up after sales, especially in the groups 	<p>Dechakarathanakul</p> <p>especially in the groups of products in which customers have time to talk and that worth their communication.</p> <ul style="list-style-type: none"> - Managing online advertising under operations. - Training its admin to have skills in selling, closing the deal, and looking after customers after sales. 	<p>Pattanapeeradej</p> <p>distribution.</p> <ul style="list-style-type: none"> - Follow-up after sales, especially in the groups of products in which customers have time to talk and that worths their communication. - Managing online advertising under operations. - Training its admin to have skills in selling, closing the deal, and looking after customers after sales.

Components of the Business Model	Questions	In-depth Interviews		
		Phichamon	Mookravee	Hongsapas
		Sinkamonset	Dechakarathanakul	Pattanapeeradej
Key partners	- Which persons, companies, or agencies that are indispensable in the designed	of products in which customers have time to talk and that worth their communication.	- Product owner and large dealers	- Product owner.
		- Managing online advertising under operations.	- Online-shop partners (in the case of collective	- Teachers of advertising on Facebook (advisers and product
		- Training its admin to have skills in selling, closing the deal, and looking after customers after sales.		

Components of the Business Model	In-depth Interviews			
	Phichamon Sinkamonset	Mookravee Dechakarathanakul	Hongsapas Pattanapeeradej	
Cost Structure	<p>business model?</p> <ul style="list-style-type: none"> - What are the total costs? (Fixed costs, i.e., salary, depreciation, rent, etc., and non-fixed costs, i.e., raw materials, sale promotion, etc.) 	<p>purchase to get big quantities in lower costs)</p> <ul style="list-style-type: none"> - Products - Advertising - Graphic workers - Back-end workers - Admin's commissions 	<ul style="list-style-type: none"> - Products - Advertising - Graphic workers - Back-end workers - Admin's commissions 	

The in-depth interviews with entrepreneurs indicate that the beauty businesses via online shops have similar components of the business model despite some information that cannot be disclosed. Thus, there might be some parts that cannot display all actual operations. From the findings, the components in the business model of all three organizations are summarized as follows:

Table 4.13 The Findings of Lessons Learned from a Model of Retail Business on the Components of the Business Model, Collected from In-depth Interviews with Entrepreneurs

Business Model	Findings	In-depth-interviews				
		Phichamon Sinkamonset	Mookravee Dechakarathanakul	Hongsapas	Pattanapeeradej	
Customer Segment	<ul style="list-style-type: none"> - Two groups of customers: general consumers on social media, and consumers who search for products or information to help solve their beauty problems - Consumers who search for products or information to help solve their beauty problems 	•	•		•	
Value Proposition	<ul style="list-style-type: none"> - Products that help to prevent, relieve, and correct beauty problems to make consumers feel confident again. - Worthiness, effectiveness, and low costs of products - Products produced by physicians 	•	•	•	•	

Business Model	Findings	In-depth-interviews				
		Phichamon	Sinkamonset	Mookraevee	Dechakarathanakul	Hongsapas Pattanapeerdej
Distribution	Facebook Fan Page	•		•		•
Channels	LINE Official		•		•	•
	Google Ad		•			
	Tik Tok		•	•		•
	Customer Relationship	- Giving special discounts and promotions for the next purchase for closed groups				
Customer Relationship	- Providing knowledge about beauty		•	•		•
	- Giving consultation after sales		•	•		•
	- Assurance of satisfaction		•	•		•
Revenue Streams	- Distribution of more than one kind of products		•	•		•
Key Resources	- Merchant accounts on social media		•		•	
	- Advertising design workers		•	•		
	- The company's employees		•	•		
	- Admin		•	•		
	Key Activities	- Finding products that can help solve consumers' serious beauty problems effectively and products that limit the number of dealers to ensure a profit per set of over 1,000 Baht.		•		

Business Model	Findings	In-depth-interviews				
		Phichamon	Sinkamonset	Mookravee	Dechakarathanakul	Hongsapas Pattanapeeradej
	<ul style="list-style-type: none"> - Finding good quality products with low to medium prices without severe price-cutting in the market, and can ensure a profit per set of over 500 Baht. - Finding trendy trends with regular marketing plans for at least a year. - Testing online advertising of all productions in various forms before ordering in big quantities for the actual distribution - Having a follow-up after sales, especially products for which customers have time and want to talk, worth their communication. - Managing online advertising during the operation. - Training admins about skills in selling, closing the deal, and supervision after sales 				•	
Key Partner	<ul style="list-style-type: none"> - The product owner - Large dealers - Online-shop partners - Teachers on online advertising 	•		•	•	•

Business Model	Findings	In-depth-interviews				
		Phichamon	Sinkamonset	Mookravee	Dechakarathanakul	Hongsapas Pattanapeeradej
Cost Structure	- Production costs		•		•	
	- Advertising costs		•		•	
	- Graphic workers		•		•	
	- Back-end workers		•		•	
	- The admin's commissions		•		•	

From the above table from the in-depth interviews with 3 entrepreneurs in the beauty businesses in retail online shops on the components of the business model, it can be summarized as follows:

(1) Customer Segment

All three retail online shops determine consumers who look for products or information on online media to help solve their beauty problems as their customers. Hongsapas Pattanapeeradej also classifies her consumers into sub-groups based on their characteristics, i.e., groups of consumers who are interested in the products but unsure of the quality, those who are interested in the products but hesitate to pay for them, etc. Besides, Phichamon Sinkamonset and Mookravee Dechakarathanakul also select their customers widely from general consumers on social media.

(2) Value Proposition

All three shops propose products that help to prevent, relieve, and correct consumers' beauty problems to make them feel confident. Moreover, the shop of Mookravee Dechakarathanakul proposes the value of worthiness, effectiveness, and low costs, while Hongsapas Pattanapeeradej proposes the products' value as credible and secure as they are produced by a physician, the shop owner.

(3) Distribution Channels

All three shops distribute and conduct their marketing communication via Facebook Fan Page, LINE Official, and Tik Tok but Phichamon Sinkamonset also advertises through Google Ad

(4) Customer Relationship

All three shops establish similar customer relationships by providing knowledge about beauty, giving consultation after sales, and assure consumers' satisfaction. The shop of Hongsapas Pattanapeeradej creates a closed group via Facebook platform for delivering special discounts and promotions to old customers. Besides, there is a doctor to give advice on beauty care.

(5) Revenue Stream

All three shops have revenue from the distribution of more than one kind of product. Phichamon Sinkamonset owns approximately 10 shops for selling 1-2 products by emphasizing skills of selling. Mookravee Dechakarathanakul has also approximately 10 shops for distributing 10 products, and Hongsapas Pattanapeeradej distributes approximately 4 main products through approximately 50 online shops.

(6) Key Resource

The key resources of all three shops are merchant accounts on social media, advertising design staff, the company's employees, and admins.

(7) Key Activities

All three shops conduct similar key activities: Testing online advertising of all products in various forms before ordering big quantities for the actual distribution; managing online advertising during the operations; having a follow-up after sales, especially of the products for which customers have time and want to discuss, which worth their communication; and training admins on the skills of selling, closing the deal, and supervision after sales Phichamon Sinkamonset and Hongsapas Pattanapeeradej search for products that can help consumers to solve their beauty problems effectively and the products that need to limit the number of dealers. The products are expected to yield profits of over 1,000 Baht per set. Mookravee Dechakarathanakul emphasizes good quality products with low to medium prices without severe price-cutting in the market. Per set, the profit margin is over 500 Baht.

The same requirement of all products by all three shops is trendy products with regular marketing plans for at least a year.

(8) Key Partner

The key partners of all three shops are the product owner, large dealers, and other online shops. Teachers on online marketing are another partner of Hongsapas Pattanapeeradej, while Mookravee Dechakarathanakul has online advertising companies and middlemen for sourcing products for distribution as her joint partners as well.

(9) Cost Structure

This component of the business model of all three shops is identical, namely their main costs come from products, advertising, graphic or advertising design staff, back-end workers, and admins' commissions.

4.4 The Findings of The Beauty Business Model under Good Governance in the Digital Era

From studying the external conditions of the beauty business and good governance in the beauty business, including decoding lessons learned from successful business models in the digital era, as mentioned in the previous three parts, the researcher applied the findings to analyze and develop a beauty business model under good governance in the digital era and asked for opinions and comments from experts in the beauty business in the digital era and marketing communication on the developed model, as illustrated below:

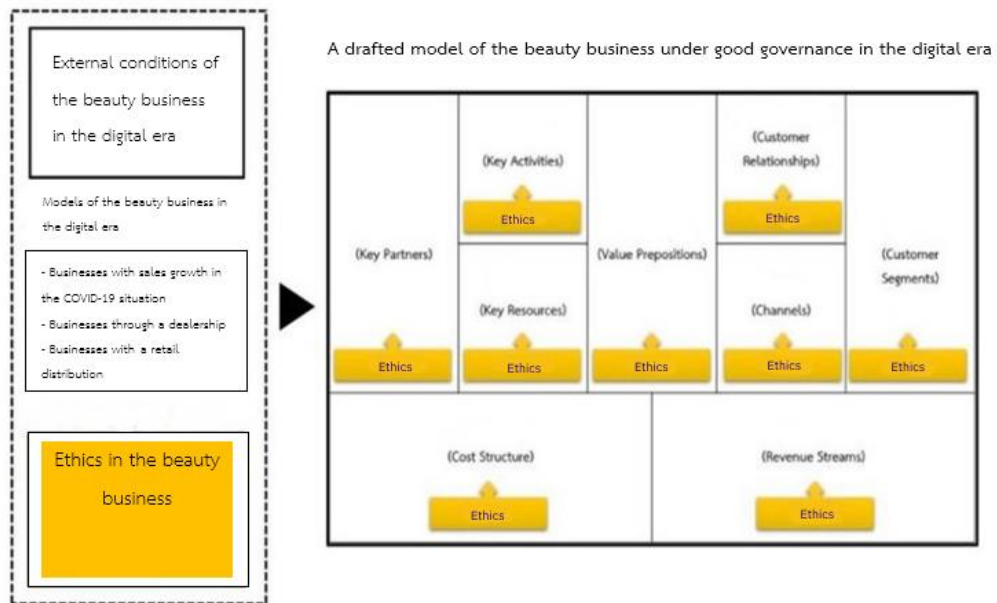


Figure 4.2 The Development of a Drafted Beauty Business Model under Good Governance in the Digital Era

The proposed or drafted models in this part are divided into three types: 1) A drafted business model under good governance in the digital era of the beauty businesses with sales growth in the Covid-19 situation 2) A drafted business model under good governance in the digital era of beauty retailers via social media. 3) A drafted business model under good governance of the beauty businesses with dealerships.

1) A drafted business model under good governance in the digital era of the beauty businesses with sales growth in the Covid-19 situation

Table 4.14 A Drafted Business Model under Good Governance in the Digital Era of the Beauty Businesses with Sales Growth in the Covid-19 Situation

Component	Details
Customer Segments	<ul style="list-style-type: none"> - One of more segments of customers by determining the characteristics of each segment.
Value Propositions	<p data-bbox="528 591 1433 651">Ethics in the customer segment component</p> <p data-bbox="528 651 1433 757">are inserted in the component of “value propositions,” “customer relationships,” “distribution channels,” and “revenue streams.”</p> <ul style="list-style-type: none"> - Giving a feeling of cleanliness and security as they are cosmeceuticals - Products for cleansing facial skin, and preventing and solving acne problems. - Innovation for skincare products. - Produced by well-known countries in beauty - Both the organization and products give importance to environmental concern - A variety of products for selection in one shop (an online shop) - A variety of packaging to choose from for more comfort and worthiness.
Distribution Channels	<p data-bbox="528 1368 1433 1429">Ethics in the value proposition component</p> <ul style="list-style-type: none"> - Products’ security and quality <ul style="list-style-type: none"> - Facilitating customers’ purchase convenience by distributing products covering every area. - Convenience stores - Health and beauty shops - Large retailers - General shops - E-Marketplace/E-Commerce/S-Commerce <p data-bbox="528 1861 1433 1921">Expanding to foreign countries</p> <ul style="list-style-type: none"> - Distributing products in foreign countries <p data-bbox="528 1973 1433 2020">Ethics in the distribution channel components</p>

Component	Details
Customer Relationships	<ul style="list-style-type: none"> - Ethics of selling - Ethics of identification - Ethics of description and demonstration - Ethics of trading activities - Applying technologies for beauty-problem analysis services to customers and connecting to online shops, including collecting customers' information. - Communicating about products sincerely via "Micro-influencers." - Follow-ups and taking care of customers through dealers (experts in the products) directly on the phone and LINE Official - Letting customers participate in sales profits through social media in the Social Selling project. - Initially connecting customers with a product by giving free samples for trial and letting actual users and experts inform the results of product usage via social media - Moving to be customers' top choices through a promotion during the product launch and by offering lower prices than those of competitors.
	Ethics in the customer relationship component
Revenue Streams	<ul style="list-style-type: none"> - Ethics of marketing - Ethics of benefit protection, quality assurance, and after-sales services. - Ethics of respect for customers' privacy
	<ul style="list-style-type: none"> - 1-2 main profits for the organization must be determined among a variety of sold products - Providing beauty supplementary services
	Ethics in the revenue stream component
Key Resources	<ul style="list-style-type: none"> - Ethics of financial and business records - Products formula - Consumers' information

Component	Details
	<ul style="list-style-type: none"> - Factories - Raw materials - Salespersons
	Ethics in the key resource component
	<ul style="list-style-type: none"> - Ethics of human resource development - Ethics of corporate property protection - Ethics of conflicts of interests - Ethics of protection of the company's confidential and security - Ethics of individuals' rights and data protection - Ethics of being the company's representative - Ethics of sanitation, security, and stability - Ethics of respect for diversity - Ethics of harassment - Ethics of respect for employees - Ethics of human resource development
Key Activities	<ul style="list-style-type: none"> - Launching new products covering both health and beauty markets completely. - Conducting research and invention of a product formula - Developing innovation and new technologies for establishing effective and efficient customer relationships - Managing costs and expenditures for determining the most appropriate pricing. - Creating marketing promotion campaigns amidst severe competition, which is the nature of online markets in Thailand. - Conducting marketing communication through online channels regularly in the Covid-19 situation. - Actively conducting social selling - Rebranding and modifying the company's image to be more contemporary to attract new generations.
	Ethics in the key activity component

Component	Details
	<ul style="list-style-type: none"> - Ethics of competition - Ethics of responsibility as a corporate citizen - Ethics of maintaining righteousness in competition
Key Partners	<ul style="list-style-type: none"> - A leading research and beauty product development - Manufacturing and package-design factories - Entrepreneurs of media in various forms - Sales or distribution channels providers - Salespersons
	<p data-bbox="539 786 1423 837">Ethics in the key partner component</p> <ul style="list-style-type: none"> - Ethics of gift-taking and hospitality - Ethics of bribery prohibition - Ethics of maintaining fair commercial relationships. - Ethics of righteous competition - Ethics of respect of rights
Cost Structure	<ul style="list-style-type: none"> - Expenses on invention and development of products - Expenses on advertising, public relations, and marketing communication - Expenses on termination of expired goods - Expenses related to the factory - Window/ stand, - Storefront employees' wages/ payment <p data-bbox="539 1529 1423 1581">Ethics in the cost structure component</p> <ul style="list-style-type: none"> - Ethics of cost management

From the above Table illustrating the drafted business model under good governance in the digital era of the beauty businesses with sales growth in the Covid-19 situation, each component of the model can be explained as follows:

(1) Customer Segments Customers segments are determined clearly. Normally, an organization can have more than one customer segment. If each

customer segment is classified clearly, the organization can know their different needs of product values.

(2) Value Propositions Businesses propose product value that responds to customers' needs at a certain time. Typically, it is not a proposition of a new value, but the old one in changing situations caused by external conditions that cannot be controlled by the organization. Such an external condition is the spread of Covid-19; thus, it is a good opportunity that product values to be proposed at the right time are needed by consumers. For instance, products with distinguished properties in cleansing facial skin, and protecting/solving acne problems or cosmeceuticals, give a feeling of cleanliness and security. Moreover, one out of three organizations that are samples of the study is also well-known for its natural products produced by a company that gives importance to nature and the environment. All of these values are harmonious with consumers' needs when they are anxious about cleanliness and sanitation, and problems that might occur to their facial skin due to the long-wearing of a face mask.

Other appearing values are products' credibility as being produced by countries with a good reputation as beauty leaders, having innovative ingredients for skincare, and being convenient for use and economically worthy since products are designed to have a variety of sizes and prices, especially in the design of envelop-packaging. Despite smaller profits per piece, the company can increase its sales volume and expand a new customer base.

(3) Distribution Channels. The companies provide the most convenient channels for consumers by opening both offline and online communication to access customers and for distribution, especially during the situation where consumers have restrictions in going out of their places. The distribution channels are E-Marketplace, E-Commerce, S-Commerce, convenience stores, health and beauty shops, and general stores. On the other hand, convenience stores also adapt themselves during the Covid-19 situation by adding delivery services.

However, for the distribution channel through convenience stores, the condition is that a company has to pay a rental fee and keep its products in an

inventory, which causes high costs. Still, since it is one of the main channels that are convenient for customers, entrepreneurs have to use such a channel.

(4) Customer Relationships The establishment of customer relationships must be congruent with budgets, product positioning, and the organization's operational approaches. Information on the old customers would be used intensively towards the benefits of keeping the old customer base and upselling through marketing activities and follow-ups after sales. On the other hand, the expansion of a customer base starts with open communication with consumers by letting them try the company's free samples and publicizing the results of actual users on social media.

(5) Revenue Streams. An income is gained from selling and upselling while one entrepreneur of the samples creates her income from cross-selling as well.

(6) Key Resources The key resources that are essential for this kind of business model are divided into the following components:

a) For value propositions, the key resources are product formula and packaging.

b) For channels that can access consumers, the key resources are accounts, online trading systems, and spaces in online shops.

c) For customer relationships, the key resources are a database of customers and product samples.

d) For revenue streams, the key resources are personnel in marketing and salespersons.

(7) Key Activities The key activities that are essential for this kind of business model are divided into the following components:

a) For value propositions, the key activities are the development of distinctive products that are more outstanding than those of competitors. Products can be produced to respond to the needs of the market inclusively while packaging must be suitable for the functions and needs of consumers to help promote the distribution.

b) For channels that can access consumers, the key activities are the distribution of products to distribution channels that cover customers'

consumption behaviors and helps to promote marketing so that products on shelves of offline markets can be sold continuously. Accordingly, being the products that consumers need to buy consistently is a key condition for distributing to convenience stores whereas online shops must design their trading systems to be easy enough for consumers to use, starting from the step of their decision-making to the step of payment. Moreover, shops can be designed to keep customers in their shops longer and arouse higher needs from their initial purchase intention through effective marketing promotion and a variety of products to choose widely within one same shop.

c) For customer relationships, the key activities are regular marketing communication via online channels. In the Covid-19 situation, entrepreneurs often reduce all costs, including marketing communication. The database of old customers is reused for keeping the old customer case while upselling through after-sales follow-up and marketing activities.

d) For revenue streams, the key activities are upselling through a marketing promotion, i.e., calling or sending messages for offering special privileges to old customers. One of the samples creates her income from cross-selling services related to her products, such as hand massage; or expands her customer base by offering free samples for trial and publicizing the effectiveness of the products claimed by actual users on social media; or reduces prices through marketing promotion toward severe competition, which is the nature of online markets in Thailand.

Furthermore, it is found that in large organizations or companies with high budgets for customer relationships, a project of social selling is also planned by integrating E-Commerce, Social Commerce, and Direct Selling, including re-branding and modifying an image toward more contemporary images to attract new generations for expanding its customer base. It also includes a plan of developing technologies for mobile web-based skin analysis. After a skin analysis, the application will advise how to take care of the skin and suggest an appropriate product. Then, customers will be linked to online shops for trading or purchasing. The obtained information from customers is considered big data that can be further studied for developing new products too.

On the other hand, medium-sized organizations must manage their costs and expenses for determining the most appropriate pricing and stop their importing by producing their products to lower production costs while being able to lower their prices, which can solve problems of remaining or unsold products because of their too high prices so the market cannot be expanded.

(8) Key Partners The key partners are entrepreneurs of packaging design to create a variety for selection; media commerce or communication channels development; Thai factories for producing supplementary products, a leading organization in research and product development; and alliances in distribution to foreign countries.

(9) Cost Structure The distinctive costs are as follows: product development, packaging development, product distribution, rental of convenience stores and online shops; supervision and management of online systems; marketing communication; employees, after-sales service, upselling activities, etc.

Ethics or code of ethics contained in the above-drafted business model under good governance in the digital era of the beauty businesses with sales growth in the Covid-19 situation are as corporate governance of medium- and large-sized businesses with written practical guidelines into categories, as follows:

(1) Ethics in customer segments are inserted in the components of value propositions, customer relationships, channels, and revenue streams.

(2) Ethics in value proposition are inserted in the components of security and product quality.

(3) Ethics in distribution channels are inserted in ethics of selling, identification, explanation and demonstration, and commercial or trading activities.

(4) Ethics in customer relationships are inserted in the ethics of marketing communication, benefits protection, quality assurance, after-sales service, and respect for privacy.

(5) Ethics in revenue streams are inserted in the ethics of financial and business records

(6) Ethics in key resources are inserted in the ethics of human resource development; corporate property protection; conflicts of interests; corporate security and confidential protection; individual rights and data protection; corporate

representative; sanitation, security, and stability; respect for diversity; harassment; and respect for employees.

(7) Ethics in key activities are inserted in the ethics of competition, responsibility as a corporate citizen, and maintenance of righteous competition.

(8) Ethics in key partners are inserted in the ethics of gift-taking and hospitality, bribery prohibition, fair commercial relationships, righteous competition, and respect for rights.

(9) Ethics in cost structure are inserted in cost management.

2) A drafted business model under good governance in the digital era of beauty retailers via social media.

Table 4.15 A Drafted Business Model under Good Governance in the Digital Era of Beauty Retailers Via Social Media

Component	Details
Customer Segments	<ul style="list-style-type: none"> - General consumers on social media - Consumers who search for products or information on online media about the products that can solve their problems - Consumers who are interested in products but have delayed decision-making at different levels.
	<p>Ethics in the customer-segment component</p> <p>Ethics are inserted in the value propositions, customer relationships, channels, and revenue stream components.</p>
Value Propositions	<ul style="list-style-type: none"> - Products that can protect, alleviate, or solve problems, and create confidence - Pricing depends on products and stores, from worthy pricing with efficiency or worthy but not expensive products that cannot be rejected. - Products owned by a physician.
	<p>Ethics in the value-proposition component</p> <p>Ethics are inserted in security and product quality.</p>

Component	Details
Channel	<ul style="list-style-type: none"> - Facebook Fan Page - LINE Official - Google Ad - Tik Tok
	<p style="background-color: #cccccc; margin: 0; padding: 2px;">Ethics in the distribution-channel component</p> <ul style="list-style-type: none"> - Ethics of selling - Ethics of identification - Ethics of description and demonstration - Ethics of trading activities
Customer Relationships	<ul style="list-style-type: none"> - Closed groups for special discounts and promotions for the next purchase - Knowledge provision on beauty - consultation and after-sales services - Satisfaction Guarantee - A follow-up call about the use of products and special privileges offering
	<p style="background-color: #cccccc; margin: 0; padding: 2px;">Ethics in the customer-relationship component</p> <ul style="list-style-type: none"> - Ethics of public relations - Ethics of marketing communication - Ethics of benefits protection, quality assurance, and after-sales services - Ethics of respect for privacy
Revenue Streams	<ul style="list-style-type: none"> - Selling more than one kind of products
	<p style="background-color: #cccccc; margin: 0; padding: 2px;">Ethics in the revenue-stream component</p> <ul style="list-style-type: none"> - Ethics of financial and business records
Key Resources	<ul style="list-style-type: none"> - Merchant accounts on social media - Advertising design employees - Internal employees - Admin
	<p style="background-color: #cccccc; margin: 0; padding: 2px;">Ethics in the key-resource component</p>

Component	Details
Key Activities	<ul style="list-style-type: none"> - Ethics of human resource development - Ethics of corporate property protection - Ethics of conflicts of interests - Ethics of protection of the company's confidential and security - Ethics of individuals' rights and data protection - Ethics of being the company's representative - Ethics of sanitation, security, and stability - Ethics of respect for diversity - Ethics of harassment - Ethics of respect for employees - Ethics of human resource development - Searching for beauty products with the following properties: <ul style="list-style-type: none"> --- Quality products with effective use --- Products with limited numbers of dealers and can make profits of more than 500-1,000 baht or are worth advertising. --- No severe price-cutting in the market --- Producing trendy products with regular marketing plans of no less than one year. - Screening products that can be sold out from the selling plans. - Analyzing consumers' behaviors from responses to the advertising or conversation with admins for advertising design and marketing promotion as needed to stimulate purchase decisions - Testing online advertisements of all products in various ways before ordering a large quantity of the tested products for actual selling. - Following results of selling, especially of the products on which customers have time to talk and worth time for communication. - Managing online advertising and training admins on skills for

Component	Details
	selling, closing deals, and following after sales.
	Ethics in the key-activity component
	Ethics of competition
	Ethics of responsibility as a corporate citizen
	Ethics of maintaining righteousness of competition
Key Partners	<ul style="list-style-type: none"> - Entrepreneurs or dealers of large companies with similar business operations and that are ethical entrepreneurs - Entrepreneurs with limited numbers of dealers toward worthy yields for every shop - Groups of small online shops that are merged for higher negotiation power with entrepreneurs and for exchanging their working styles. - Advertisers/ salespersons of online beauty products
	Ethics in the key-partner component
	<ul style="list-style-type: none"> - Ethics of gift-taking and hospitality - Ethics of bribery prohibition - Ethics of fair commercial establishment - Ethics of respect for rights
Cost Structure	<ul style="list-style-type: none"> - Product costs - Advertising costs - Wages of content generators and graphic designers - Back-office wages - Commissions for admins
	Ethics in the cost-structure component
	Ethics of cost management

From the above table of the drafted business model under good governance in the digital era of beauty retailers via social media, each component can be explained as follows:

(1) Customer Segments There is no explicit determination of customer segments. Sometimes, customers are classified by the nature of purchase

decisions at a certain time and sometimes, customers are selected from those who are searching for needed products or information on online media to solve their problems that are compatible with the distributed products.

(2) Value Propositions Values of worthiness and ability to solve problems effectively are proposed.

(3) Distribution Channels. Communication, access to customers, and distribution are conducted through online media mainly, i.e., Facebook Fan Page, LINE Official, Google Ad, Tik Tok, etc.

(4) Customer Relationships The relationships with old customers are established through special offers, both individually and within closed groups; knowledge provision on beauty care by experts; consultation; after-sales service; and satisfaction assurance.

(5) Revenue Streams. Incomes are gained from upselling and cross-selling products.

(6) Key Resources Key resources that are essential for this type of business are classified under the following components:

a) The component of value orientations: The key resource is entrepreneurs who decide to select products that are suitable for investment.

b) The component of distribution channels: The key resources are accounts/ online shop systems, personnel in online advertising design, and selling admins.

c) The component of customer relationships: The key resources are the customer database and after-sales services.

d) (4) The component of revenue streams: The key resources are entrepreneurs, personnel in advertising design, selling admins, and after-sales service admins.

(7) Key Activities. Key activities that are crucial for this type of business are classified under the following components:

a) The component of value propositions: The key activity is to search for beauty products with the following properties: quality products with effective problem-solving; products with a limited number of dealers that can earn profits of more than 500-1,000 baht per purchase or worth advertising costs; products

without severe price-cutting in the market; trendy products; products with regular marketing planning for at least one year. Besides, it includes the value caused by screening products that cannot be sold out of distribution plans.

b) The component of distribution channels: The key activity is to analyze consumers' behaviors affecting purchase decisions of a certain product, measured by feedback from advertisements or conversations with admins. Such information will be used for advertising design and marketing promotion as needed to stimulate customers' purchase decisions at a certain time.

Moreover, entrepreneurs also test the results of online advertisements of every product in various ways before ordering a large number of products for actual sales. Normally, one kind of product must be tested by several methods to stimulate different purchase decisions since each customer is affected by different factors. Still, online advertisements that can yield distribution efficiency have to be tested and managed consistently to plan for new products or create new advertisements in the case that any advertisement is less or not effective anymore.

Besides, training for admins on the skills of selling, closing deals, and after-sales services are also another key activity of entrepreneurs.

c) The component of customer relationships: Marketing communication is conducted through online channels. Information on old customers is used to maintain the customer base and upsell by follow-up after sales and marketing activities.

d) The component of revenue streams: Revenues come from upselling through marketing promotion, such as calls or SMS for special privileges to old customers. Besides, income is also gained from cross-selling by offering other related products to the old ones customers used to purchase. On the other hand, a customer base is expanded through initial relationship establishment with new consumers who are offered worthy products via marketing promotion.

(8) Key Partners: Key partners are entrepreneurs or large dealers with similar business operations or approaches and are ethical; entrepreneurs with a limited number of dealers to ensure worthy yields for every shop; groups of small online shops that are merged for higher negotiation with entrepreneurs and for

exchanging working approaches; and experts in advertising and selling of online beauty products.

(9) **Cost Structure** The apparent cost structures are costs of products, trial-product costs, unsold products, advertising costs, wages or hiring of personnel in advertising design, and admins' commissions.

Ethics of the drafted business model under good governance in the digital era of beauty retailers via social media is ethics for small-sized businesses with practical guidelines classified as follows:

(1) Ethics in the customer-segment component are inserted in the components of value propositions, customer relationships, channels, and revenue streams.

(2) Ethics in the value-proposition component are inserted in security and product quality.

(3) Ethics in the channel component are inserted in ethics of selling, identification, description and demonstration, and trading or commercial activities.

(4) Ethics in the customer-relationship component are inserted in marketing communication, benefits protection, quality assurance, after-sales services, and respect for privacy.

(5) Ethics in the revenue-stream component are inserted in financial and business records

(6) Ethics in the key-resource component are inserted in human resource development; corporate property protection; individual rights and data protection; corporate representation; sanitation, security, and stability; respect for diversity; harassment; and respect for employees.

(7) Ethics in the key-activity component are inserted in competition, responsibilities as a corporate citizen, and maintenance of righteousness in competition.

(8) Ethics in the key-partner component are inserted in gift-taking and hospitality, bribery prohibition, fair commercial relationships, righteous competition, and respect for rights.

(9) Ethics in the cost-structure component are inserted in cost management.

3) A drafted business model under good governance of the beauty businesses with dealerships.

Table 4.16 A Drafted Business Model under Good Governance of the Beauty Businesses with Dealerships

Component	Details
Customer Segments	<ul style="list-style-type: none"> - Consumers - Dealers <p>(No specific qualification of both groups)</p> <p>Ethics in the customer-segment component are inserted in the components of value propositions, customer relationships, channels, and revenue streams</p>
Value Propositions	<ul style="list-style-type: none"> - Products produced in well-known countries in beauty products - Innovative style and ingredients - Products' credibility and identity are transmitted through top actors of the country - Pioneer in this kind of product - Good governance in production and communication - Good governance in dealership businesses - An opportunity for a better quality of life for businesses with clear, continuous, and sustainable plans - An opportunity to travel abroad with special prizes besides profits - Empowerment of online business <p>Ethics in the value-proposition component are inserted in the product safety and quality</p>
Channels	<ul style="list-style-type: none"> - Dealers - All online media - Printed media, radio, TV, and outdoor media - King Power Department Store

Component	Details
Customer Relationships Systems	Ethics in the distribution channel component
	- Ethics of selling
	- Ethics of identification
	- Ethics of description and demonstration
	- Ethics of trading activities
	Ethics in the distribution channels through a dealership component
	- Ethics of business partnership
	- Delivering products' credibility and identity through business owners, presenters, and dealers.
	- After-sales care and services
	- Establishing trust in business and products through business owners, presenters, and dealers.
Revenue	- Facilitating sales through the creation of marketing tools.
Streams	- Increasing the effectiveness of trading, delivery, and stock maintenance by E-payment Gateway, and Dropship Fulfillment Systems
	- Empowerment training in online selling
	- Supervising, supporting, and solving selling problems
	Ethics in the customer-relationship component
	Ethics of marketing
	Ethics of benefit protection, quality assurance, and after-sales services
	Ethics of privacy respect
	Ethics in the customer relationship through a dealership component
	Ethics of privacy respect
	- Wholesales through dealers
	- Online business teaching courses
	Ethics in the revenue stream component
	Ethics of financial and business records
	Ethics in the revenue stream through a dealership component

Component	Details
Key Resources	<p>Ethics of business partnership</p> <p>Ethics of remuneration and account balances</p> <p>Ethics of competition</p> <p>Corporate ethics</p> <ul style="list-style-type: none"> - Dealers - The company's personnel - Product formula - Back-end, E-payment Gateway, and Dropship Fulfillment supporting systems - An online business school - product warehouses <p>Ethics in the key resource component</p> <p>Ethics of human resource development</p> <p>Ethics of corporate property protection</p> <p>Ethics of interest conflicts</p> <p>Ethics of corporate security and confidential protection</p> <p>Ethics of individual rights and data protection</p> <p>Ethics of corporate representation</p> <p>Ethics of sanitation, security, and stability</p> <p>Ethics of respect for diversity</p> <p>Ethics of harassment</p> <p>Ethics of respect for employees</p>
Key Activities	<ul style="list-style-type: none"> - Developing products - Regular marketing communication to consumers - Intimate and consistent communication, care, and services for customers and dealers - Solving problems for businesses and dealers - Managing and supervising through Back-end, E-payment Gateway, and Dropship Fulfillment Systems - Conducting marketing to the old customer base and planning to

Component	Details
	<p>expand markets to new target groups</p> <ul style="list-style-type: none"> - Planning to launch products to the market to balance demands and supplies - Conducting empowerment training in online selling.
	<p>Ethics in the key activity component</p> <p>Ethics of competition</p> <p>Ethics of responsibilities as a corporate citizen</p> <p>Ethics of maintaining fair competition</p>
Key Partners	<ul style="list-style-type: none"> - Dealers next to the company - Manufacturing factories - Packaging manufacturers
	<p>Ethics in the key partner component</p> <p>Ethics of gift-taking and hospitality</p> <p>Ethics of bribery prohibition</p> <p>Ethics of righteous commercial relationships</p> <p>Ethics of fair competition</p> <p>Ethics of respect for rights</p>
Cost Structure	<ul style="list-style-type: none"> - Production costs - Marketing communication and presenter costs - Budgets for upselling - Budgets for supervising and empowering representatives - Costs of supervision and management by Back-end, E-payment Gateway, and Dropship Fulfillment Systems
	<p>Ethics in the cost structure component</p> <p>Ethics of cost management</p>
	<p>Ethics in the cost structure through a dealership component</p> <p>Ethics of inventory and buy-back</p> <p>Ethics of selling media</p>

From the Table, illustrating the drafted business model under good governance of the beauty businesses with dealerships, each component can be explained as follows:

(1) **Customer Segments** Customers are divided into two groups or segments: ultimate consumers and dealers without specifying both groups' characteristics.

(2) **Value Propositions** The values proposed to dealers are the organization's trustworthiness and ethics via its presenters, who are top public figures of the nation; opportunities for traveling abroad; a lot of special prizes besides profits from upselling; opportunities for a better quality of life due to clear, continuous, and sustainable business operational plans; knowledge in online business that the organization provides for its dealers; and the pioneer and No. 1 in this kind of business. The business model thus emphasizes beauty businesses through a dealership at the MSME level with business partners and presenters who are top well-known actors/actresses of the country, including being No. 1 in the beauty business through a dealership.

The values proposed to ultimate consumers are quality products produced by countries with good reputations as the top producers of beauty products in the world with innovative designs and ingredients that yield better results.

(3) **Distribution Channels** Marketing communication is conducted to those who are interested to be dealers and ultimate consumers via dealers and all online channels. Likewise, communication on products is conducted through similar channels but also other additional offline channels to make more inclusive communication, i.e., printed media, radio, TV, and outdoor media. From the study, one of the organizations that are the samples of the study also distributes its products at King Power Department Store because the entrepreneur wants to elevate online beauty products to be equivalent to branded products at the counter.

Communication and accessibility to dealers are conducted through a dealership and online media with an additional special channel, or personal online accounts of business owners, such as LIVE via personal Facebook, personal LINE, etc.

(4) Customer Relationships Products are communicated through business owners, partners, presenters, and dealers via a variety of media, especially online media and online communication channels for providing after-sales services.

Relationships with dealers are established through communication about business and products through old business owners, partners, and dealers, both face-to-face and mediated online channels with marketing information and data set, and marketing tools for facilitating selling, i.e., E-payment Gateway, Dropship Fulfillment, etc., for increasing the effectiveness in the steps of selling, delivery, and stock management for dealers. They also include training for enhancing online selling knowledge for dealers, and seminars in empowerment and successful trust-building.

(5) Revenue Streams. Revenue comes from product wholesale.

(6) Key Resources. The key resources that are necessary for this kind of business are inserted in many components. The values proposed in this kind of business are inserted in (1) value propositions, and (2) customer relationships homogeneously. Therefore, the key resources are product formula, packaging, marketing business plans, business owners, dealers, presenters, influencers, admins of after-sales services, upselling promotion designs, individual or personal and public online accounts, data set, marketing tools, E-payment Gateway and Dropship Fulfillment Systems, inventory warehouses, training courses on online business, and training places. (3) Regarding distribution channels to dealers and consumers, the key resources are business owners, presenters, influencers, dealers, online accounts, and offline channels, covering printed media, radio, TV, and outdoor media. (4) For revenue streams, the key resources are dealers.

(7) Key Activities The key activities that are vital for this kind of business are also inserted in many components like key resources. Namely, the key activities are inserted in

a) Value Propositions

b) Customer Relationships Concurrently, as follows:

Products: The key activities are research and product development toward distinguished or superior products to their competitors'; communication to establish trust for online beauty products through a dealership by publicizing still and motion pictures via social media; presentation of sources of

materials to dealers and ultimate consumers to ensure that they come from the same sources as other universally well-known products; insightful narration of products via credible narrators, i.e., business owners, researchers and developers of manufacturers, dealers next to the company, presenters, celebrities, and influencers, for establishing trust and promoting markets consistently.

Business and marketing plans: The key activities are the preparation of business data set of business and marketing plans; promotions for upselling; delivery to business owners and dealers next to the company to persuade those who are interested to be dealers. Communication on marketing plans is conducted regularly. Besides, the market expansion is planned continuously to maintain the old customer base and expand markets to reach new consumers, including expansion in foreign markets. Notably, one key activity that is important for online beauty businesses through a dealership in the digital era is planning launches of products to markets to balance demands and supplies to release stocked products timely before the expiry date of such products.

Training courses: The key activities are the preparation of courses and trainers, including communication to dealers who are trainees to learn and empower themselves, which is also a part of key activities in the revenue stream component.

Facilitating trading systems: The key activities are the design and supply of E-payment Gateway and Dropship Fulfillment systems for facilitating trading for dealers and increasing the effectiveness and efficiency of upselling. Besides, they include the management of inventory warehouses.

c) **Distribution channels:** The key activities are regular and intimate communication with customers and dealers via online channels through both personal and corporate accounts, and via offline channels to cover all areas to create trustworthiness and make waves or go viral for products and companies. Thus, selling channels are done through dealers only.

d) **Revenue streams:** The key activities are to supervise, support, and empower dealers, who are key resources and are the only key channel for the revenue streams of a dealership. Still, businesses also support dealers' upselling by Back-end and Fulfillment Systems by warning dealers to let consumers be

informed of the status of product delivery and the timeline of product receipt, such as notifying consumers within 7 days after delivery in which dealers should contact them to follow up the results of consumers' trial of products or to offer special privileges. Moreover, dealers can also create revenue by cross-selling the old products consumers used to order. Besides, some consumers can also be persuaded to transform their statuses from buyers to dealers.

(8) Key Partners. The key partners are large dealers next to the company that help to expand dealers' networks; manufacturing and packaging factories; and presenters.

(9) Cost Structure The distinctive costs are production and packaging costs, and other costs, i.e., special privileges for upselling, training of dealers' supervision, online and offline communication channels, personnel in management and marketing, management of Back-end systems, presenters, celebrities, influencers, payment systems, transportation, and inventory management.

Ethics in the drafted business model under good governance of the beauty businesses with dealerships are for SMEs and large businesses with practical guidelines classified as follows:

(1) Ethics in the customer-segment component are inserted in the components of value propositions, customer relationships, channels, and revenue streams.

(2) Ethics in the value proposition component are inserted in security and product quality.

(3) Ethics in the distribution channel component are inserted in the ethics of selling, identification, description and demonstration, and trading activities. Ethics in the distribution channel through a dealership also include business partnerships.

(4) Ethics in the customer relationship component are inserted in marketing communication, benefits protection, quality assurance, after-sales services, and respect for privacy. Ethics in the customer relationship through a dealership component also include respect for privacy.

(5) Ethics in the revenue stream component are inserted in financial and business records. Ethics in the revenue stream through a dealership

cover business partnerships, remuneration and account balances, competition, and corporate ethics.

(6) Ethics in the key resource component are inserted in human resource development; corporate property protection; interest conflicts; corporate security and confidential protection; individual rights and data protection; corporate representation; sanitation, security, and stability; respect for diversity; harassment; and respect for employees.

(7) Ethics in the key activity component are inserted in competition, responsibilities as a corporate citizen, and maintenance of fair competition.

(8) Ethics in the key partner component are inserted in gift-taking and hospitality, bribery prohibition, fair commercial relationships, righteous competition, and respect for rights.

(9) Ethics in the cost structure component are inserted in cost management. Ethics in the cost structure through a dealership include inventory and buyback management, including selling media.

In the next part, the researcher had all three drafted models of the beauty business under good governance in the digital era examined by experts in the beauty business in the digital era and marketing communication through in-depth interviews for further modifying them to be more complete models of the beauty business under good governance in the digital era.

CHAPTER 5

THE ACCEPTANCE OF THE APPLICATION OF THE BEAUTY BUSINESS MODEL UNDER GOOD GOVERNANCE IN THE DIGITAL ERA

From studying the external conditions of the beauty business, good governance in the beauty business, and lessons learned from successful beauty business models under good governance in the digital era, as reported previously, the researcher proposed the studied models to experts for their acceptance of such models and drafted practical guidelines for constructing a beauty business model under good governance in the digital era that can be applied genuinely by concerned entrepreneurs toward their utmost benefits.

To achieve the research objectives, the researcher conducted interviews with four experts in the beauty businesses in the digital era and digital marketing communication to acquire their acceptance and opinions for the model modification.

The researcher divides the research findings into two parts, as follows:

Part 1: The findings on the acceptance of the prototype models of the beauty business under corporate governance in the digital era. The findings consist of components of the beauty business model and good governance principles in the beauty business. Thus, a drafted beauty business model under good governance in the digital era was used during this process.

Part 2: The presentation of the beauty business model under good governance in the digital era, modified from the findings of the previous acceptance.

5.1 Part 1: The Findings on the Acceptance of The Prototype Models of the Beauty Business under Corporate Governance in the Digital Era

The research in this step was conducted by interviewing and asking the opinions of four experts in the beauty business in the digital era and digital marketing communication and acquiring recommendations towards the drafted beauty business model under good governance in the digital era for further modification. The findings are as follows:

5.1.1 Experts' Opinions on the Drafted Beauty Business Model in the Digital Era

Three types of beauty business models were drafted and proposed to the experts for opinions. However, from the experts' opinions, the beauty business models in the digital era were advised to cover four types with details, as follows:

1) The drafted beauty business model in the digital era with a higher growth rate in the Covid-19 situation. From the interviews with the experts in beauty businesses in the digital era and digital marketing communication, this model is suitable for large beauty business enterprises focusing on branding. The enhancement of a higher growth rate during such a crisis was caused by the crisis or the external condition that facilitated their businesses.

Factors leading to business success based on each business model component are as follows:

(1) Customer Segments. Customers are classified clearly. Especially, when business customers have different needs of value propositions, more than one customer segment is determined.

(2) Value Propositions. Mostly, customers' values correspond to their needs in each circumstance or condition. Such values are the trustworthiness of a certain brand, innovation, convenient use, and economic worthiness.

(3) Distribution Channels. The channels that can facilitate consumers the most are those that cover both online and offline channels for communication, accessibility to customers, and distribution (that affect costs).

(4) Customer Relationships. The relationship establishment will correspond to budgets, product positioning, and organizational operational approaches. The relationships apply the strategy of openness, relationship maintenance of old customers, and market expansion of new customer segments by applying old consumers' information.

(5) Revenue Streams. Revenue comes from production selling, upselling, and cross-selling.

(6) Key Resources. The key resources that are essential for this type of business are inserted in the following components:

a) Value Propositions: The key resources are product formulas and packaging designs.

b) Distribution Channels: The key resources are accounts, online commercial systems, and the space of offline stores or shops.

c) Customer Relationships: The key resources are the database of customers and product samples.

d) Revenue Streams: The key resources are Personnel in marketing and sales.

(7) Key Activities. The key activities that are crucial for this type of business are inserted in the following components:

a) Value Propositions: The key activities are the conduction of research and product development.

b) Distribution Channels: The key activities are the distribution of products to distribution channels covering customers' consumption behaviors; marketing promotion; and shop design to stimulate online and offline purchases.

c) Customer Relationships: The key activities are consistent marketing communication and customer services via both online and organizational channels, such as organizational applications; the adoption of old customers' information, and modern rebranding.

d) Revenue Streams: The key activities are upselling and cross-selling.

(8) Key Partners involve alliances related to the development of product values.

(9) Cost Structure. The distinctive costs are product and packaging development, product distribution, rental of convenience stores and online shops; online channel management and supervision, marketing communication, after-sales service employees; upselling activities, etc. Besides, the cost structure includes cost and expense management toward the most proper pricing.

From the abovementioned statements, the drafted beauty business model in the digital era with a high growth rate in the Covid-19 situation is found to be accordant with the MSMEs' beauty businesses in the digital era that focuses on branding. They are businesses that produce and distribute products by themselves. Moreover, it is the model that entrepreneurs in beauty businesses through a dealership with a high growth rate turn to use increasingly after the decline of businesses through a dealership during the Covid-19 crisis. Accordingly, the experts in the beauty business in the digital era and digital marketing communication agreed that such a drafted model can be applied to MSMEs' beauty businesses with a rebranding emphasis.

2) A drafted beauty business model in the digital era for retailers via social media. According to the experts, this drafted model emphasizes the retail distribution of beauty products via online channels. They are entrepreneurs who do not produce their products. Therefore, considering the origin of products for distribution, another type of business model was recommended. It is the type of business model that focuses on production investment and marketing communication. In terms of distribution, the said entrepreneurs will join with retailers via social media. Thus, both types of this business model are interdependent.

Moreover, the experts further suggested that this type of model can be applied to MSME entrepreneurs in two forms: The beauty business model for retailers via online media and the beauty business model in the digital era of investors.

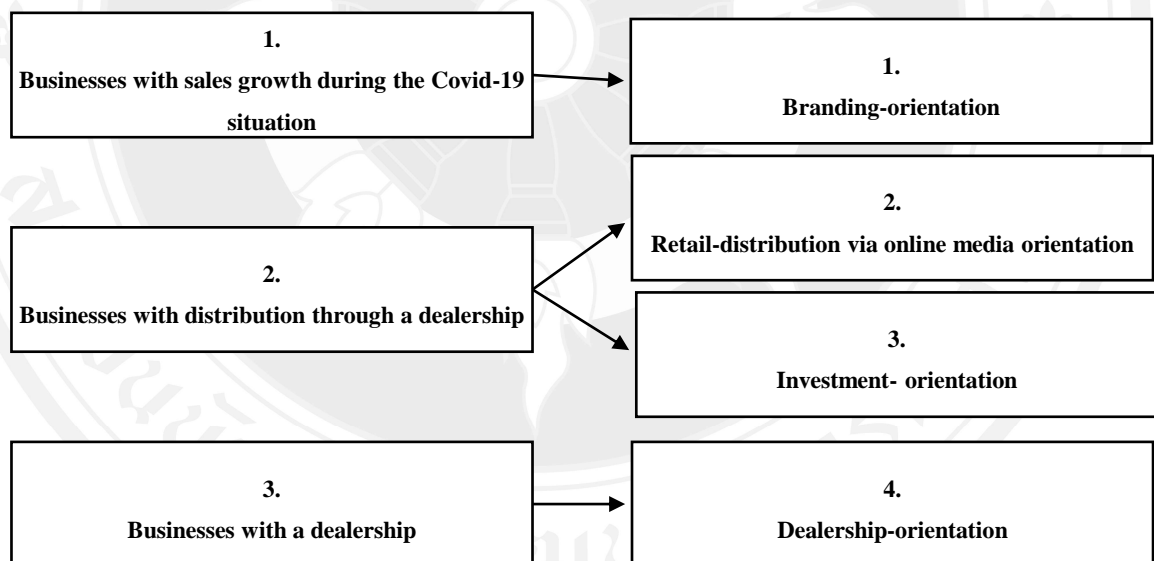
3) A drafted beauty business model through a dealership. The experts pointed out that distribution through a dealership has been witnessed for a long time. It is a kind of business operation that is individualistic. Despite the failure of many organizations in benefits management and maintenance of dealers, including obstacles

caused by the deceptive image of some businesses that induced people toward co-investment, such a model has been developed strategically and adjusted by situations. Therefore, businesses through a dealership will be able to lead the organizations towards sustainable growth through their created networks.

Accordingly, the experts viewed this drafted online beauty business model through a dealership as another business model that can be applied to MSMEs in the digital era that emphasizes their selling through a dealership.

From the above opinions of all four experts in beauty businesses in the digital era and digital marketing communication, there are four beauty business models in the digital era:

- (1) A model that emphasizes branding
- (2) A model that emphasizes retail distribution via online media
- (3) A model that focuses on investment
- (4) A model that emphasizes distribution through a dealership.



A drafted beauty business model in the digital era

A model of the beauty business in the digital era

Figure 5.1 The Development of Drafted Beauty Business Models in the Digital Era

5.1.2 Opinions toward Drafted Good Governance in the Beauty Business Models in the Digital Era

The drafted good governance in the beauty business models in the digital era of this study was developed from the framework of good governance of four organizations: 1) The World Federations of Direct Selling Association (WFDSA), 2) Amway (Thailand) Co., Ltd., 3) L'Oreal (Thailand) Co., Ltd., and 4) Amorepacific Co., Ltd., the details of which are described in the previous chapters.

From the interviews with the experts, the experts viewed that the main issues of the drafted good governance framework developed from this study can be applied as guidelines for specifying regulations, collaborations, or requirements depending on different situations, but not all details can be applied or complied since most of them are developed from large enterprises with a different scope of business operations, which are so different from MSMEs. Still, beauty businesses at the MSME level can adapt or apply the following main issues:

- 1) Ethics in the customer segment component are inserted in the components of value propositions, customer relationships, channels, and revenue streams.

- 2) Ethics in the value proposition component are inserted in product security and quality.

- 3) Ethics in the distribution channel component are inserted in selling, identification, description and demonstration, and commercial activities. The ethics for businesses with distribution through a dealership are a business partnership.

- 4) Ethics in the customer relationship component are inserted in marketing communication, benefits protection, quality assurance, after-sales services, and respect for privacy. The ethics for businesses with a dealership also include respect for privacy rights.

- 5) Ethics in the revenue streams component are inserted in financial and business records. For a dealership, they include a business partnership, remuneration and account balance, competition, and corporate ethics.

- 6) Ethics in the key resource component are inserted in human resource development; corporate property protection; interest conflicts; corporate

security and confidential protection; corporate representation; sanitation, security, and stability; respect for diversity; harassment; and respect for employees.

7) Ethics in the key activity component are inserted in competition, responsibilities as a corporate citizen, and maintenance of righteousness in competition.

8) Ethics in the key partner component are inserted in gift-taking and hospitality; bribery prohibition, fair commercial relationship establishment; righteous competition; and respect for rights.

9) Ethics in the cost structure component are inserted in cost management. For a dealership, they cover inventory and buyback management, including selling

5.2 Part 2: The Presentation of the Beauty Business Model under Good Governance in the Digital Era, Modified from the Findings of the Previous Acceptance

From the acceptance of the drafted beauty business model under good governance in the digital era in Part 1, the findings were used to modify the model towards utmost effectiveness for the actual use, with details as follows:

- 1) A model that emphasizes branding under good governance
- 2) A model that emphasizes retail distribution via online media under good governance
- 3) A model that focuses on investment under good governance
- 4) A model that emphasizes distribution through a dealership under good governance

Table 5.1 The Beauty Business Models under Good Governance in the Digital Era

Business Models	Branding-orientation	Retail Distribution Via Online Media Orientation	Investment-orientation	Dealership-orientation
Types of entrepreneurs	Branding-oriented entrepreneurs	Large dealers or entrepreneurs who sell and buy products without any obligation to product owners	Entrepreneurs who invest in production or supplying products for sale through groups of salespersons	Entrepreneurs who distribute products through a dealership or representatives' networks
Types of business operations	Developing sustainable products and branding	Developing and creating online advertising to enhance distribution efficiency and searching for profitable products, worth investment, including distributing them through online channels at a certain time.	Supplying or producing several products for distribution through online sellers without focusing on long-term branding.	Making waves or going viral through the presentation of success in life and products with organizational plans for attracting interested people to be dealers.

Business Models	Branding-orientation	Retail Distribution Via Online Media Orientation	Investment-orientation	Dealership-orientation
Types of good governance	Ethics of a beauty business model in the digital era (A complete model or a model that reduces the volume of stock trading or degrees of intensity depending on an organization's size)	Ethics of a beauty business model in the digital era (Reducing stock trading and degrees of intensity by an organization's size)	Ethics of a beauty business model in the digital era (A complete model or a model that reduces stock trading and degrees of intensity by an organization's size, including increasing good governance for businesses through a dealership)	Ethics of a beauty business model in the digital era (Reducing stock trading and degrees of intensity by an organization's size)
Goals	An ability to make long-term profits from the strength of brands.	Profits	An ability to make profits from sales and expansion of dealers' networks.	An ability to make profits from the selling capabilities of sales teams.

5.2.1 A Beauty Business Model that Emphasizes Branding under Good Governance in the Digital Era

The main business operational principle of the model that emphasizes branding under good governance is to mobilize businesses through propositions of main values of products that respond to customers' needs, in parallel to enhancing product or business brands toward long-term business success. The following components of the business model are determined as follows:

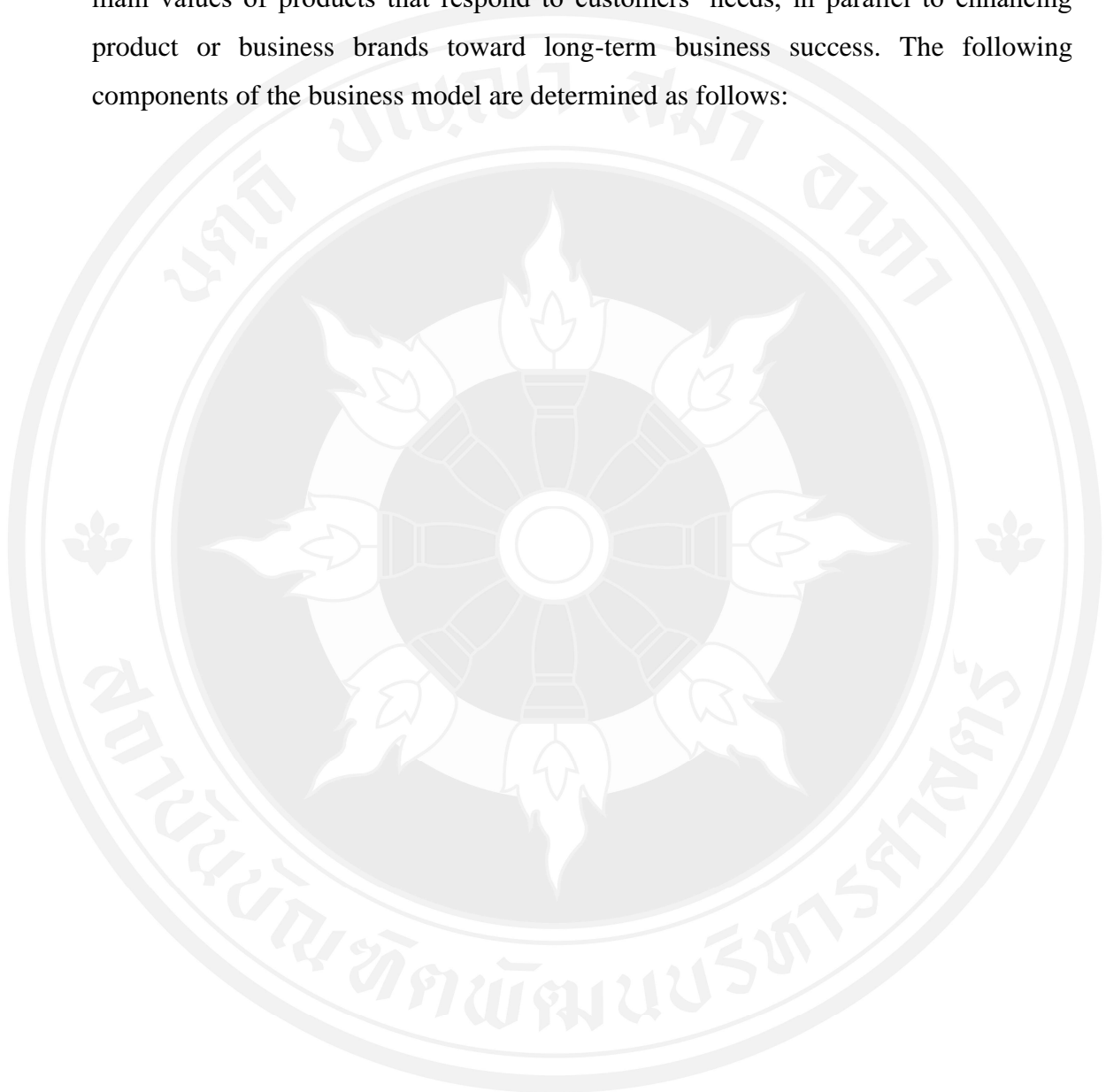


Table 5.2 A Beauty Business Model that Emphasizes Branding under Good Governance in the Digital Era

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Manufacturing and packaging factories - Sales teams Ethics in the key partner component - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships establishment - Righteous competition - Respect for rights 	<ul style="list-style-type: none"> - Continuous and consistent branding and marketing communication with a diversity of creative content for every situation - The constant development of fresh values needed to be proposed at all times Ethics in the key activity component - Ethics of competition - Responsibilities as a corporate citizen - Maintenance of 	<ul style="list-style-type: none"> - Good quality products that can genuinely solve problems - Strong and trustworthy brands that transmit customers' experience and identity. Ethics in the value proposition component Security and product quality 	<ul style="list-style-type: none"> - Projecting short- and long-term business plans and marketing promotions to establish customer relationships - Communicating with customers ethically and sincerely. Ethics in the customer relationship component - Marketing communication - Benefits protection, quality assurance, and - After-sales services - Respect for privacy rights. 	<ul style="list-style-type: none"> - Clear specification of customer segments - Classifying customers into more than one group in the case that each group of customers has different needs of product values. Ethics in the customer segment component Ethics are inserted in the components of value propositions, customer relationships, channels, and revenue streams

righteousness in competition

Key Resources

- Product formula
- Brands
- Channels
- Customers' information/data

Ethics in the key resource component

- Human resource development
- Corporate property protection
- Conflicts of interests
- Corporate security and confidential protection
- Individuals' rights and data protection ^{ด้าน}

Channels

- For large organizations, the distribution of products is communicated through all channels to both old and new customers.

- For small organizations, the channel of key customers is emphasized for product distribution and communication.

Ethics in the distribution channel component

- Sales ethics
- Identification

- Corporate representation
- Sanitation, security, and stability
- Respect for diversity
- Harassment
- Respect for employees

- Description and demonstration
- Sales or trading activities

Cost Structure

- The invention, development, and value propositions to customers
- Long-term marketing communication and customer relationships
- Product distribution, sales, and product management as stipulated in each channel

Ethics in the cost structure component

Cost management

Revenue Streams

- Sales of products

Ethics in the revenue streams

Financial and business records

In summary, a beauty business model that emphasizes branding under good governance is mobilized through the following components of the business model: (1) The key values of products, namely their production and development, are proposed to (2) the determined groups or segments of customers whose needs correspond to the proposed values. Remarkably, only one group of customers should be specified clearly. More than one group of customers can be determined if it is apparent that each group of customers has needs with different values. Then, businesses will propose such values and distribute products via (3) channels to which customers are exposed for searching and transmitting information through (4) the establishment of customer relationships following their purchase decision process. Normally there should be at least two plans for customer relationship establishment: 1. Short-termed plans for establishing concurrent relationships with the current conditions of markets and customers' needs at a certain time, and 2. Long-termed plans to create relationships between product brands and current customers, including prospective customers in the future. All of these 4 components are considered (5) key activities that businesses have to accomplish to create their brands and achieve effective and efficient value propositions. Therefore, to enhance competitiveness and ensure predominant value propositions, businesses need to have (6) quality key resources, and (7) qualified key partners, to support businesses' key activities. If businesses can manage components No. 3, 5, 6, and 7, as mentioned earlier, businesses will be able to manage (8) cost structure most worthily, which will be sources of sustainable revenue streams (9) from distributing products with strong and valuable brands, including products' values that can solve problems genuinely as wished by customers. Moreover, it also enhances acceptance of new products more easily. However, it should be noted that branding orientation and value propositions are costly for product development, marketing communication, and customer relationships and it will take time for profit-making.

Moreover, the samples of the beauty business models emphasizing branding under good governance in the digital era can be illustrated from the findings of in-depth interviews, as follows:

Sample 1: SEWA, insam essence, is a famous product of Virika Cosmetics Co., Ltd. Firstly, the product was well-known among beauty product consumers

because it is owned by a famed actress, Viritipa Pakdeeprasong or Woonsen. Besides, products and packaging are communicated by the tone of color and a photo that is similar to another world-class essence. Nevertheless, the most important thing to which entrepreneurs give the highest importance is the quality of products from the best production country, namely Korea, which is one of the top three countries of the world with a reputation in beauty products. The value that the company has proposed for all these 5 years since its foundation is to have “high-quality insam,” which is old and passes certified fermentation, as the main ingredient that yields efficient skincare. Although other values are also proposed additionally to respond to consumers' beauty needs by producing new products, such as serums, sunblock, skin nourishing creams, etc. Still, the main ingredient of all products is insam due to its eminent value that meets customers' satisfaction and trust.

Sample 2: HIRA BLUE, “Water Cream,” is the product of AK Nine One Group Co., Ltd. The business model has changed its distribution channel and revenue streams from distribution through a dealership to online sales. The change was caused by the Covid-19 crisis, which has affected beauty markets, especially those through a dealership. Thus, its business moves to the value propositions of the products themselves as they are quality products produced in Japan, which is a country that is globally well-known for producing a large number of dietary supplements and skin-nourishing creams. Moreover, the company also joins with other subsidiary factories in Thailand in creating product formulae from the selected ingredients that were awarded at a global level for their products, which become their predominant value proposed to customers. Now, it is the fourth year that such products have entered the beauty markets by keeping the old value but adding products' properties to be more effective. Furthermore, various kinds of products have been launched to cover consumers' needs and to expand a customer base.

The good governance emphasized in the model of beauty businesses with branding orientation is inserted in the business model components as follows:

- 1) Ethics in the customer segments component are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams.

2) Ethics in the value proposition component are inserted in product safety and quality.

3) Ethics in the distribution channel component are inserted in sales, identification, description and demonstration, and trading or commercial activities.

4) Ethics in the customer relationship component are inserted in marketing communication, benefits protection, quality assurance, after-sales services, and respect for privacy.

5) Ethics in the revenue stream component are inserted in financial and business records

6) Ethics in the key resource component are inserted in human resource development; corporate property protection; conflict of interests; corporate security and confidential protection; individuals' rights and data protection; corporate representation; sanitation, security, and stability; respect for diversity, harassment, and respect for employees.

7) Ethics in the key activity component are inserted in competition, responsibilities as a corporate citizen, and maintenance of righteousness in competition.

8) Ethics in the key partner component are inserted in gift-taking and hospitality, bribery prohibition, fair commercial relationship establishment, righteous competition, and respect for rights.

9) Ethics in the cost structure component are inserted in cost management

5.2.2 A Beauty Business Model in the Digital Era that Emphasizes Retail Distribution Via Online Media under Good Governance

A model that emphasizes retail distribution via online media under good governance has apparent business operations aimed toward profit-making from the company's skills and techniques in online commerce. Besides, its business operation under good governance is one of the major factors that help to prevent possible problems during the operation and can create sustainability for the organization. The main business strategy is the emphasis on the mobilization and integration of both distribution channel and key-activity components, such as the development and

creation of online advertising for enhancing sales efficiency; the invention of products for making additional profits and worth investing sales through online channels at a certain time; sales, upselling, and cross-selling; sorting out unprofitable products from sale plans, etc. The details of ethics in each component are as follows:



Table 5.3 A Beauty Business Model in the Digital Era that Emphasizes Retail Distribution Via Online Media under Good Governance

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Entrepreneurs with similar and ethical business operations - Entrepreneurs with a limited number of dealers for inclusive worthy yields for every shop - A group of online shops that are gathered for higher trading negotiation and working approach exchange. - Advertisers / online beauty merchants 	<ul style="list-style-type: none"> - Developing and creating online advertising - Conducting training for admins in the skills of sales, closing deals, and after-sales services - Upselling and Cross-Selling - Searching for profitable products worth investment. - Sorting out unsellable products from sales plans. 	<p>Worthy products that help to solve consumers' problems genuinely</p> <p>Ethics in the value proposition component</p> <ul style="list-style-type: none"> - Product security and quality 	<ul style="list-style-type: none"> - Closed groups for a special promotion to old customers - Beauty knowledge provision - Consultation and after-sales services - Satisfaction Guarantee - Calls to follow up on the results after the use of products and propose special privileges 	<ul style="list-style-type: none"> - No definite customer segmentation at the first advertising shooting - Customers are classified tentatively by the nature of customers' purchase decision at a certain time after a test of trial or from admins' information - Sometimes, customers are selected from those who are searching for products or information on online media that help to solve their problems.
<p>Ethics in the key partner</p>	<p>Ethics in the key activity component</p>		<p>Ethics in the customer relationship component</p> <p>Marketing communication</p>	

component	<p>Ethics of competition</p> <p>Responsibilities as a corporate citizen</p> <p>Maintenance of righteousness in competition</p> <p>Key Resources</p> <ul style="list-style-type: none"> - Product selectors - Accounts/ online commercial system, and customer bases. - Personnel in online advertising design, salespersons, and after-sales service providers. <p>Ethics in the key resource component</p> <ul style="list-style-type: none"> - Human resource development 	<p>Ethics in the customer segment component</p> <p>Ethics are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams.</p>
<ul style="list-style-type: none"> - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships establishment - Righteous competition - Respect for rights 	<p>Benefits protection, quality assurance, and After-sales services</p> <p>Respect for privacy rights.</p> <p>Distribution Channels</p> <p>Main online media, i.e.,</p> <ul style="list-style-type: none"> - Facebook Fan Page - LINE Official - TIK TOK - Google Ad <p>Ethics in the distribution channel</p> <ul style="list-style-type: none"> - Sales ethics - Identification - Description and demonstration - Sales or trading 	

activities

- Corporate property protection
- Conflicts of interests
- Corporate security and confidential protection
- Individuals' rights and data protection
- Corporate representation
- Sanitation, security, and stability
- Respect for diversity
- Harassment
- Respect for employees

Cost Structure

- Costs of products, advertising, content generators, graphic designers, back-office employees, and admins' commissions.

Ethics in the cost structure component

Cost management

Revenue Streams

- Product sales, Upselling, and Cross-Selling

Ethics in the revenue stream component

Financial and business records

In brief, a beauty business model in the digital era that emphasizes retail distribution via online media under good governance aims to operate its business toward profit-making through its skills and techniques in online distribution without branding or product loyalty or marketing. The model determines the following components in its business operations: 1) it mobilizes its business by integrating the components of (1) distribution or communication channels to its customers by using all popular and available online channels at a certain time, which are different from those of offline sales. Besides, they vary by the specific nature of each channel. Another focused component is (2) key activities. Entrepreneurs have to search for profitable products worth the costs of online sales. On the other hand, the company must be able to sort out unworthy products for advertising investment from its sales plan, while constant adjustment of advertising is needed to increase the effectiveness and efficiency at that time duly. Moreover, online channels must be added to cover and respond to all groups of customers' needs and the values of each product will be proposed through such channels. Training is conducted to increase admins' skills in upselling and cross-selling, including closing deals and after-sales services. However, finding products needed by the market at low costs requires good relationships with key partners, i.e., entrepreneurs with similar and ethical business operations or having a limited number of dealers to ensure worthy yields for all shops. Other key partners are advertisers and online beauty product merchants. On the other hand, MSMEs require groups of online shops, gathered to increase trading negotiation power and to exchange their working experiences.

Regarding (4) the value proposed by this type of business, the worthiness of products in solving customers' problems genuinely is the key value. Mostly, product values are proposed to (5) general or broad customers without clear segmentation at the initial stage of the sales. Instead, clear customer segments are determined after knowing the specific problems of customers and their purchase decisions at a certain time, which mostly can be evaluated after the result or test of advertisements or from admins' information. Sometimes, customers are grouped among those who search for products or online information that help to solve their problems. The company has to establish (6) customer relationships and calls to follow the results of customers' use, while also offering special privileges to them, i.e., closed groups for a special

promotion to old customers, beauty knowledge provision, consultation, and after-sales services, satisfaction guarantee, and calls for following the results of product usage and offering special privileges. The main key resources (7) of this model are thus product selectors, accounts/online commercial systems, and customer database, including personnel in online advertising design, sales, and after-sales services. Therefore, the cost structure (8) of this model is the costs of products, advertising, content generators, graphic designers, back-office employees, and admins' commissions. Still, generally, it is impossible for fixing advertising costs as systems of distribution channels keep changing and fluctuating frequently so sometimes businesses cannot gain profits so their revenue streams come from sales, upselling, and cross-selling

The good governance emphasized in the model of beauty businesses with branding orientation is inserted in the business model components as follows:

- 1) Ethics in the customer segments component are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams.
- 2) Ethics in the value proposition component are inserted in product safety and quality.
- 3) Ethics in the distribution channel component are inserted in sales, identification, description and demonstration, and trading or commercial activities.
- 4) Ethics in the customer relationship component are inserted in marketing communication, benefits protection, quality assurance, after-sales services, and respect for privacy.
- 5) Ethics in the revenue stream component are inserted in financial and business records
- 6) Ethics in the key resource component are inserted in human resource development; corporate property protection; conflict of interests; corporate security and confidential protection; individuals' rights and data protection; corporate representation; sanitation, security, and stability; respect for diversity, harassment, and respect for employees.

7) Ethics in the key activity component are inserted in competition, responsibilities as a corporate citizen, and maintenance of righteousness in competition.

8) Ethics in the key partner component are inserted in gift-taking and hospitality, bribery prohibition, fair commercial relationship establishment, righteous competition, and respect for rights.

9) Ethics in the cost structure component are inserted in cost management

5.2.3 A Beauty Business Model with Investment Orientation in the Digital Era under Good Governance

The business operations of a beauty business model in the digital era that focuses on investment under good governance are mobilized and based on cost structure and revenue streams mainly, with details under each component of the business model as follows:

Table 5.4 A Beauty Business Model in the Digital Era with Investment Orientation under Good Governance

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Salespersons - Manufacturing factories - Packaging factories Ethics in the key partner component - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships establishment - Righteous competition - Respect for rights 	<ul style="list-style-type: none"> - Supplying or producing beauty products with a design that facilitates buying and selling - Searching for online salespersons Ethics in the key activity component - Ethics of competition - Responsibilities as a corporate citizen - Maintenance of righteousness in competition 	<ul style="list-style-type: none"> - Products that are easy and convenient to buy in online markets with continuous marketing plans and tools. - Benefits gained from product distribution Ethics in the value proposition component 	<ul style="list-style-type: none"> - Supervising, supporting, and solving sales problems - Offering special remunerations beyond those gained from product distribution Ethics in the customer relationship component - Marketing communication - Benefits protection, quality assurance, and - After-sales services - Respect for privacy rights 	<ul style="list-style-type: none"> - Salespersons Ethics in the customer segment component Ethics are inserted in the components of value propositions, customer relationships, distribution channels, and revenue stream

Key Resources

- Product formulas and packaging designs
- Business plans, marketing plans, data sets, and marketing tools.
- Business owners, salespersons, presenters, and influencers
- Upselling promotions

Ethics in the key resource component

- Human resource development
- Corporate property protection
- Conflicts of interests
- Corporate security and confidential protection

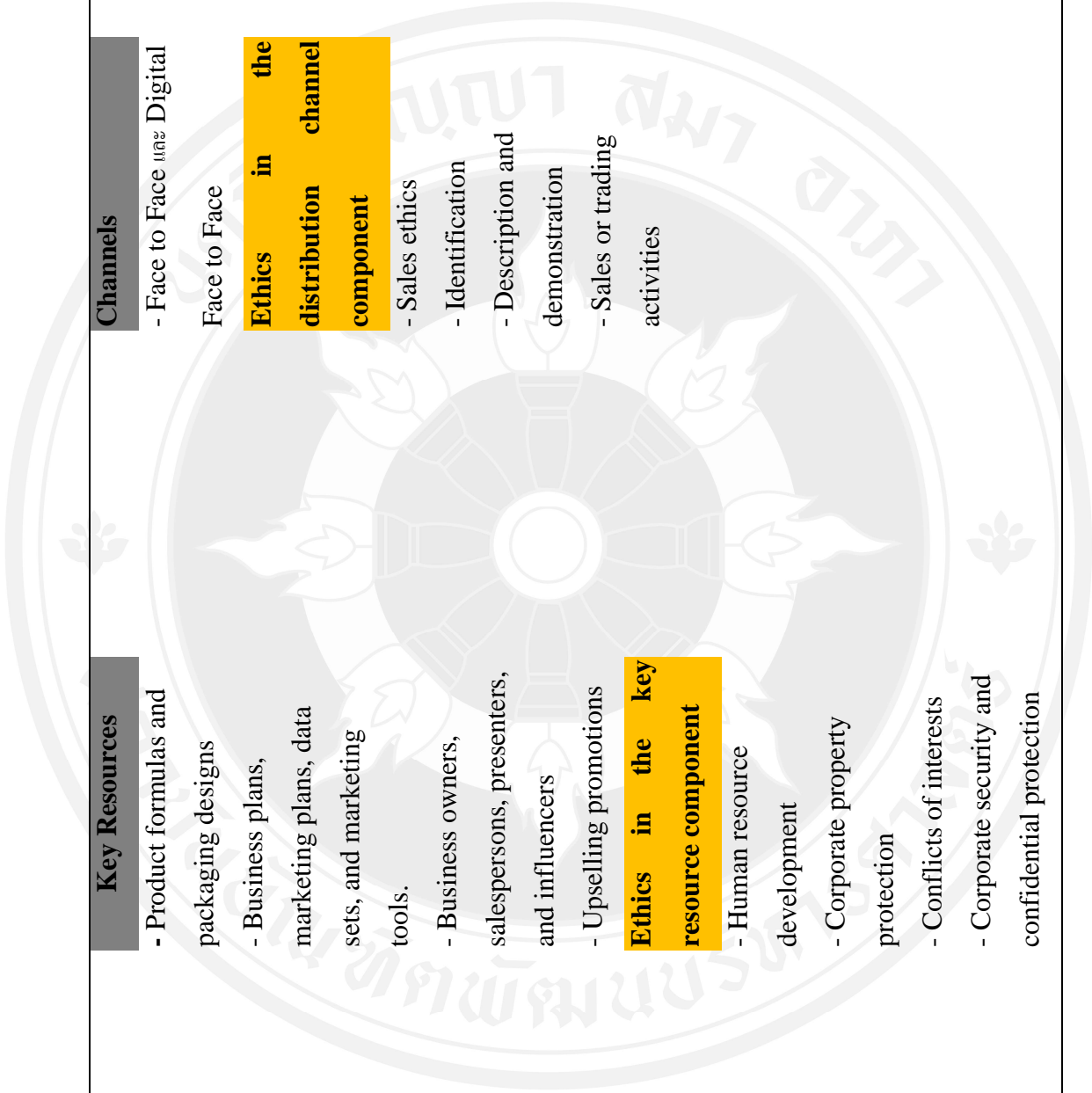
Channels

- Face to Face ^{100%} Digital

Face to Face

Ethics in the distribution channel component

- Sales ethics
- Identification
- Description and demonstration
- Sales or trading activities



-
- Individuals' rights and data protection
 - Corporate representation
 - Sanitation, security, and stability
 - Respect for diversity
 - Harassment
 - Respect for employees

Cost Structure

- Costs of products
- Costs of marketing communication and presenters
- Budgets for upselling

Ethics in the cost structure component

Cost management

Revenue Streams

- Wholesale distribution to salespersons or through a consignment agreement

Ethics in the revenue stream component

Business and financial records

In summary, the main business operations of a beauty business model in the digital era that focuses on investment under good governance are mobilized by two financial components predominantly: (1) Cost structure, and (2) revenue streams from investors. Namely, entrepreneurs will initiate their investment for gaining profits or income from (3) existing key resources, i.e., capitals, manufacturing factories, knowledge, celebrities (i.e., beauty doctors, artists, actors,), etc., and apply what they have as the initial production or product supply costs. Then, products are sold through (6) channels of online salespersons who are also (4) key customer segments. The nature and number of dealers must be determined and restricted for inclusive supervision and benefits sharing through the establishment of (5) personal relationships with salespersons and the offer of satisfactory agreement of both parties. Namely, entrepreneurs have to take care of salespersons by direct appointment and communication. Therefore, the production /or supply of products, marketing, and the search of online salespersons are (7) key activities of businesses in this model by having producers and salespersons as key partners. Eventually, the values proposed to salespersons are the properties of products that are easy and convenient to buy in online markets with low costs, but substantial profitability. Another important value is continuous marketing plans. Some businesses that do not emphasize branding or repeated production may have transient plans only.

The good governance emphasized in the model of beauty businesses with retail distribution via online media is inserted in the business model components as follows:

- 1) Ethics in the customer segments component are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams.
- 2) Ethics in the value proposition component are inserted in product safety and quality.
- 3) Ethics in the distribution channel component are inserted in sales, identification, description and demonstration, and trading or commercial activities.
- 4) Ethics in the customer relationship component are inserted in marketing communication, benefits protection, quality assurance, after-sales services, and respect for privacy.

5) Ethics in the revenue stream_component are inserted in financial and business records

6) Ethics in the key resource component are inserted in human resource development; corporate property protection; conflict of interests; corporate security and confidential protection; individuals' rights and data protection; corporate representation; sanitation, security, and stability; respect for diversity, harassment, and respect for employees.

7) Ethics in the key activity component are inserted in competition, responsibilities as a corporate citizen, and maintenance of righteousness in competition.

8) Ethics in the key partner component are inserted in gift-taking and hospitality, bribery prohibition, fair commercial relationship establishment, righteous competition, and respect for rights.

9) Ethics in the cost structure component are inserted in cost management

5.2.4 A Beauty Business Model in the Digital Era that Emphasizes Distribution Through a Dealership under Good Governance

A beauty business model in the digital era that emphasizes distribution through a dealership under good governance presents success in life, fame, money, and better quality of life by leaping growth distinctively. Nowadays, all of these successes are often presented in parallel to corporate credibility, ethical business operations, clear and sustainable plans, and good quality products, which can be mobilized through a dealership for presenting such values and for finding as many dealers as possible. These dealers are also classified as a company's customers.

The details of each component in the business model are as follows:

Table 5.5 A Beauty Business Model in the Digital Era that Emphasizes Distribution through a Dealership under Good Governance

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Dealers next to the company - Manufacturing factories - Packaging factories 	<ul style="list-style-type: none"> - Product development - Consistent marketing communication to consumers - Supervision and management on the systems, and intimate and regular communication with dealers. 	<ul style="list-style-type: none"> - Success, fame, money, and better quality of life - Credibility of organizations, plans, and products 	<ul style="list-style-type: none"> - Delivery of credibility of organizations and products via business owners, presenters, and dealers - After-sales services and care - The creation of marketing tools for dealers - The enhancement of the effectiveness of sales, product delivery, and inventory management by the systems of E-payment Gateway and Dropship 	<ul style="list-style-type: none"> - Consumers - Dealers <p>(Without specifying characteristics of both customer groups)</p>
<p>Ethics in the key partner component</p> <ul style="list-style-type: none"> - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships 	<p>Ethics in the value proposition component</p> <p>Product security and quality</p>	<p>Ethics in the value proposition component</p>	<p>Ethics in the customer segment component</p> <p>Ethics are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams</p>	

<p>establishment</p> <ul style="list-style-type: none"> - Righteous competition - Respect for rights 	<p>appropriate quantity with dealers' selling potential</p> <ul style="list-style-type: none"> - Training for the empowerment of online sales <p>Ethics in the key activity component</p> <ul style="list-style-type: none"> - Ethics of competition - Responsibilities as a corporate citizen - Maintenance of righteousness in competition
<p>Fulfillment</p> <ul style="list-style-type: none"> - Training for the empowerment of online sales - Supervising, supporting, and solving sales problems <p>Ethics in the customer relationship component</p> <ul style="list-style-type: none"> - Marketing communication - Benefits protection, quality assurance, and - After-sales services - Respect for privacy rights. <p>Ethics in the customer relationship under a</p>	

dealership

Respect for privacy rights

(Key Resources)

- Product formulas and packaging designs
- Business plans, marketing, data sets, and marketing tools
- Business owners, dealers, presenters, influencers, and after-sales service admins
- Online media accounts
- E-payment Gateway, Dropship Fulfillment
- Inventory warehouses
- Training courses in online business

(Channels)

- Dealers
- All online media
- Printed media, radio, TV, and outdoor media

Ethics in the distribution channel component

- Sales ethics
- Identification
- Description and demonstration
- Sales or trading activities

Ethics in the distribution channel

Ethics in the key resource component

- Human resource development
- Corporate property protection
- Conflicts of interests
- Corporate security and confidential protection
- Individuals' rights and data protection
- Corporate representation
- Sanitation, security, and stability
- Respect for diversity
- Harassment
- Respect for employees

component under a dealership

Business Partnership

Cost Structure

Revenue Streams

<ul style="list-style-type: none"> - Production costs - Costs of marketing communication and presenters - Budgets for upselling - Budgets for supervision and empowerment of dealers - Cost of management of Back-end, E-payment Gateway, and Dropship Fulfillment 	<ul style="list-style-type: none"> - Wholesales to dealers
<ul style="list-style-type: none"> - Cost of management of Back-end, E-payment Gateway, and Dropship Fulfillment 	<p>Ethics in the revenue stream component</p> <p>Financial and business records</p>
<p>Ethics in the cost structure component</p> <p>Cost management</p>	<p>Ethics in the revenue stream component under a dealership</p> <ul style="list-style-type: none"> -Business Partnership - Remuneration and accounts - Ethics of competition - Corporate ethics
<p>Ethics in the cost structure component under a dealership</p> <ul style="list-style-type: none"> - Inventory and buy-back products - Sales media 	

In brief, a beauty business model in the digital era that emphasizes distribution through a dealership under good governance aims to mobilize (1) value propositions on life success, fame, wealth, and better quality of life, in parallel to the credibility of the company and products. Businesses communicate to (2) two customer segments: dealers and consumers through (3) the establishment of customer relationships by delivering business and product accountability via business owners, presenters, and dealers, including after-sales services, the creation of marketing tools to dealers, the enhancement of effective sales, delivery, and stock management by E-payment Gateway and Dropship Fulfillment Systems, training on the empowerment of online sales and supporting and solving sales problems. Communication and customer relationships are conveyed through (4) channels, dealers, all online media, printed media, radio, TV, and outdoor media. Thus, the key activities (5) required for business success are product development, consistent marketing communication to consumers, intimate and regular system management, and communication with dealers, including the management of supporting systems, i.e., Back-end, E-payment Gateway, Dropship Fulfillment, etc. However, products must be sold or distributed in an appropriate quantity for each dealer's sale potential, and training on the empowerment of online sales is conducted. The key resources (6) are product formulas and packaging designs, business plans, marketing plans, data sets, marketing tools, business owners, dealers, presenters, influencers, after-sales service admins, online media accounts, E-payment Gateway, Dropship Fulfillment, inventory warehouses, and training courses on online business, etc. The key partners of this business model are dealers next to the company, manufacturing factories, and packaging factories, while the cost structure is the costs of production, marketing communication, presenters, budgets for upselling, budgets for supervising and empowering dealers, management costs of Back-end, E-payment Gateway, Dropship Fulfillment, etc. Thus, the revenue streams are from product distribution through a dealership only.

However, due to the negative image of this kind of model in the beauty market, to ensure sustainable business operations, values should be proposed in a new form by presenting plans for delivering values of products that can genuinely solve consumers' problems under good governance. Still, there have been a lot of people who are open to businesses through a dealership.

The good governance emphasized in the model of beauty businesses through a dealership in the digital era is inserted in the business model components as follows:

1) Ethics in the customer segments component are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams.

2) Ethics in the value proposition component are inserted in product safety and quality.

3) Ethics in the distribution channel component are inserted in sales, identification, description and demonstration, and trading or commercial activities.

4) Ethics in the customer relationship component are inserted in marketing communication, benefits protection, quality assurance, after-sales services, and respect for privacy.

5) Ethics in the revenue stream component are inserted in financial and business records. Regarding the ethics of businesses through a dealership, business partnership, remunerations and account balances, ethics of competition, and corporate ethics are essential.

6) Ethics in the key resource component are inserted in human resource development; corporate property protection; conflict of interests; corporate security and confidential protection; individuals' rights and data protection; corporate representation; sanitation, security, and stability; respect for diversity, harassment, and respect for employees.

7) Ethics in the key activity component are inserted in competition, responsibilities as a corporate citizen, and maintenance of righteousness in competition.

8) Ethics in the key partner component are inserted in gift-taking and hospitality, bribery prohibition, fair commercial relationship establishment, righteous competition, and respect for rights.

9) Ethics in the cost structure component are inserted in cost management. For businesses through a dealership, the ethics related to cost structure are inventory and buy-back products, including sales media.

CHAPTER 6

SUMMARY, DISCUSSION, AND RECOMMENDATION

The study entitled, “A Beauty Business Model under Good Governance in the Digital Era,” aims to

- 1) Examine external conditions of the beauty business in the digital era.
- 2) Explore ethics in the beauty business
- 3) Develop a beauty business model under good governance in the digital era

To achieve the aforementioned objectives, qualitative research was conducted through the following three stages:

Stage 1: To examine external conditions of the beauty business in the digital era. Documents, studies, and academic articles, including VDOs related to the external conditions of the beauty business focusing on distribution through online channels, were reviewed in combination with in-depth interviews with 12 experts in the beauty business in the digital era. The findings obtained from the study are crucial for developing organizational effectiveness and very beneficial for a newly starting business in a market.

Stage 2: To explore ethics in the beauty business. Documents, studies, academic articles, and VDOs related to ethics in the beauty business were reviewed in parallel to the study of codes of conduct or corporate ethics of 4 organizations, namely 1) the World Federation of Direct Selling Association (WFDSA), 2) Amway (Thailand) Co., Ltd., 3) L’Oreal (Thailand) Co., Ltd., and 4) Amorepacific. The findings helped to acquire important data for developing an ethical framework for the beauty business in the digital era, including that through a dealership.

Stage 3: To develop a beauty business model under good governance in the digital era. Documents, studies, and academic articles, including VDOs related to beauty business models in the digital era, were reviewed in combination with in-depth

interviews with 10 entrepreneurs and dealers in the beauty business in the digital era. The findings of all three stages were then applied to develop a drafted beauty business model under good governance in the digital era. After that, such a drafted model was examined and commented on by 4 experts in the beauty business in the digital era and digital marketing. The drafted model was modified following the experts' advice and developed to be a more complete model of the beauty business under good governance in the digital era.

The findings are summarized and discussed as follows in combination with recommendations from the study:

6.1 Research Summary

6.1.1 Part 1: The External Conditions of the Beauty Business with Online-selling Orientation

6.1.1.1 Policy Conditions

The governmental sector has no policy of supporting the beauty business directly but assigns an agency, namely the Office of Small and Medium Enterprise Promotion or OSMEP, responsible for boosting and integrating collaborations of both private and governmental agencies through an assisting tool for MSMEs continuously in the same direction as the master plan of the National Strategy. The most recent plan for MSME promotion is the Fifth Plan, B.E. 2566-2570 (2023-2027), which was issued to adapt approaches for supporting and promoting MSMEs to catch up with global environmental situations and rapid changes in the digital era, especially in the pandemic of COVID 19 through the use of innovative digital technology and to accelerate their leaping growth.

Besides, from additional data obtained from in-depth interviews with experts in the beauty business and marketing and participant observation, two interesting issues are found: (1) Entrepreneurs could not access information of the governmental agencies, and (2) the existing policies did not support the beauty business directly or hardly support it.

6.1.1.2 Economic Conditions

Previously, the domestic beauty markets used to grow continuously every year and beauty products produced in Thailand had been accepted almost equal to those of other well-known European countries, Japan, and Korea, especially among new generations of Chinese women. Until the spread of COVID -19 in 2020 caused decreased values in the beauty markets in every aspect, i.e., imported, and exported values, etc., including consumers' behavioral changes in financial management, expenses, and purchase decisions. Since then, consumers have been more cautious, but more willing to pay higher for quality products. Beauty products with a trend of popularity are (1) sanitary products, (2) haircare products, (3) products with disclosed ingredients, and (4) UV protection products.

Moreover, during the COVID-19 situation, severe price competition in the beauty market was witnessed, especially in the digital era where information accessibility is easy and rapid, and Eastern Asian markets, i.e., China, Japan, and Korea, influence Thai consumers increasingly. Accordingly, entrepreneurs have to study consumers' needs and purchase behaviors thoroughly. Regarding channels for marketing promotion and communication in 2020, it is found that the budgets for digital advertising increased as Thailand was found to be the country that can maintain protection standards against infection satisfactorily before the figures of the infected increased at the end of the year.

Furthermore, from analyzing data from in-depth interviews and participant observation on the economic conditions of MSMEs in the beauty business, the findings on the factors in the business operations and competition based on the “Five Force Model” can be concluded in the following five issues:

- 1) The Bargaining Power of Customers

The ability in accessing information and customers' data, and the ability in transmitting information via several platforms on social media increases customers' bargaining power. However, the bargaining power of dealers may not be as obvious as that of customers despite their ability in information transmission because dealers have an obligation on their inventory products that need to be released.

2) The Threat of Substitute Products

Thai MSMEs confronted threats of substitute products heavily since entrepreneurs lacked creativity and accessibility to innovation and high-cost research.

3) The Threat of the Entry of New Competitors

The beauty business in the digital era confronted the threat of the entry of a lot of new entrepreneurs owing to technological advancements in communication, production payment, and transportation, which facilitates business establishment more easily than before.

4) The Bargaining Power of Suppliers

Most MSME entrepreneurs in the beauty business produce their products through OEM, which is dispersed nowadays so they have a lot of alternatives for comparison. Conversely, large entrepreneurs have been affected by OEMs as their market shares are divided by a lot of these MSMEs.

5) The Intensity of Competitive Rivalry

Due to continuing growth of the beauty markets in Thailand, a lot of entrepreneurs have been attracted to the market, leading to high and intense competition. Moreover, information and communication technologies are influential factors that increase consumers' bargaining power while being tools for increasing competition effectiveness, especially in marketing communication and information systems.

6.1.1.3 Social Conditions

Since the pandemic of COVID-19 in 2020, social conditions in Thailand have been altered. Many measures were issued to prevent the spread, i.e., the measure of decreasing flights all over the world, etc. Such measures made people turn to use the internet increasingly in many ways, i.e., working, entertainment, and other activities. Consequently, during 2020-2021, the growth rate of internet users increased tremendously by 50%, compared with that in 2019. Until 2022, the growth remained the same as almost all people have used the internet already. Concurrently, most Thai people can access the internet for self-development, working, or accessing useful and worthwhile information. As a result, the traditional advertising of beauty products decreased because more consumers can search for information for

comparing each product's advantages and disadvantages. Thus, it was found that Thai people had online commerce per week at a high rate, or approximately 17,000 baht weekly.

Furthermore, from the in-depth interviews and participant observation on the social conditions of MSMEs, some behaviors of consumers in the beauty business in the digital era were found, which can be explained based on the model of consumer behaviors of Philip Kotler, especially factors influencing purchase decisions, as follows:

1) External Stimuli Towards Purchase Decisions:

(1) Marketing Stimuli

a) Products frequently perceived by a lot of online shops or stores via various platforms

b) Products appearing in online advertisements receive a lot of Likes and positive comments from consumers.

c) Arousing marketing promotions, especially discounts and complimentary goods.

(2) Other stimuli

a) The pandemic of COVID-19 that has changed consumers' needs and purchases of beauty products rapidly and apparently, including encouraging traders to move to operate online business activities more quickly.

b) Unstable economic status caused by the COVID-19 situation, which reduces consumers' expenses on beauty products.

c) Technological advancements in information, communication, payment, and transportation increase consumers' confidence in online purchases.

d) Consumer protection laws help to assure the standards of MSME's beauty products.

2) Consumers' Black Box

(1) Consumers' increased variety of preferences and needs for product trials constantly.

(2) A consumer's purchase decision process

a) Perception of problems is divided into two types: happening problems that are needed to be resolved, and problems needed to be solved because of marketing stimuli and social values.

b) Search for information, i.e., from surrounding people, Key opinion leaders (KOL), etc.

c) Alternative assessment. After acquiring products in which consumers are interested, they will consider the worthiest distribution channel for their business.

d) Purchase decision. Nowadays, a new trend in Thai society is to buy products contained in an envelope design as they start buying products of a smaller size and in a smaller quantity per purchase.

e) After-purchase decisions. Consumers' satisfaction can be measured by their repeated purchases.

3) Buyers' Response

Consumers nowadays pay more attention to innovative products and repeatedly buy them if they can solve their problems genuinely.

6.1.1.4 Technological Conditions

Technologies, i.e., information, communication, production, payment, and transportation, play a great role in the beauty business explicitly.

1) Information and communication technologies have great roles in the beauty business, especially those related to marketing communication channels, E-commerce, and E-Marketplace. These technologies help entrepreneurs to able to proceed with their businesses even in the situation of COVID-19 spread since people spend most of their time at home these technologies can still establish intimacy between sellers and buyers, including giving and answering them details of products in real-time.

Live-order absorbing technology is another operational system of information and communication technologies that are created for facilitating E-Commerce, generally known as "CF System," which is a system for managing orders and payments in real-time on social media. At present, E-commerce on social media via the LIVE function is very popular.

2) Production technologies. The advancement in production enables to decrease costs to be lower than before. Besides, due to communication technologies, manufacturing factories do not necessarily rely on a middleman or an agent to look for customers for them anymore. Manufacturers can use online channels and turn themselves to be sellers, distributors, OEM, ODM, or OBM and contact those interested in their products directly. Thus, these technologies provide an opportunity for general people to be product owners easily. This kind of condition facilitates MSMEs enormously. However, on the other hand, it also affects large beauty businesses due to their decreased market shares.

3) Payment technologies. The current payment systems in Thailand are relatively effective, safe, less costly, and respond to service users' needs. Moreover, they also promote the growth of MSME businesses and E-Commerce, including large businesses, to be accepted and trusted by both sellers and buyers. MSMEs can reduce their costs and increase channels for the payment of products. Thus, it has moved to digital payment widely.

4) Transportation technologies. Nowadays, grievances on online commerce and transportation have been dealt substantially as transportation companies in the digital era can deliver products by easier, quicker, more economical, and time-saving methods. Furthermore, information technologies help additional services for customers, i.e., both sellers and buyers can trace the status of delivery, etc.

The Fulfillment System is a transportation management system that plays a significant role at present by adopting information technologies to be integrated with the system towards the smoothest and most complete operation within one-stop service, i.e., warehouse, packing, delivery, etc. It is now a popular service and tends to grow increasingly in Thailand as it can help to solve previous problems and relieve businesses' burdens toward more effective and agile business operations. Thus, it is suitable for online sellers and distributors who need more systematic online business operations.

6.1.1.5 Environmental Conditions

The environmental condition that affects the beauty business the most during the past years is the pandemic of COVID-19. In the initial period of the

pandemic, the sales volume of the beauty business dropped drastically due to tremendous economic slowdown and unpredictable trends. Moreover, due to the lockdown policy issued by governments throughout the world, consumers were very cautious of their expenses, especially beauty products sold at storefronts, and people hardly left their homes. Still, the sales volume of online shops tended to be increased, especially those who equipped online systems for supporting their businesses before the arrival of COVID-19 could gain double upselling. Especially, both entrepreneurs and consumers were stimulated to move into online commerce more quickly under such a circumstance. Notably, consumers' needs for beauty products also changed from cosmetics to cleaning or sanitary products.

Accordingly, entrepreneurs around the world, including Thai, tried to adapt themselves to cope with this unexpected situation, such as increasing online distribution and marketing communication channels and adjusting their strategies to be more competitive and suitable for consumers' behaviors on online channels. In short, during the first period of the pandemic, a lot of entrepreneurs got damaged gigantically as they could not cope with such a situation.

6.1.1.6 Regulation/Legal Conditions

Nowadays, related agencies or offices have amended and revised laws and regulations, including drafting additional laws related to the beauty business for supporting, regulating, and supervising beauty businesses to be operated orderly and righteously for both entrepreneurs and consumers and to avoid negative effects on society and consumers. The laws related to online businesses are classified as follows: (1) laws related to products, (2) laws related to intellectual property, and (3) laws related to advertising. The study found that most entrepreneurs acknowledged and complied with such laws; however, they perceived some unrighteous performances of some governmental agencies. A shortage of agencies for regulating product standards was also found to be a factor affecting the maintenance of competitiveness in the market. Moreover, there were some large gaps and errors in the enforcement of laws against wrongdoers. A comparison was made between a group of entrepreneurs who strictly complied with the laws and another group who violated the laws for huge profits.

Besides the national laws, entrepreneurs have to be aware of each platform's regulations. Once any violation is found, the responsible shop may be shut down, or its account may be suspended and recorded in the list of those who used to violate the platform's regulations. As it is rather complicated to re-open a shop, most entrepreneurs choose to operate their businesses, following the specified regulations.

6.1.2 Part 2: The Good Governance Framework in the beauty Business Model in the Digital Era

From analyzing codes of ethics or corporate governance in business operations of four organizations in direct selling and beauty businesses at the global level, namely The World Federation of Direct Selling Foundation (WFDSF), Amway (Thailand), L'Oreal (Thailand), Amorepacific; in combination with data collection on the business situations in terms of positive and negative effects of good governance, the findings were applied for developing the framework of good governance in the beauty business model in the digital era, embedded or inserted in the nine components of the business model, as illustrated in Table 6.1

Table 6.1 The Good Governance Framework in the Beauty Business Model in the Digital Era

Business Models	Branding-orientation	Retail Distribution Via Online Media Orientation	Investment-orientation	Dealership-orientation
Types of entrepreneurs	Branding-oriented entrepreneurs	Large dealers or entrepreneurs who sell and buy products without any obligation to product owners	Entrepreneurs who invest in production or supplying products for sale through groups of salespersons	Entrepreneurs who distribute products through a dealership or representatives' networks
Types of business operations	Developing sustainable products and branding	Developing and creating online advertising to enhance distribution efficiency and searching for profitable products, worth investment, including distributing them through online channels at a certain time.	Supplying or producing several products for distribution through online sellers without focusing on long-term branding.	Making waves or going viral through the presentation of success in life and products with organizational plans for attracting interested people to be dealers.
Types of good governance	Ethics of a beauty business model in the digital era (A)	Ethics of a beauty business model in the	Ethics of a beauty business model in the	Ethics of a beauty business model in the

Business Models	Branding-orientation	Retail Distribution Via Online Media Orientation	Investment-orientation	Dealership-orientation
	complete model or a model that reduces the volume of stock trading or degrees of intensity depending on an organization's size)	digital era (Reducing stock trading and degrees of intensity by an organization's size)	digital era (A complete model or a model that reduces stock trading and degrees of intensity by an organization's size, including increasing good governance for businesses through a dealership)	digital era (Reducing stock trading and degrees of intensity by an organization's size)
Goals	An ability to make long-term profits from the strength of brands.	Profits	An ability to make profits from sales and expansion of dealers' networks.	An ability to make profits from the selling capabilities of sales teams.

Accordingly, the experts viewed this drafted online beauty business model through a dealership as another business model that can be applied to MSMEs in the digital era that emphasizes their selling through a dealership.

From the above opinions of all four experts in beauty businesses in the digital era and digital marketing communication, there are four beauty business models in the digital era:

- 1) A model that emphasizes branding
- 2) A model that emphasizes retail distribution via online media
- 3) A model that focuses on investment
- 4) A model that emphasizes distribution through a dealership.

From the above analysis of the good governance based on corporate governance of four organizations, each organization is found to specify its corporate governance differently by each organization's business nature. Remarkably, these corporate governances are of large organizations. Therefore, to apply for MSMEs, it is necessary to modify them properly to suit them toward utmost effectiveness. Briefly, the good governance framework in the beauty business model in the digital era, inserted in the nine components of the business model, is as follows:

6.1.2.1 Customer Segments

Codes of ethics for consumers are inserted in the components of value propositions, customer relationships, channels, and revenue streams.

6.1.2.2 Value Propositions

Security and product quality

1) Businesses have to comply with both domestic and foreign acts and regulations to ensure their conformity with all lines of an organization's products.

2) Products must pass a quality and standardized process of development, production, and delivery in all steps (including raw or supplementary material selection, security, effectiveness, and quality, etc., which have to be inspected thoroughly and cautiously to avoid causing any environmental, social, and ethical problems.)

3) Any possible problems related to security and product quality need to be solved urgently and notified to all concerned.

6.1.2.3 Channels

1) Ethics of selling

(1) No use of selling strategies to mislead or deceive others.

(2) No exploitation of consumers who have no experience or knowledge, who trust the products or company, or who are sick people.

(3) No overclaim of products' properties by raising some unauthorized examples or testimonies that are untrue or not updated information that is inapplicable anymore, including information that is irrelevant to what is sold or conducting any misleading behaviors.

(4) No persuasion to convince consumers to buy any product by claiming that they will get partial or full discounts if they can recommend others to buy products. Especially, if such discounts or buy-backs may not be certain conditions in the future.

2) Identification

Entrepreneurs must display their actual status to the interested consumers clearly without hesitation from the beginning of the sales offer and must identify the name of their affiliated company, offered products, and the purposes of their invitation.

3) Description and demonstration

Entrepreneurs must explain and demonstrate their products completely and correctly, especially pricing. If there is any other offer, i.e., payment conditions, the length of time for considering products, policies of buy-back products, etc. The given information must be correct, clear, and understandable, including answering all consumers' questions. The reference to the effectiveness of any product is restricted to only the information endorsed or certified by the company only.

4) Commercial/trading activities

(1) Deliver a purchase order to customers at the selling time or before sales. A purchase order must have the company's and an independent seller's full name with a permanent address, the company's telephone number, sold products, selling conditions, warranty or detailed product guarantee, restriction of after-sale service, a name and address of the insurer, insurance period, and problem-

solution methods for customers. All of such information must be specified in a purchase order that must be attached to the product and all conditions must be written clearly and understandably.

(2) Deliver products as per consumers' purchase orders within appropriate time.

(3) Before delivery, all inspection and quality management must comply with both domestic and international regulations and requirements and must be inspected thoroughly to ensure a strict internal audit standard of the company.

(4) No influence on customers' price policies.

5) Benefit protection, quality assurance, and after-sale services

(1) Notify consumers to know about the length of time they allow to consider and cancel a product. Consumers should have the right to return products to get a refund. In the case of general quality defects or consumers' sound appeals, they should get a full refund for products that can re-sell. The length of time for checking a product must be specified clearly. In some cases, it depends on legal requirements or exceptions in specifying inspection time.

(2) Provide services for customers with responsibilities regularly and consistently with some continual visits and follow-ups on the sold products.

(3) Report consumers' appeals or complaints to the Consumer Division for immediate problem-solving. In the case that customers' health or property is affected due to some security flaws or some possible doubtful causes, a company must not ignore or restrain from opinion exchanges about the security of a product.

6) Dealership System

Joint-venture

(1) Notify conditions dealers to be acknowledged and comply with corporate ethics to maintain their membership in the dealership system of the company.

(2) Do not cause any misunderstanding, seduction, or unfairness in persuading interested people or dealers to maintain their membership.

(3) Do not persuade minors or people aged over 18 years but not 20 years old completely who are required to get official consent from their parents as it involves several responsibilities, i.e., juristic act, organizational management, ethical and regulatory compliance, and financial responsibilities?

(4) Do not try to change or persuade others to change their line of work

(5) Present complete and correct information about the business opportunities, involved rights and engagement to interested people or dealers without presenting any unprovable information or giving impossible promises, or offering deceptive information about benefits that will be received.

(6) Submit a written agreement for co-signature with another company. The document must contain necessary details about the nature of the relationship between a dealer and a company. The company must notify all legal commitments, licenses, registration, and tax payment related to the business.

6.1.2.4 Customer Relationship

1) Marketing communication

(1) Design media for sale promotion and advertising by correct and provable Information with a description of details, properties, or illustrations of the product without causing any misunderstanding or deception. The name, address, and telephone of the company must be identified, including the telephone number of the dealer.

(2) Do not answer any question about the product without knowledge or authority.

(3) Inspect the internal audit process of public relations and any claims to avoid violating any involved laws or corporate policies. Responsible persons must have sufficient time for advance inspection.

(4) Communicate to support diverse kinds of beauty and be sensitive to religious, racial, cultural, and social issues, including human dignity, violence, and gender.

(5) Content in advertisements and product promotion must accord with the corporate codes of conduct and be cautious to avoid violation of

ethics, i.e., violation of human rights, pollution and damage to the environment, products for kids or teenagers, etc.

(6) Be aware of using any animal for public relations, specially reserved species or vulnerable animals that might not be accepted to be trained for any purpose.

(7) Do not exaggerate in the public relations that the use of a certain product can yield occupational or social benefits or a product is necessary for overcoming occupational problems or gaining social acceptance, including not claiming falsely about the relation to environment and society intentionally.

2) Respect for privacy

(1) Protect consumers' personal information and avoid doing the following:

a) Bringing customers' information or document out of the working sphere.

b) Making customers' information leak out.

c) Reusing without destroying customers' information after use.

d) Conducting any similar actions as above, i.e., leaving customers' information behind without caring or ignoring to manage it properly, etc.

(2) Have proper steps in storing customers' personal information and in using it as agreed.

(3) Collect no information for marketing purposes without notifying the internet users first.

(4) Contact consumers in a polite manner at an appropriate time to avoid violation of their privacy and stop demonstrating or product proposing immediately upon a customer's request.

3) Dealership System

Respect for individuals' rights

(1) Contact dealers properly at appropriate timing to avoid violating their privacy.

Personal information of consumers, people who are interested in doing business, or dealers will not be disclosed as appearing in local laws on privacy and information protection policies.

6.1.2.5 Revenue Streams

1) Financial and business records

(1) Financial and business records must not be for laundering money.

a) Participate in supervising financial and business records, including financial reports, to be correct.

b) Follow guidelines on document retention

c) Work with customers in conducting activities correctly and legally and avoid money from criminal activities.

d) Collaborate with internal and external auditors fully.

e) No selling nor transferring ownership nor abandoning any corporate property without written permission or consent.

f) No acceptance of transactions in cash. If inevitably, accept it in the amount allowed by the laws only. Besides, transactions in cash need to be recorded as legal and authorized evidence.

g) No concealment of payment through the third person.

(2) Store documents and records related to tax correctly. Be prepared to submit tax documents, and not allow the company to violate tax provisions intentionally.

2) Dealership System

Joint venture

(1) Fees

a) No unreasonable collection of fees. If any, they must accord with the status of a joint venture or the status of the dealership.

b) No compulsion to buy products upon application, except it is included in the business operational handbook since the beginning.

However, to buy a business operational handbook voluntarily if it does not violate any code of laws.

c) Fees collected by the company for participation or status maintenance, dealership, and additional services must be refundable after subtracting received commissions. In the case that a dealer cancels his status within 30 days, it is determined to refund fees within 30 days before the termination of the status.

d) Dealers are prohibited to get commissions from the persuasion toward the joint venture.

3) Compensation and account balance

(1) Keep informing account balances to dealers from time to time, i.e., sales volume, purchase orders, details about income, commissions, bonuses, discounts, product delivery, order cancellation, and other involved information, as agreed with dealers. Payment will be made promptly and completely by schedule and tax is deducted correctly and fairly, while compensation will be paid must come from sales income as income may come from sale volumes or self-consumption, including sales volume and downline consumption.

(2) The citation of compensation figures

a) No citation of sales volume or the expected circulation.

b) The figures for compensation and sales volume must be true and disclosed without any distortion, deception, or misunderstanding, including in accordance with the figures appearing in the related markets.

c) Persons interested to be dealers must be informed of the correct balance.

Sales volume may be different for each person, depending on selling ability, working hours, hardship, and other factors. They must also obtain sufficient data for assessing opportunities for income earning. Therefore, the company and dealers will not cite the figures of possible sale volumes deviating from the actual figures. Besides, compensation or sales volume figures must have evidence in writing.

4) Ethics in competition

(1) Selling at the determined prices. Cutting prices will reduce the full profits one deserves to get while affecting and taking advantage of other partners, which may cause chaos and confusion in the business operation cycle.

(2) Never order or deliver products to dealers in other lines to avoid conflicts between organizations.

5) Ethics for the organization

No scramble or exploit of benefits from knowledge or relationship with other dealers in selling other products that do not belong to the organization.

6.1.2.6 Key Resources

1) Human resource management

Organize training sufficiently to provide knowledge for dealers to operate business ethically.

2) Protection of the company's assets

(1) Protection of intellectual property

a) Intellectual property, important information, knowledge, assets, and other documents, etc. owned by the company must not be used for self-benefits.

b) The company's traditional technology, major strategies, knowledge for working, and business confidential that are the company's confidential and increase the company's competitiveness must not be shared without approval from the manager of the division related to data protection of the organization or the immediate manager. Moreover, business confidentiality must comply with the company's information protection policy.

c) Design, trademark, technology, writing, and information of the company or other persons can be applied after permission from the owner only and the company must be cautious of buying products or services that violate the intellectual property of others.

d) If problems of identification, management, and protection of intellectual property or business confidentiality occur, the company must consult with the division of intellectual property or legal division without delay.

(2) The proper use of the company's assets

a) All company assets must be used to be served for working only. Therefore, the company's products, facilities, equipment, expense budgets, etc. are not used for personal benefits.

b) The use of the company's assets for other purposes beyond working must be approved by the immediate superior or the Office of Corporate Ethics.

c) During the working period, employees are waived from personal activities that disturb their work. The company's computer and equipment or devices are not allowed for obscenity or unethical conduct, i.e., gambling, pornography, or other similar activities, etc.

d) The company's assets must be respected and protected to avoid disappearing, being damaged, or misusing. Thus, employees must not borrow, sell, or donate any asset of the company, including transferring ownership without righteous permission.

3) Conflict of interest

(1) Adhere to one's duties and responsibilities for the utmost benefit of the company and avoid a conflict between personal interest and the company's interest, including displaying codes of conduct in working and communication.

(2) Disclose what may cause conflicts of interest to the manager without concealment, which may influence one's decisions or work.

(3) Employees are prohibited to do their businesses or other businesses without prior permission. If the employee asks for prior permission, the persons in charge of approval must consider thoroughly if the employee's concentration will yield a negative effect on his work or not.

(4) Employees must not give or accept cash, vouchers, etc., including other financial agreements to or from colleagues or employees of their customers or partners.

4) Security and protection of the company's confidential

(1) Limit the dissemination of inside information to only those "who necessarily have to know it," for performing his/her duties. Before sharing

inside information with a third person outside the company, it is important to inspect if and which kind of information one has a right to communicate.

(2) Follow the latest information about regulations of information management.

(3) Keep records that are confidential of employees, consumers, customers, and suppliers well.

(4) Protect confidential information of the company even outside the workplace and off the duty. Even after quitting a job, employees must not take out inside information with them. If necessary, they must ask for approval from their immediate supervisor and manager responsible for protecting the company's information.

(5) Do not reveal inside information about former employees

(6) The use of inside information for stock trading

a) Be cautious of using inside information for investment that may be charged with insider trading

b) Keep confidential inside information that one has a right to access to avoid information disclosure accidentally.

c) Do not buy or sell internal or external stocks of other companies when inside information is in hand.

d) Do not disclose inside information to both people inside and outside the company.

5) Personal rights and information protection

(1) Inform the person whose information is collected about the types of information being collected, methods planned to use such information, and methods to contact in the case of having any questions.

(2) In information management, only needed information of specific persons is gathered, while incorrect or incomplete information has to be destroyed or corrected. The information must be stored safely and only proper and important information is provided to authorized persons. Persons in charge of information collection and usage must comply with the principles.

(3) Sensitive information should not be collected (especially information related to health, ethnicity, sexual orientation, political opinion, or religious belief) without the consent of the persons involved. Information is prohibited to be stored too long or longer than necessary. Access or correct personal information is prohibited.

6) Representation of the company

(1) Display the company's codes of conduct for working and communication.

(2) Supervise not to communicate and express personal opinions and conducts that may be misunderstood as the company's opinions. Speech or writing about anything out of one's expertise and authority is prohibited, except those approved formally. To identify oneself as an employee of the company on social media is a part of occupational activities, which requires proper preparation before online communication about the company.

(3) Inside information about the company and sensitive business information must not be shared or posted online. When participating in online activities, it is required to comply with the corporate guidelines on using social media, both in working and personal places.

(4) Employees must not misuse their status for criticizing, defaming, or discriminating against people based on ethnicity, religion, or gender, and must comply with corporate ethics both inside and outside the organization.

(5) When referring to the company, brand, or work for responding to media about work-related issues, employees must identify themselves as a member of the company, including their name and position.

(6) All employees must refrain from violating national and local laws and be concerned about the consequences of their conduct, including maintaining the good reputation of the company always.

(7) Maintaining political neutrality

a) The company must not give financial support or political facilities personally, to any political party, especially illegal ones.

b) If employees participate in political activities personally, they must be cautious to ensure that personal statements, opinions, or actions will not convey their representation of the company.

c) Employees cannot use their working time or the company's assets for Participating in political activities. When they cannot perform their duties honestly, due to their participation in political activities, they must notify their superior and the office of ethics directly.

7) Sanitation, security, and stability

(1) The company must conduct all legal practices related to the enforced sanitation, security, and environment for business operations strictly, including the production and sale of products, services, etc.

(2) Employees must comply with necessary preventive measures for their, their colleagues,' and customers' safety; and report to their superior and security manager without delay. If any malpractice or irregularity is witnessed or if there is any accident, they must learn how to cope with urgent situations that might occur in the workplace.

(3) During their stay at the office or doing activities related to work, employees must not possess or drink alcohol, possess illegal drugs, etc., that might obstruct a secure and effective course of duties, especially illegal acts, i.e., driving while drinking, gambling, etc. Such conduct will not be accepted in any case. However, there might be some exceptions to achieve business purposes, i.e., drinking on the formal occasion, etc., or if getting prior approval from the safety manager.

8) Diversity

(1) Support and promote the missions of the company in the diversity dimension related to human resource management, marketing, purchasing, and social benefit creation by having suppliers, customers, and business partners informed of the diversity policy.

(2) Do not discriminate, violate, or bully the following: sex, disabilities, marital status or family status, sexual orientation, age, political opinions and philosophy, religious belief, association activities, ethnicity, society, culture, and race. The prohibition against discrimination does not cover only

recruitment, but also training, promotion, continued employment, and other working conditions, including the relationship with suppliers, customers, business partners, and the third party.

9) Harassment

(1) Harassment and physical, verbal, and psychological bullying

a) Promote and support missions in creating a workplace without any and bullying: physical, verbal, and psychological, or any behaviors that hurt others, destroy others' dignity and reputation, including visual, verbal, and physical conduct, and any activity occurring outside the workplace

b) Be humble and treat colleagues and business partners as well as how one expects to be treated by others.

(2) Sexual harassment

a) Promote and support missions in creating a workplace without sex harassment

b) Refrain from all forms of sexual harassment to the third person or person in contact, both inside and outside the organization. It does not cover only physical actions, but verbal or visual cues that make others feel discriminated against or minded, especially when someone misuses power or authority or any superior advantage to harass others, the consequence will be very severe.

c) Employees who used to face or witness sexual harassment must report to the concerned office, i.e., immediate superiors or the office of ethics.

(3) Violation of human rights. The company must comply with laws related to employment and labor in each country in which the company operates its business and prevent the violation of human rights, i.e., the use of the labor force, forced labor, etc.

10) Respect for employees

(1) Have mutual respect without concern about social and cultural differences and work together based on the value of openness and friendship through the use of diverse knowledge and experience.

(2) Do not disclose personal information and information of other employees to persons who are not permitted. When there is no need related to work or no consent from a troubled person, persons who are responsible for information management must not reveal the assigned information from their duties to others.

11) Human resource management

(1) To improve employees' working capabilities, the company should prepare a variety of educational opportunities to implant gifts and leadership for employees, while having fair performance appraisals and rewards.

6.1.2.7 Key Activities

1) Ethics in competition

Do not make a comparison that may cause misunderstanding. The issue raised for comparison should base on the truth that can be proved without slandering any company, business, or product unfairly either directly or indirectly. Trademarks and symbols of other companies, businesses, or products should not be used. Trademarks and symbols of other companies, businesses, or products, including the reputation of others, must be exploited unfairly.

2) Responsibilities as a corporate citizen

(1) Environmental surveillance

a) Fulfil the company's missions by establishing a production process without destroying or being harmful to the environment. Support recycling raw materials and develop packaging that can save the environment.

b) Develop the process of production, transportation, and sales that reduce waste and are friendly to the environment by creating new things to create environmental values.

c) Comply with the laws related to the environment in combination with the creation and compliance with internal standards that are more strict than legal standards honestly. Besides, the company must examine changes in the regulations related to the environment regularly to prevent a violation.

d) Be cautious of releasing toxic chemicals that may affect directly the environment or ecological systems, including abnormal leaking into

climate, soil, and river. If there is any leak, it must be reported to the immediate superior and environmental security division immediately.

(2) The contribution to society

a) The company must support and participate vigorously in welfare, culture, art, etc. of the local communities and perform their duty as a member of the community.

b) All social-support activities must reflect corporate codes of conduct and social support principles. The company must participate in the determined plan clearly to cultivate a partnership with the community.

c) Employees or business partners must not be forced to donate their gifts or capital for social responsibility activities to assist the society that the company supports.

3) Maintaining fairness in the competition

(1) Conduct all activities under fair competition with other companies

(2) Do not intentionally persuade or invite distributors or dealers of other member companies.

(3) Do not defame or allow sellers or agents to defame other companies about their products, sales plans, and marketing, or any aspects of those companies unfairly.

(4) Report to the manager immediately if one accidentally gets or uses confidential information or information owned legally by competing companies or outsiders, including no giving of confidential information of the previous or former company that is a competitor.

(5) Do not cut or obstruct product sources or sources of releasing products of the competitors

(6) Do not persuade customers or suppliers to violate their contracts with competing companies. Besides, do not obstruct competitors' suppliers or customers or create defaming statements on competitors without truth.

(7) Do not make a contract with the main content to support Tied-Sale between products and services or allow subtract discounts without considering legal advice correctly.

(8) Do not collect information on the competing companies by an unethical or illegal process. Besides, new employees should not provide confidential information about the previous company that is a competitor.

(9) Do not exchange information with competitors about prices, products, sales conditions, sales territory, profit or margin, market share, distribution methods, etc.

(10) Do not use such information for conspiracy nor do not consent or consult formally or informally to yield an influence.

(11) Do not attend a meeting or gather with competitors when the meeting objectives are not clear or there is no meeting agenda. If necessary, employees must get prior approval from their immediate superior or the legal division first.

(12) In the case that employees attend a meeting or gather in a group with competitors unintentionally, they must write details of the meeting and report to their immediate superior or the legal division. Besides, if the planned meeting objectives or the gathering changes, the employees must leave that place immediately and submit details of the meeting to their immediate superior or the legal division.

6.1.2.8 Key Partners

1) Gift-taking/taking and hospitality

(1) employees necessarily contact stakeholders, they must not offer or accept any illegal present or hospitality, etc. Especially, they must not accept products, special treatment, money or benefits, etc., from customers, sellers, and inside employees, etc.

(2) Employees may accept presents or gifts that are determined by laws or are just small gifts to enhance smooth business operations, but they must examine clearly if the offered gifts or hospitality do not violate laws and policies or corporate procedures. If any gift or hospitality is accepted, they must report to their immediate supervisor or the Ethics Office.

(3) The corporate ethics policy must be reported to customers, sellers, partners, dealers, and all stakeholders and employees must comply

with the ethical standards of the company. If any unethical action or corruption is found, they must report it to the Office of Ethics.

(4) Since the tradition of gift-taking and hospitality varies in each country or culture, employees must be cautious to avoid violating corporate policies and national and local laws.

2) Bribery

(1) The offer or the acceptance of the offer of bribery, products, special treatment, hospitality, and any non-monetary benefits for business purposes or personal benefits is prohibited.

(2) Employees may present gifts or hospitality to stakeholders for smooth business operations that is appropriate or is the tradition but must consider thoroughly if such conduct violates the laws or the corporate codes of conduct. Besides, before deciding to present any gift or hospitality, they must consider if it is beyond the criteria that are acceptable by the contractor or not.

(3) If employees are pressed or asked to give a product, gift, hospitality, etc. that is inappropriate or illegal by stakeholders in the business or working situations, they must report it to the Office of Ethics of the company.

(4) Under the OECD Convention on the Anti-Corruption, foreign-affair staff of the signed countries is prohibited to offer facilitation payments to the governmental agencies or officers of other countries, as follows:

a) o Persons living in a foreign country and are elected or appointed through legal procedure, administrators, or judiciaries.

b) o Persons performing their duties as government officers or representatives of the international public organizations

3) Righteous commercial relationships establishment

(1) Support and promote suppliers to understand and respect ethical standards with which they have to comply while avoiding working with those who reject the compliance.

(2) Pay suppliers promptly and by the determined conditions, except for legitimate reasons for not doing so.

(3) Suppliers must not depend on the company's business in terms of the economy too much.

(4) In business relationships, Advantages or superiority must not be applied improperly to force customers or sellers toward unrighteous agreements.

(5) The decisions to terminate business relationships with customers or sellers must be made cautiously by emphasizing neutral and fair criteria. Besides, evidence proving that the agreement is terminated in sound and righteous ways must be kept.

4) Fair competition

(1) Choose suppliers by providing an opportunity to involve in price competition openly. Prices will be compared and considered fairly.

(2) Conduct a transparent bidding process, which can be explained to the suppliers who lose in the competition clearly, based on the foundations of fair components.

5) Respect of rights

Confidential information of customers, sellers, etc. must be protected.

6.1.2.9 Cost Structure

Dealership systems

1) Inventory and product return

(1) Do not determine or stimulate too high a quantity of inventory unreasonably, but on the other hand, there should be appropriate inspection methods to ensure that dealers can get yields from the purchase orders, either by consumers or through a dealership system.

(2) In the case that dealers request to terminate the relationship with the company, the company must buy the unsold or re-sold inventory, i.e., business promotion equipment, sale promotion equipment, and business operations manuals that are bought within the past 12 months, and refund payment of the goods by deducting from operational costs of the maximum of 10% of the goods' costs. Still, the policy of inventory must be notified to dealers explicitly.

(3) The compulsion or persuasion to buy products or sell promotion equipment is not appropriate as it is considered to be an unrighteous and deceptive act of persuading others to join the business. The company must find ways

to make sure that it will not lose its financial benefits because of these prohibited behaviors.

(4) In the case that behaviors of inviting others to join business incorrectly with an intent to cause misunderstandings or deception, the administrators of ethics must find ways to make sure that there will not be any appeal leading to financial loss because of these misconducts. Besides, it includes the compulsion to have members repeatedly buy inventory, business promotion equipment, sale promotion equipment, and/or business operation manuals, which are the same products that the petitioners have bought earlier.

2) Sales media

(1) Construction materials

a) It is prohibited to do marketing or determine others to buy equipment that has not been approved, which does not accord with the corporate policies or regulations. Besides, the sale of training documents or sales promotion equipment that are approved by the company and are legal must do the following:

(a) Present equipment that accords with the standard determined by the company only.

(b) Do not determine that dealers must buy sale promotion equipment that the company produces.

(c) Sell sales promotion equipment with reasonable and fair prices without focusing on excessive profit-making. Besides, such equipment can be compared with the equipment sold widely in the market.

(d) Determine product return in writing, which includes that of the affiliate company.

b) Find proper inspection methods to ensure that sales promotion equipment or equivalent, produced by a dealer, comply with the provision of ethics, and does not cause any misunderstanding or seduction.

(2) Do not accept income from the sales of training programs.

6.1.3 Part 3: The Beauty Business Models under Good Governance in the Digital Era

The drafted beauty business models under good governance in the digital era derived from the study of the external conditions of the beauty business and lessons learned from the models of successful beauty businesses, which are divided into three types:

- 1) The drafted beauty business model in the digital era with sales growth in the Covid-19 situation.
- 2) The drafted beauty business model in the digital era for retailers via social media.
- 3) The drafted beauty business model through a dealership.

The experts in the beauty business and digital marketing pointed out that the drafted model in the digital era of beauty businesses under good governance with high sales volume in the COVID-19 situation can be applied for MSME entrepreneurs in the form of “a beauty business model under good governance in the digital era with branding-orientation,” while the drafted model for retailers on social media can be applied for MSME entrepreneurs in two models, “a beauty business model under good governance emphasizing retailing sales via online media,” and “a business model under good governance focusing on investment.” Finally, the drafted online beauty business model through a dealership can be applied for MSMEs in the digital era that emphasizes their selling through a dealership.

In short, from the acceptance of the beauty business models under good governance in the digital era, brings about guidelines for developing beauty business models under good governance in the digital era into four beauty business models:

- 1) A model that emphasizes branding
- 2) A model that emphasizes retail distribution via online media
- 3) A model that focuses on investment
- 4) A model that emphasizes distribution through a dealership.

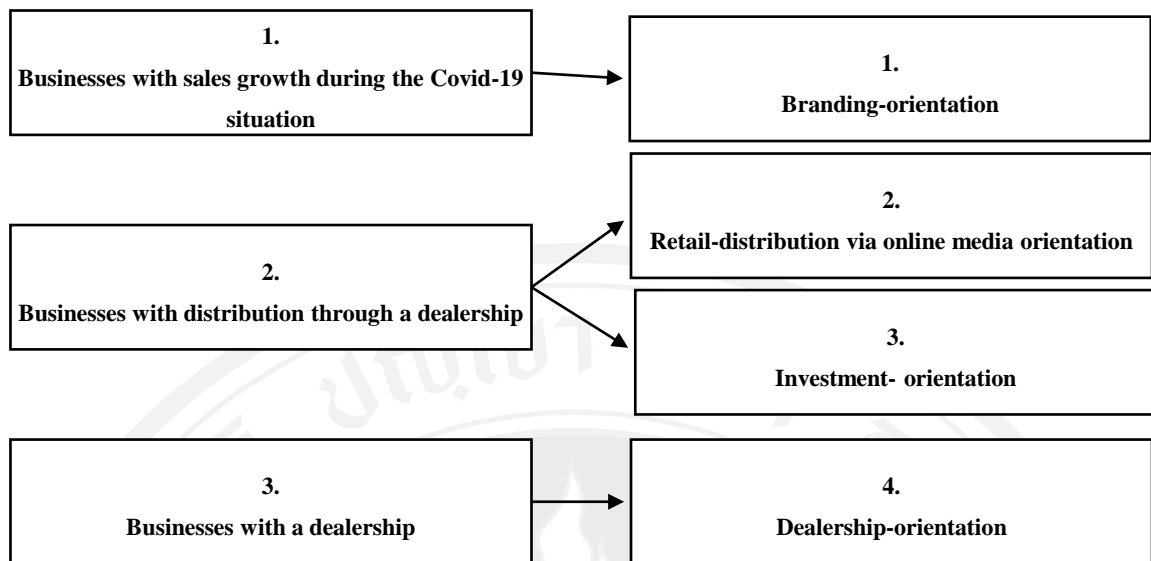


Figure 6.1 The Development of Drafted Beauty Business Models under Good Governance in the Digital Era

Table 6.2 The Beauty Business Models under Good Governance in the Digital Era

Business Models	Branding-orientation	Retail Distribution Via Online Media Orientation	Investment-orientation	Dealership-orientation
Types of entrepreneurs	Branding-oriented entrepreneurs	Large dealers or entrepreneurs who sell and buy products without any obligation to product owners	Entrepreneurs who invest in production or supplying products for sale through groups of salespersons	Entrepreneurs who distribute products through a dealership or representatives' networks
Types of business operations	Developing sustainable products and branding	Developing and creating online advertising to enhance distribution efficiency and searching for profitable products, worth investment, including distributing them through online channels at a certain time.	Supplying or producing several products for distribution through online sellers without focusing on long-term branding.	Making waves or going viral through the presentation of success in life and products with organizational plans for attracting interested people to be dealers.

Business Models	Branding-orientation	Retail Distribution Via Online Media	Investment-orientation	Dealership-orientation
Types of good governance	Ethics of a beauty business model in the digital era (A complete model or a model that reduces the volume of stock trading or degrees of intensity depending on an organization's size)	Ethics of a beauty business model in the digital era (Reducing stock trading and degrees of intensity by an organization's size)	Ethics of a beauty business model in the digital era (A complete model or a model that reduces stock trading and degrees of intensity by an organization's size, including increasing good governance for businesses through a dealership)	Ethics of a beauty business model in the digital era (Reducing stock trading and degrees of intensity by an organization's size)
Goals	An ability to make long-term profits from the strength of brands.	Profits	An ability to make profits from sales and expansion of dealers' networks.	An ability to make profits from the selling capabilities of sales teams.

6.1.3.1 A beauty business model that emphasizes branding under good governance in the digital era

The main business operational principle of the model that emphasizes branding under good governance is to mobilize businesses through propositions of main values of products that respond to customers' needs, in parallel to enhancing product or business brands toward long-term business success. The following components of the business model are determined as follows:

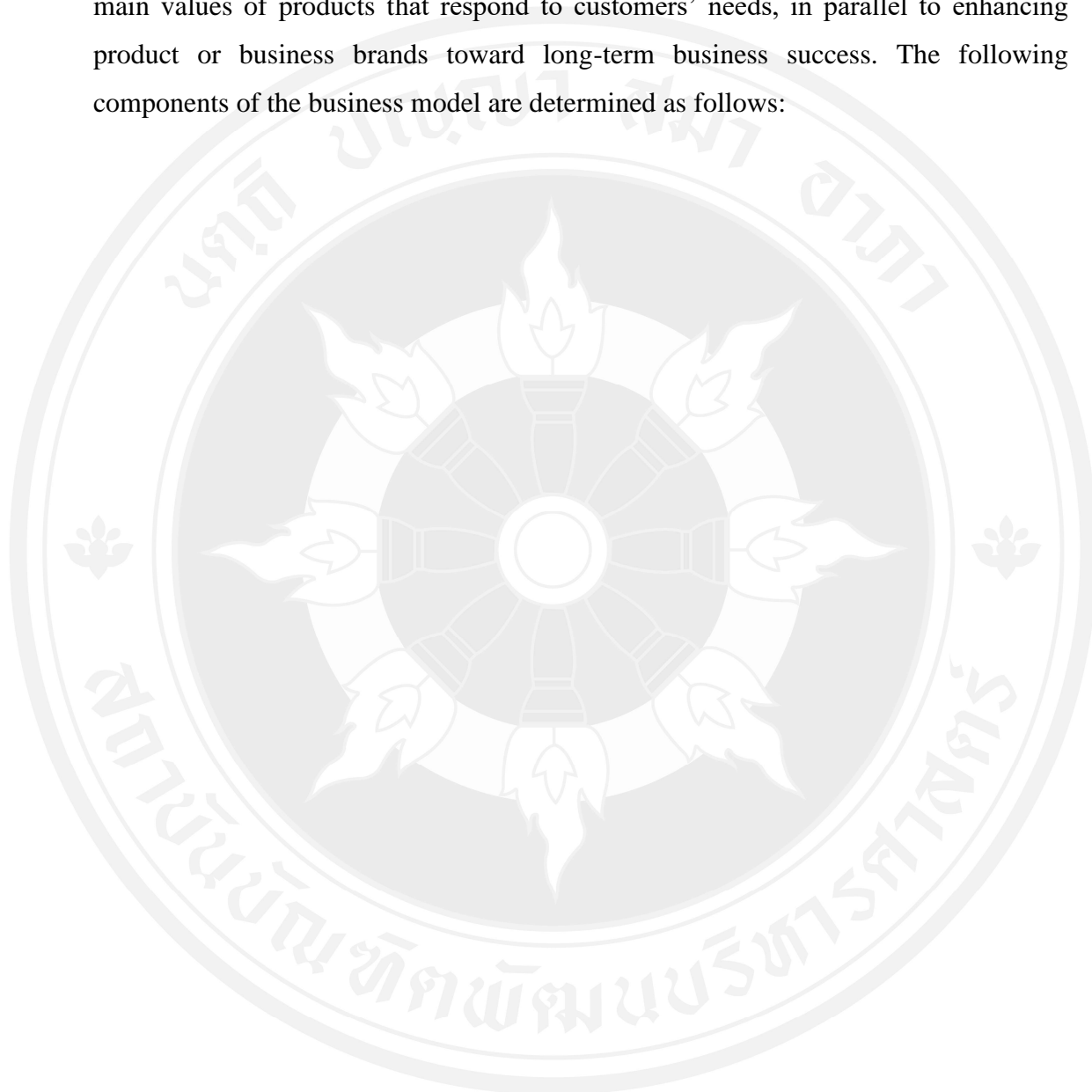


Table 6.3 A Beauty Business Model that Emphasizes Branding under Good Governance in the Digital Era

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Manufacturing and packaging factories - Sales teams 	<ul style="list-style-type: none"> - Continuous and consistent branding and marketing communication with a diversity of creative content for every situation 	<ul style="list-style-type: none"> - Good quality products that can genuinely solve problems - Strong and trustworthy brands that transmit customers' experience and identity. 	<ul style="list-style-type: none"> - Projecting short- and long-term business plans and marketing promotions to establish customer relationships - Communicating with customers ethically and sincerely. 	<ul style="list-style-type: none"> - Clear specification of customer segments - Classifying customers into more than one group in the case that each group of customers has different needs of product values.
<ul style="list-style-type: none"> - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships establishment 	<ul style="list-style-type: none"> - The constant development of fresh values needed to be proposed at all times 	<ul style="list-style-type: none"> - Ethics in the value proposition component - Security and product quality 	<ul style="list-style-type: none"> - Marketing communication - Benefits protection, quality assurance, and - After-sales services - Respect for privacy rights. 	<ul style="list-style-type: none"> - Ethics in the customer segment component - Ethics are inserted in the components of value propositions, customer relationships, channels, and revenue streams
<ul style="list-style-type: none"> - Righteous competition - Respect for rights 	<ul style="list-style-type: none"> - Ethics in the key activity component - Ethics of competition - Responsibilities as a corporate citizen - Maintenance of 			

righteousness in competition

Key Resources

- Product formula
- Brands
- Channels
- Customers' information/data

Ethics in the key resource component

- Human resource development
- Corporate property protection
- Conflicts of interests
- Corporate security and confidential protection
- Individuals' rights and data protection ^{ด้าน}

Channels

- For large organizations, the distribution of products is communicated through all channels to both old and new customers.

- For small organizations, the channel of key customers is emphasized for product distribution and communication.

Ethics in the distribution channel component

- Sales ethics
- Identification

- Corporate representation
- Sanitation, security, and stability
- Respect for diversity
- Harassment
- Respect for employees

- Description and demonstration
- Sales or trading activities

Cost Structure

- The invention, development, and value propositions to customers
- Long-term marketing communication and customer relationships
- Product distribution, sales, and product management as stipulated in each channel

Ethics in the cost structure component

Cost management

Revenue Streams

- Sales of products

Ethics in the revenue streams

Financial and business records

In summary, a beauty business model that emphasizes branding under good governance is mobilized through the following components of the business model: (1) The key values of products, namely their production and development, are proposed to (2) the determined groups or segments of customers whose needs correspond to the proposed values. Remarkably, only one group of customers should be specified clearly. More than one group of customers can be determined if it is apparent that each group of customers has needs with different values. Then, businesses will propose such values and distribute products via (3) channels to which customers are exposed for searching and transmitting information through (4) the establishment of customer relationships following their purchase decision process. Normally there should be at least two plans for customer relationship establishment: 1. Short-termed plans for establishing concurrent relationships with the current conditions of markets and customers' needs at a certain time, and 2. Long-termed plans to create relationships between product brands and current customers, including prospective customers in the future. All of these 4 components are considered (5) key activities that businesses have to accomplish to create their brands and achieve effective and efficient value propositions. Therefore, to enhance competitiveness and ensure predominant value propositions, businesses need to have (6) quality key resources, and (7) qualified key partners, to support businesses' key activities. If businesses can manage components No. 3, 5, 6, and 7, as mentioned earlier, businesses will be able to manage (8) cost structure most worthily, which will be sources of sustainable revenue streams (9) from distributing products with strong and valuable brands, including products' values that can solve problems genuinely as wished by customers. Moreover, it also enhances acceptance of new products more easily. However, it should be noted that branding orientation and value propositions are costly for product development, marketing communication, and customer relationships and it will take time for profit-making.

The practical guidelines for a good governance framework of the beauty business with branding orientation in the digital era are summarized in the findings of Part 2, which are applicable for MSME businesses by adjusting them properly toward utmost effectiveness.

6.1.3.2 A beauty business model in the digital era that emphasizes retail distribution via online media under good governance

A model that emphasizes retail distribution via online media under good governance has apparent business operations aimed toward profit-making from the company's skills and techniques in online commerce. Besides, its business operation under good governance is one of the major factors that help to prevent possible problems during the operation and can create sustainability for the organization. The main business strategy is the emphasis on the mobilization and integration of both distribution channel and key-activity components, such as the development and creation of online advertising for enhancing sales efficiency; the invention of products for making additional profits and worth investing sales through online channels at a certain time; sales, upselling, and cross-selling; sorting out unprofitable products from sale plans, etc. The details of ethics in each component are as follows:

Table 6.4 A Beauty Business Model in the Digital Era that Emphasizes Retail Distribution Via Online Media under Good Governance

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Entrepreneurs with similar and ethical business operations - Entrepreneurs with a limited number of dealers for inclusive worthy yields for every shop - A group of online shops that are gathered for higher trading negotiation and working approach exchange. - Advertisers / online beauty merchants 	<ul style="list-style-type: none"> - Developing and creating online advertising - Conducting training for admins in the skills of sales, closing deals, and after-sales services - Upselling and Cross-Selling - Searching for profitable products worth investment. - Sorting out unsellable products from sales plans. 	<p>Worthy products that help to solve consumers' problems genuinely</p> <p>Ethics in the value proposition component</p> <ul style="list-style-type: none"> - Product security and quality 	<ul style="list-style-type: none"> - Closed groups for a special promotion to old customers - Beauty knowledge provision - Consultation and after-sales services - Satisfaction Guarantee - Calls to follow up on the results after the use of products and propose special privileges 	<ul style="list-style-type: none"> - No definite customer segmentation at the first advertising shooting - Customers are classified tentatively by the nature of customers' purchase decision at a certain time after a test of trial or from admins' information - Sometimes, customers are selected from those who are searching for products or information on online media that help to solve their problems.
<p>Ethics in the key partner</p>	<p>Ethics in the key activity component</p>		<p>Ethics in the customer relationship component</p> <p>Marketing communication</p>	

component	<p>Ethics of competition</p> <p>Responsibilities as a corporate citizen</p> <p>Maintenance of righteousness in competition</p>	<p>Ethics in the customer segment component</p> <p>Ethics are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams.</p>
<ul style="list-style-type: none"> - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships establishment - Righteous competition - Respect for rights 	<p>Key Resources</p> <ul style="list-style-type: none"> - Product selectors - Accounts/ online commercial system, and customer bases. - Personnel in online advertising design, salespersons, and after-sales service providers. 	<p>Distribution Channels</p> <p>Main online media, i.e.,</p> <ul style="list-style-type: none"> - Facebook Fan Page - LINE Official - TIK TOK - Google Ad
<ul style="list-style-type: none"> - Righteous competition - Respect for rights 	<p>Ethics in the key resource component</p> <ul style="list-style-type: none"> - Human resource development 	<p>Ethics in the distribution channel</p> <ul style="list-style-type: none"> - Sales ethics - Identification - Description and demonstration - Sales or trading

activities

- Corporate property protection
- Conflicts of interests
- Corporate security and confidential protection
- Individuals' rights and data protection
- Corporate representation
- Sanitation, security, and stability
- Respect for diversity
- Harassment
- Respect for employees

Cost Structure

- Costs of products, advertising, content generators, graphic designers, back-office employees, and admins' commissions.

Ethics in the cost structure component

Cost management

Revenue Streams

- Product sales, Upselling, and Cross-Selling

Ethics in the revenue stream component

Financial and business records

In brief, a beauty business model in the digital era that emphasizes retail distribution via online media under good governance aims to operate its business toward profit-making through its skills and techniques in online distribution without branding or product loyalty or marketing. The model determines the following components in its business operations: 1) it mobilizes its business by integrating the components of (1) distribution or communication channels to its customers by using all popular and available online channels at a certain time, which are different from those of offline sales. Besides, they vary by the specific nature of each channel. Another focused component is (2) key activities. Entrepreneurs have to search for profitable products worth the costs of online sales. On the other hand, the company must be able to sort out unworthy products for advertising investment from its sales plan, while constant adjustment of advertising is needed to increase the effectiveness and efficiency at that time duly. Moreover, online channels must be added to cover and respond to all groups of customers' needs and the values of each product will be proposed through such channels. Training is conducted to increase admins' skills in upselling and cross-selling, including closing deals and after-sales services. However, finding products needed by the market at low costs requires good relationships with key partners, i.e., entrepreneurs with similar and ethical business operations or having a limited number of dealers to ensure worthy yields for all shops. Other key partners are advertisers and online beauty product merchants. On the other hand, MSMEs require groups of online shops, gathered to increase trading negotiation power and to exchange their working experiences.

Regarding (4) the value proposed by this type of business, the worthiness of products in solving customers' problems genuinely is the key value. Mostly, product (5) general or broad customers without clear segmentation at the initial stage of the sales. Instead, clear customer segments are determined after knowing the specific problems of customers and their purchase decisions at a certain time, which mostly can be evaluated after the result or test of advertisements or from admins' information. Sometimes, customers are grouped among those who search for products or online information that help to solve their problems. The company has to establish (6) customer relationships and calls to follow the results of customers' use, while also offering special privileges to them, i.e., closed groups for a special

promotion to old customers, beauty knowledge provision, consultation, and after-sales services, satisfaction guarantee, and calls for following the results of product usage and offering special privileges. The main key resources (7) of this model are thus product selectors, accounts/online commercial systems, and customer database, including personnel in online advertising design, sales, and after-sales services. Therefore, the cost structure (8) of this model is the costs of products, advertising, content generators, graphic designers, back-office employees, and admins' commissions. Still, generally, it is impossible for fixing advertising costs as systems of distribution channels keep changing and fluctuating frequently so sometimes businesses cannot gain profits so their revenue streams come from sales, upselling, and cross-selling

The practical guidelines for a good governance framework of the beauty business with retail-selling orientation in the digital era are summarized in the findings of Part 2, which are applicable for MSME businesses by adjusting them properly toward utmost effectiveness.

6.1.3.3 A beauty business model with investment orientation in the digital era under good governance

The business operations of a beauty business model in the digital era that focuses on investment under good governance are mobilized and based on cost structure and revenue streams mainly, with details under each component of the business model as follows:

Table 6.5 A Beauty Business Model in the Digital Era with Investment Orientation under Good Governance

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Salespersons - Manufacturing factories - Packaging factories Ethics in the key partner component - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships establishment - Righteous competition - Respect for rights 	<ul style="list-style-type: none"> - Supplying or producing beauty products with a design that facilitates buying and selling - Searching for online salespersons Ethics in the key activity component - Ethics of competition - Responsibilities as a corporate citizen - Maintenance of righteousness in competition 	<ul style="list-style-type: none"> - Products that are easy and convenient to buy in online markets with continuous marketing plans and tools. - Benefits gained from product distribution Ethics in the value proposition component 	<ul style="list-style-type: none"> - Supervising, supporting, and solving sales problems - Offering special remunerations beyond those gained from product distribution Ethics in the customer relationship component - Marketing communication - Benefits protection, quality assurance, and - After-sales services - Respect for privacy rights 	<ul style="list-style-type: none"> - Salespersons Ethics in the customer segment component Ethics are inserted in the components of value propositions, customer relationships, distribution channels, and revenue stream

Key Resources	Channels
<ul style="list-style-type: none"> - Product formulas and packaging designs - Business plans, marketing plans, data sets, and marketing tools. - Business owners, salespersons, presenters, and influencers - Upselling promotions 	<ul style="list-style-type: none"> - Face to Face ^{100%} Digital Face to Face
<p>Ethics in the key resource component</p> <ul style="list-style-type: none"> - Human resource development - Corporate property protection - Conflicts of interests - Corporate security and confidential protection 	<p>Ethics in the distribution channel component</p> <ul style="list-style-type: none"> - Sales ethics - Identification - Description and demonstration - Sales or trading activities

- Individuals' rights and data protection
- Corporate representation
- Sanitation, security, and stability
- Respect for diversity
- Harassment
- Respect for employees

Cost Structure

- Costs of products
- Costs of marketing communication and presenters
- Budgets for upselling

Ethics in the cost structure component

Cost management

Revenue Streams

- Wholesale distribution to salespersons or through a consignment agreement

Ethics in the revenue stream component

Business and financial records

In summary, the main business operations of a beauty business model in the digital era that focuses on investment under good governance are mobilized by two financial components predominantly: (1) Cost structure, and (2) revenue streams from investors. Namely, entrepreneurs will initiate their investment for gaining profits or income from (3) existing key resources, i.e., capitals, manufacturing factories, knowledge, celebrities (i.e., beauty doctors, artists, actors, etc.), and apply what they have as the initial production or product supply costs. Then, products are sold through (6) channels of online salespersons who are also (4) key customer segments. The nature and number of dealers must be determined and restricted for inclusive supervision and benefits sharing through the establishment of (5) personal relationships with salespersons and the offer of satisfactory agreement of both parties. Namely, entrepreneurs have to take care of salespersons by direct appointment and communication. Therefore, the production /or supply of products, marketing, and the search of online salespersons are (7) key activities of businesses in this model by having producers and salespersons as key partners. Eventually, the values proposed to salespersons are the properties of products that are easy and convenient to buy in online markets with low costs, but substantial profitability. Another important value is continuous marketing plans. Some businesses that do not emphasize branding or repeated production may have transient plans only.

The practical guidelines for a good governance framework of the beauty business with investment orientation in the digital era are summarized in the findings of Part 2, which are applicable for MSME businesses by adjusting them properly toward utmost effectiveness.

6.1.3.4 A beauty business model in the digital era that emphasizes distribution through a dealership under good governance

A beauty business model in the digital era that emphasizes distribution through a dealership under good governance presents success in life, fame, money, and better quality of life by leaping growth distinctively. Nowadays, all of these successes are often presented in parallel to corporate credibility, ethical business operations, clear and sustainable plans, and good quality products, which can be mobilized through a dealership for presenting such values and for finding as many dealers as possible. These dealers are also classified as a company's customers.

The details of each component in the business model are as follows:



Table 6.6 A Beauty Business Model in the Digital Era that Emphasizes Distribution through a Dealership under Good Governance

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Dealers next to the company - Manufacturing factories - Packaging factories 	<ul style="list-style-type: none"> - Product development - Consistent marketing communication to consumers - Supervision and management on the systems, and intimate and regular communication with dealers. 	<ul style="list-style-type: none"> - Success, fame, money, and better quality of life - Credibility of organizations, plans, and products 	<ul style="list-style-type: none"> - Delivery of credibility of organizations and products via business owners, presenters, and dealers - After-sales services and care - The creation of marketing tools for dealers - The enhancement of the effectiveness of sales, product delivery, and inventory management by the systems of E-payment Gateway and Dropship 	<ul style="list-style-type: none"> - Consumers - Dealers (Without specifying characteristics of both customer groups)
<p>Ethics in the key partner component</p> <ul style="list-style-type: none"> - Gift-taking and hospitality - Bribery prohibition - Fair commercial relationships 	<p>Ethics in the value proposition component</p> <ul style="list-style-type: none"> Product security and quality 	<p>Ethics in the customer segment component</p> <ul style="list-style-type: none"> Ethics are inserted in the components of value propositions, customer relationships, distribution channels, and revenue streams 		

<p>establishment</p> <ul style="list-style-type: none"> - Righteous competition - Respect for rights 	<p>appropriate quantity with dealers' selling potential</p> <ul style="list-style-type: none"> - Training for the empowerment of online sales <p>Ethics in the key activity component</p> <ul style="list-style-type: none"> - Ethics of competition - Responsibilities as a corporate citizen - Maintenance of righteousness in competition
<p>Fulfillment</p> <ul style="list-style-type: none"> - Training for the empowerment of online sales - Supervising, supporting, and solving sales problems <p>Ethics in the customer relationship component</p> <ul style="list-style-type: none"> - Marketing communication - Benefits protection, quality assurance, and - After-sales services - Respect for privacy rights. 	<p>Ethics in the customer relationship under a</p>

dealership

Respect for privacy rights

(Key Resources)

- Product formulas and packaging designs
- Business plans, marketing, data sets, and marketing tools
- Business owners, dealers, presenters, influencers, and after-sales service admins
- Online media accounts
- E-payment Gateway, Dropship Fulfillment
- Inventory warehouses
- Training courses in online business

(Channels)

- Dealers
- All online media
- Printed media, radio, TV, and outdoor media

Ethics in the distribution channel component

- Sales ethics
- Identification
- Description and demonstration
- Sales or trading activities

Ethics in the distribution channel

Ethics in the key resource component

- Human resource development
- Corporate property protection
- Conflicts of interests
- Corporate security and confidential protection
- Individuals' rights and data protection
- Corporate representation
- Sanitation, security, and stability
- Respect for diversity
- Harassment
- Respect for employees

component under a dealership

Business Partnership

Cost Structure

Revenue Streams

<ul style="list-style-type: none"> - Production costs - Costs of marketing communication and presenters - Budgets for upselling - Budgets for supervision and empowerment of dealers - Cost of management of Back-end, E-payment Gateway, and Dropship Fulfillment 	<ul style="list-style-type: none"> - Wholesales to dealers
<ul style="list-style-type: none"> - Costs of marketing communication and presenters - Budgets for upselling - Budgets for supervision and empowerment of dealers - Cost of management of Back-end, E-payment Gateway, and Dropship Fulfillment 	<p>Ethics in the revenue stream component</p> <p>Financial and business records</p>
<ul style="list-style-type: none"> - Cost of management of Back-end, E-payment Gateway, and Dropship Fulfillment 	<p>Ethics in the revenue stream component under a dealership</p> <ul style="list-style-type: none"> -Business Partnership - Remuneration and accounts - Ethics of competition - Corporate ethics
<p>Ethics in the cost structure component</p> <p>Cost management</p>	
<p>Ethics in the cost structure component under a dealership</p> <ul style="list-style-type: none"> - Inventory and buy-back products - Sales media 	

In brief, a beauty business model in the digital era that emphasizes distribution through a dealership under good governance aims to mobilize (1) value propositions on life success, fame, wealth, and better quality of life, in parallel to the credibility of the company and products. Businesses communicate to (2) two customer segments: dealers and consumers through (3) the establishment of customer relationships by delivering business and product accountability via business owners, presenters, and dealers, including after-sales services, the creation of marketing tools to dealers, the enhancement of effective sales, delivery, and stock management by E-payment Gateway and Dropship Fulfillment Systems, training on the empowerment of online sales and supporting and solving sales problems. Communication and customer relationships are conveyed through (4) channels, dealers, all online media, printed media, radio, TV, and outdoor media. Thus, the key activities (5) required for business success are product development, consistent marketing communication to consumers, intimate and regular system management, and communication with dealers, including the management of supporting systems, i.e., Back-end, E-payment Gateway, Dropship Fulfillment, etc. However, products must be sold or distributed in an appropriate quantity for each dealer's sale potential, and training on the empowerment of online sales is conducted. The key resources (6) are product formulas and packaging designs, business plans, marketing plans, data sets, marketing tools, business owners, dealers, presenters, influencers, after-sales service admins, online media accounts, E-payment Gateway, Dropship Fulfillment, inventory warehouses, and training courses on online business, etc. The key partners of this business model are dealers next to the company, manufacturing factories, and packaging factories, while the cost structure is the costs of production, marketing communication, presenters, budgets for upselling, budgets for supervising and empowering dealers, management costs of Back-end, E-payment Gateway, Dropship Fulfillment, etc. Thus, the revenue streams are from product distribution through a dealership only.

However, due to the negative image of this kind of model in the beauty market, to ensure sustainable business operations, values should be proposed in a new form by presenting plans for delivering values of products that can genuinely solve

consumers' problems under good governance. Still, there have been a lot of people who are open to businesses through a dealership.

The practical guidelines for a good governance framework of the beauty business with distribution through a dealership orientation in the digital era are summarized in the findings of Part 2, which are applicable for MSME businesses by adjusting them properly toward utmost effectiveness.

6.2 Discussion

The findings of the study, "A Beauty Business Model under Good Governance in the Digital Era," can be discussed concerning all three determined research objectives, as follows:

6.2.1 Part 1: The External Conditions of The Beauty Business in the Digital Era

The study found that the six external conditions: Policy, economic, social, technological, environmental, and legal or regulation, are all related. If any condition changes, it will cause changes to other conditions sequentially. For the overall external conditions of the beauty business in the digital era found during the study, the details are as follows:

6.2.1.1 Policy Conditions

The government sector has no agency or policy for supporting the beauty business directly. Still, support for MSME entrepreneurs in the beauty business was enacted as one of the national agendas and strategic plans. However, due to ineffective communication between the government and private sectors, the issued policies could not reach the said entrepreneurs; thus, they could not express their ideas if the existing policies were appropriate for them or could promote the beauty business or not. At the same time, it was found that some entrepreneurs might not have searched for needed information sufficiently so they did not acknowledge such supporting policies. Mostly, only large beauty companies acknowledged the government's policies. However, they still perceived that despite such indirect support for the beauty business, the existing policies did not help to boost the business so

much. Thus, it can say that the policy mobilization for developing MSMEs lacks a clear direction and goal, and is short of effective and unified management, supervision, and responsibilities from the government agencies. Besides, there is no collaboration between the government and private sectors. Such notions accord with the study of Sakda Siripatsophon (2016), which found that the empowerment of MSME entrepreneurs faced some obstacles, i.e., inaccessibility to capital sources so few modern technologies have been adopted, no research and development, etc. Moreover, it was found that Thai MSMEs had several weaknesses; for instance, they still operated their business in the old ways, communication with foreign languages was still limited in some specific groups, and no communication with government agencies since many enterprises or organizations had been established informally. Correspondingly, Tuangporn Singto (2021) surveyed the effect of the pandemic of COVID-19 on MSMEs and found that most entrepreneurs had problems accessing circulating capital sources, especially micro-enterprises that could not access to loans because of the conditioned amount of income. Accordingly, the government sector should provide more knowledge for MSME entrepreneurs.

6.2.1.2 Economic Conditions

Previously, the beauty market in Thailand had been growing continuously every year until the pandemic of COVID-19 in 2020, which caused an economic slowdown in all dimensions and decreased the gross sales volume, including inducing intense competition for business survival. Accordingly, business operational approaches needed to be changed substantially. It can be comparable to the beginning of a new competition among all entrepreneurs. From analyzing competition in the beauty market, four major issues were found as the overall condition: (1) Increased bargaining power of consumers supported by their accessibility to communication technologies, (2) a lot of substitute products caused by the lack of entrepreneurs' creativity and accessibility to research sources and product development, as supported by the study of Patsiri Chompookam (2009), which found that because of rapid information technological advancement, everyone can access to a variety of information sources easily so consumers can compare advantages and disadvantages of all products, including prices and services before purchasing. Any business that can offer quality products at lower costs will get higher competitive

advantages. (3) The entry of a large number of new entrepreneurs into the market owing to much lower production technology, information technology, and marketing communication costs, and (4) Reduced production capacity per time for supporting small enterprises, which is beneficial for MSMEs. Although costs per unit may be higher than a lump-sum production, a lot of new entrepreneurs emerged, which affected the market shares of large enterprises, including their bargaining power. On the contrary, dietary supplements went in another direction due to the spread of COVID-19, and a tendency toward health care was apparent. From the survey on the household economic and social conditions in 2021, more than 1.8 households purchased dietary supplements increasingly, namely a 149.3% increase from 2019, collected from 0.7 hundred thousand households.

6.2.1.3 Social Conditions

The usage of the internet and social media in Thailand was highly popular, especially after the spread of COVID-19 in 2020, which induced people to use the internet for facilities increasingly in all dimensions: working, entertainment, and other activities. At the same time, it is also a channel that is beneficial for business operations in many ways, i.e., as a distribution channel, a communication channel, a marketing communication, a tool, and information system operations, etc. Besides, it was found that Thai people had online purchases weekly at the top rank of the world. In the digital era, consumers can communicate and share their information in real-time rapidly. However, entrepreneurs have to operate their business through this channel more cautiously and seriously as any occurring negative issues of the business can be disseminated widely and rapidly. Moreover, from in-depth interviews with two samples and participant observation on consumers' behaviors in the beauty market in the digital era, it was found that marketing stimuli induced consumers to make purchase decisions. In other words, the products consumers decided to purchase were products frequently perceived and got a lot of Likes or positive comments from other consumers. The finding was supported by the study of Wilasinee Sanguanwong (2014), which found that factors that influenced cosmetic purchase decisions via beauty gurus are positive comments from viewers about its practical usefulness, reasonable prices, and satisfactory results before and after the use of products, including arousing marketing promotion. Similarly, Nanthika Kruesa (2020) found

that marketing promotion is the second most influential factor on the purchase decisions of the skincare product branded “De Leaf” of customers in Bangkok. Additionally, Amolnat Puangchaona et al. (2015) also found that marketing promotion influences consumers’ purchase decisions on cosmetic products in Bangkok at .05 statistical significance level. while other stimuli caused by other external factors, i.e., rapid communication technological advancement, and the COVID-19 situation, are also found. Regarding consumers' black box or cognition, they prefer a variety of products and need to have a new product trial constantly. The purchase decisions start with the perception of beauty problems that happen to consumers and also needs that are stimulated by marketing stimuli and social value, then they will search for needed information, which is often acquired from surrounding people or key opinion leaders (KOL), etc. After that, they assess alternatives. After receiving their interested product, consumers will consider a distribution channel that is worthiest for them. Such a procedure accords with the finding from the study of Wilasinee Sanguanwong (2014), which found that the factor that affects cosmetic purchase decisions is consumers' need to search for additional information of the products from other sources. Besides, it was found that nowadays there has been a trend of buying beauty products packed in an envelope design. In other words, consumers start to buy a smaller size of products with/ or a smaller quantity of purchase per each purchase, they will evaluate the result after use or purchase. Their satisfaction can be measured by their repeated purchase. Furthermore, regarding consumers' responses, it was found that consumers nowadays pay more attention to innovative products and will purchase any product repeatedly only if it can truly solve their beauty problems.

6.2.1.4 Technological Conditions

Technologies, i.e., information and communication, production, payment, and transportation, play a great role in the beauty business in the digital era explicitly.

Information and communication technology: MSME entrepreneurs can access information that is beneficial for imposing strategies easily and having more power in marketing communication with low costs. There are a lot of distribution channels with low costs without a shop window and can trade products 24 hours.

Distinctively, marketing communication channels and online commerce or so-called, “E-Commerce” (Electronic Commerce), and “E-Marketplace,” can resolve MSME's business obstacles caused by high communication costs and make businesses proceed during the pandemic of COVID-19 in which most people spend their time at home. Therefore, if entrepreneurs cannot adapt themselves and their strategies to catch up with consumers' rapidly changing behaviors in the digital era, their business potential for success will be reduced. Chaiyasit Anuchitworawong and Atitthep Pongwan (2020) state that amidst business dynamics and intense competitions, digital technology, and information and communication technologies (ICT) are major factors enhancing entrepreneurs' competitive advantages and further growth. From the survey of 1,730 entrepreneurs in 7 business areas, approximately 78% of them used digital technology and ICT for their business operations. However, the level of using such technologies varies by size, type, and location of businesses. Still, businesses applying technologies can get several advantages, i.e., productivity, and effective use of the property to create revenues. On the other hand, inaccessibility to marketing information and a lack of understanding in business environments, including a shortage of personnel with ICT skills are major barriers against the use of digital technology for driving SMEs' business and cause difficulty for business expansion by technology.

Production technology. The advancement in production reduces production to be lower than before. Besides, it enables manufacturing factories to run their business without a middleman or agent for searching for customers anymore. Producers can use online channels to transform themselves to be sellers, distributors, or contract producers. They can also contact those interested in the beauty business directly. Accordingly, it provides an opportunity for general people to become product or brand owners due to flexibility in adjusting production volume per each customer's need, of both small and large enterprises. Such a condition facilitates MSME enormously while large beauty businesses' market shares will be divided. Nowadays, Thailand has a lot of standardized original equipment manufacturers (OEM), with diverse production formulas, a variety of natural raw materials, and herbs, including imported raw materials for producing health and beauty products. Regarding an academic article from the National Assembly Library of Thailand, the

Secretariat of the House of Representatives (2019), technological changes enable everybody to become producers or product distributors easily, while communication shifts bring about disruptive behaviors. Producers do not necessarily rely on “distributors” or “dealers” anymore, but they can use online channels to sell or distribute products by themselves.

Payment technologies. Thai payment systems nowadays are relatively effective, secure, and less expensive, while being able to respond to service users' needs. They also support MSMEs' business growth, and their E-Commerce, including those of large businesses, to make them accepted and trusted by both sellers and buyers. Payment technologies help to reduce financial costs and increase payment channels. At present, the payment method of Thai entrepreneurs has been shifted to digital payment more widely. Such notion accords with the study of Chanikarn Hothai (2020), which found that despite the crisis of COVID-19, it is good news that Thai people have turned to use “digital payment” as their major alternative and an important tool toward convenient, rapid, and secure business transactions that can be done anywhere at any time within reasonable expenses while being able to avoid risks from the pandemic caused by touching and using cash via a variety of payment forms that can respond to consumers' needs.

Transportation technologies. At present, anxiety about online commerce and delivery has decreased drastically because transportation companies in the digital era can deliver products through easy and rapid channels with low costs and time-saving. Moreover, information technology services are provided for customers, i.e., both sellers and buyers can trace the transport status. The Fulfillment System is another transport management system that is significant nowadays through the adoption of information technologies into the transport systems towards smoother and more complete functions within a one-stop service, i.e., inventory, packaging, delivery, etc. Therefore, it is a popular service and tends to grow in Thailand. The system can help to solve problems and reduce business burdens so a business can be operated more effectively and agilely. Thus, it is appropriate for online distributors who need more systematic E-Commerce, which is supported by the Department of International Trade Promotion in Shanghai (2016) that an E-Commerce system cannot be fully developed without logistic system development in a certain area.

6.2.1.5 Environmental Conditions

The natural environmental condition that affects the beauty business most predominantly during the study is the pandemic of COVID-19. During the first quarter of 2020 or the initial stage of the spread, an abrupt drop in sales volumes of beauty products was witnessed, especially those of offline shops. As a result, many beauty businesses transferred their trading channels to online channels. McKinsey evaluated that on average, each seller could gain an increased sales volume of 20-30%. Especially, the sales volume of sellers who established their online systems before the arrival of COVID-19 increased double. Since both entrepreneurs and consumers are stimulated to enter online commerce more quickly than usual, it provides an opportunity for micro-entrepreneurs who can adapt themselves quickly to access consumers before others and propose their products to the target groups more easily. Furthermore, a movement toward E-Commerce platforms and other technologies boosts online trading activities toward more effectiveness. Nevertheless, the pandemic of COVID-19 has slowed down economics throughout the world and lessened consumers' consumption as they are more cautious of expenses. Thus, entrepreneurs who cannot adapt themselves timely to catch up with consumers' abruptly changing behaviors will lose their opportunities for creating revenue and lose their resources allocated before the crisis. A huge number of entrepreneurs' entry and adaptability toward online markets leads to more intense competition with both old and new competitors. From the survey of the Office of SME Promotion (2020), consumers' behaviors that were found to be changed during the spread of COVID-19 were 1) consumers were more cautious of their expenses, 2) consumers turn to pay more attention to health, sanitation, and security, 3) people must comply with the social distancing policy, and 4) consumers needed to be assured of products before deciding to buy them. Interestingly, it was found that some entrepreneurs got advantages from the crisis, namely dietary supplements that could make higher profits because consumers were concerned about their health. Besides, because of the economic decline in which a substantial number of employees were laid off or their salaries were deducted, people turned to applying as dealers increasingly to have extra income.

6.2.1.6 Legal/Regulation Conditions

The laws related to online businesses are classified as follows: laws related to online entrepreneurship and online shops, laws related to products, laws related to intellectual property, and laws related to advertising. Such laws are for regulating and bringing about righteous competition in the beauty business in the digital age. However, due to no strict and inclusive enforcement of the laws, some groups of entrepreneurs exploit a gap in the laws to grab huge income from selling harmful products to consumers, while discouraging entrepreneurs who comply with the laws strictly. On the other hand, the government sector lacks collaboration with the private sector and does not notify laws that are useful for the private sector. Consequently, entrepreneurs have a negative attitude towards concerned agencies, which affects collaborations in other ways as well, especially in the policy of co-mobilization between the government and private sectors. Patrawet Tharawetcharak (2019) found that legal factors need to be supported by clear measures and criteria, i.e., the supervision of employees, consumer protection, human rights, fair prices and services, E-Commerce, cultural heritage promotion, and conservation, etc.

6.2.2 Part 2: The Good Governance Framework in the Beauty Business Model in the Digital Era

From the findings on the good governance framework in the beauty business model in the digital era as reported earlier, the following findings can be discussed as follows:

- 1) Customer Segments: Codes of ethics are inserted in the components of value propositions, customer relationships, channels, and revenue streams, which accord with the study of Witawat Rungruanphon (2013), which found that entrepreneurs in Songkhla Province wanted the development of practical guidelines for businessmen in Songkhla Province to conduct economic activities related to ethical practical guidelines in the same direction, as follows: 1) Require entrepreneurs to produce fair products and services for consumers, 2) determine fair selling prices to consumers without taking advantage of them, 3) Control product to have good quality and be standardized continuously 4) promote organizational ethics, 5) encourage sincerity and honesty to customers, 6) promote transparent operation in the part of

government sectors, which can also enforce private businesses towards ethical business operations.

2) Value Propositions: Ethics are inserted in the value of product security and quality, which is supported by the study of Weerayut Ratchatawetchakul (2020), which found that ethics of business operations and community product quality in Khon Kaen Province were rated at a high level. From analyzing each dimension of ethics, it was found that trust establishment for customers was practiced the most, followed by honesty to customers. Similarly, Pengman (2016) studied business ethics toward sustainable retailing business and found that due to globalization and consumers' changing behaviors, it is essential for businesses to find ways to survive. Generally, business ethics help to increase values for business organizations so ethical organizations can get customers' trust, while honesty and sincerity to customers are also valued by customers, employees, and the general public, which leads businesses towards sustainability.

3) Channels: The related ethics are displayed through ethics of selling, identification, description and demonstration, commercial/trading activities, benefits protection, quality assurance, and after-sales services. For the beauty businesses through a dealership, ethics of business partnership are also inserted. (Banjong Rattanalert, 2012) Banjong Rattanalert (2011) states that selling is a task of communicating with customers; therefore, good and proper selling service will make customers satisfied with, trust, and loyal to the product of such a dealer. Hence, selling ethics are very crucial in selling products.

4) Customer Relationship: Ethics involve marketing communication and respect for privacy, while dealers must concern about individuals' rights additionally, which accords with the statement of Chintana Bunbongkarn (2001) that marketing ethics are related to customers mainly, especially in terms of product advertising, sales promotion, marketing research, pricing, and trust establishment. All these activities involve ethics, such as honesty to customers, righteous advertising, no overclaiming data, no misleading information, etc., including any selling strategies that can violate business codes of conduct.

5) Revenue Streams: Ethics are inserted in the domain of financial and business records, while beauty businesses through a dealership need to concern

additionally about the invitation for business partnership, remuneration and account balance, competition ethics, and organizational codes of ethics. Chintana Bunbongkarn (2009) notes that marketing ethical issues often involve the disclosure of important and correct data without exaggerating or bluffing advertising, i.e., providing seductive information for the target groups to attract them to buy products or services. Some companies may not disclose information about their business operations that may affect their employees' health and well-being. On the other hand, make-up advertising may affect the freedom of choice of consumers, shareholders, and employees.

6) Key Resources: Ethics are inserted in human resource development, as Chintana Bunbongkarn (2009) states that ethics and management are closely related. Ethical issues emerge in an organization and it depends on to what extent each organization imposes its policies related to ethical issues. If executives are adhered to ethics or are ethical persons who make their decisions concerning ethics, then the chance that such an organization or a company can be proceeded ethically, especially in the domain of corporate property protection. Besides, ethical issues also include conflicts of interest. Natepanna Yawirat (2008) remarks that to manage an organization effectively, it is essential for executives to have practical guidelines on ethics. A good executive must be honest and will not exploit for his/her benefit. Moreover, ethics related to key resources cover corporate security and confidentiality protection; individuals' rights and data protection; corporate representation; sanitation, security, and stability; respect for diversity, harassment, and respect for employees. Concurrently, Munsuwan (2016) studied ethics in business operations and found that management factors, namely production and human resource management have a positive relationship with ethics in business operations. Furthermore, the provision of knowledge on morality to organizational personnel affects smooth business operations, working effectiveness, and sustainable organizational development.

7) Key Activities: The key activity component in the business model covers ethics in competition and responsibility as a corporate citizen, including the maintenance of righteousness in competition. (Apirat Tangkrachang & Bandit Pungniran, 2003)Apirat Tangkrachang et al (2003) define "social responsibility" as

business operations that comply with laws and codes of ethics by concerning about benefits of all involved, both directly and indirectly from the effect of certain business operations. Therefore, business organizations must perform their role as a leader in conducting proper and good practices or in contributing benefits to society. Typically, the responsibilities of business organizations can be divided into several domains, i.e., economic, legal, and social. However, social responsibility is what creates a balance between the benefits an organization deserves and social benefits to ensure common benefits between business and society. In addition, Apirat Tangkrachang et al (2003) notes that environmental management, especially white environment, can be applied for improving strategies for competition and increasing an organization's competitive advantages in 4 dimensions: 1) Cost reduction. Companies that can reduce waste pollution and practice recycling will get yields in the form of decreased costs, 2) Distinguished products. Companies with a good reputation or environmental excellency, which have great concerns about environmental surveillance in their products and services will be admired and impressed by their customers, 3) technological innovation. Companies that are pioneers in environmental protection will be considered technological leaders as well since they keep developing new concepts and methods for reducing pollution and increasing their effectiveness through the creation of innovation that is marketable. All these innovations will be diffused and applied in the market more widely, and 4) strategic planning. Companies that implant the concept of supporting the environment can help the top management to evaluate the impact of the environment caused by the entire company.

8) Key Partners. The key partner component involves ethics of gift-taking and hospitality, bribery prohibition, fair commercial relationship establishment, righteous competition, and respect for rights Apirat Tangkrachang et al (2003) note that the American Marketing Association (AMA) applied the concept of ethics for their members to buoy up their professional conducts by adhering to laws and ethics, especially honesty and fairness in marketing activities. One of their rules is to protest any unethical behavior, i.e., bribery, commissions to influential people or kickbacks, unfair commerce and pricing, etc.

9) Cost Structure: Ethics related to the structure of costs are inventory supervision of dealers and buy-back policies, including cost management. Such

notions are supported by the study of Han and Hong (2019), which found that paying yields systematically via performance appraisal can help to establish trust, which has a positive effect on business performance and operations. Similarly, Berggren and Bernshiteyn (2007) found that if any business paid for all employees equally, it would be difficult to change an organization. On the other hand, such practice may reduce the overall effectiveness of business operations and ability to accomplish goals as planned as it is the management of remuneration that is not transparent.

6.2.3 Part 3: A Beauty Business Model in the Digital Era

From the acceptance of three drafted beauty business models under good governance in the digital era, in combination with comments received from experts through in-depth interviews, such drafted models were developed into four beauty business models under good governance in the digital era, as follows:

- 1) A model that emphasizes branding
- 2) A model that emphasizes retail distribution via online media
- 3) A model that focuses on investment
- 4) A model that emphasizes distribution through a dealership.

Each model has a different focus for mobilization in each component of the business model, depending on the expertise and key resources the entrepreneurs of each model have. Therefore, despite being the same kind of business, their business models may be different, as supported by the study on the innovative business model of pain-relief herbal products of Ratchaneekorn Treesamutkul (2015), which found that entrepreneurs who were brand leaders in the market applied strategies for each component in the business model differently. Still, three main components were found as their commonalities: value propositions, distribution channels, and customer relationships, which include marketing activities. However, each brand also has a different strength. For instance, Brand A emphasizes distribution channels mainly, while Brand B focuses on value propositions, marketing activities, and customer relationships, similar to Brand C, which gives importance to marketing activities and customer relationships. Notably, their presented strategies depend on each organization's potential and restrictions.

6.3 Summary

The study is divided into three parts for a joint application, namely the study on the external conditions of the beauty business in the digital era, the good governance framework in the beauty business, and a beauty business model in the digital era. Briefly, the development of a beauty business model under good governance in the digital era needs to have information on the external conditions for designing a model, while the framework of good governance is also a latent strategy inserted in every component of the business model for preventing problems in business operations, especially misconducts in business operations that will obstruct goal accomplishment while affecting customers' trust, accountability, and acceptance of the entire organization and stability of the MSME beauty industry and their long-term business operations. Contrarily, if any organization ignores the importance of ethics and operates its business illegally or with self-benefits, the consequences will be in the opposite direction.

Eventually, up to the completion of the study, the researcher found 4 models of the beauty business in the digital era that are driven by each model component differently, depending on the entrepreneurs' expertise. Some businesses may apply more than one type of business model. Accordingly, entrepreneurs can apply each "beauty business model under good governance in the digital era" as their guideline for developing their model in various forms based on diverse assumptions so that they can select the model that is the most suitable for each condition at each time, with the insertion of ethics as their strategies for each component of the business model. Nevertheless, before the development of any business model, entrepreneurs can also apply information on the external conditions obtained from this study, as illustrated in the below figure, as guidelines for planning and developing their business model more completely.

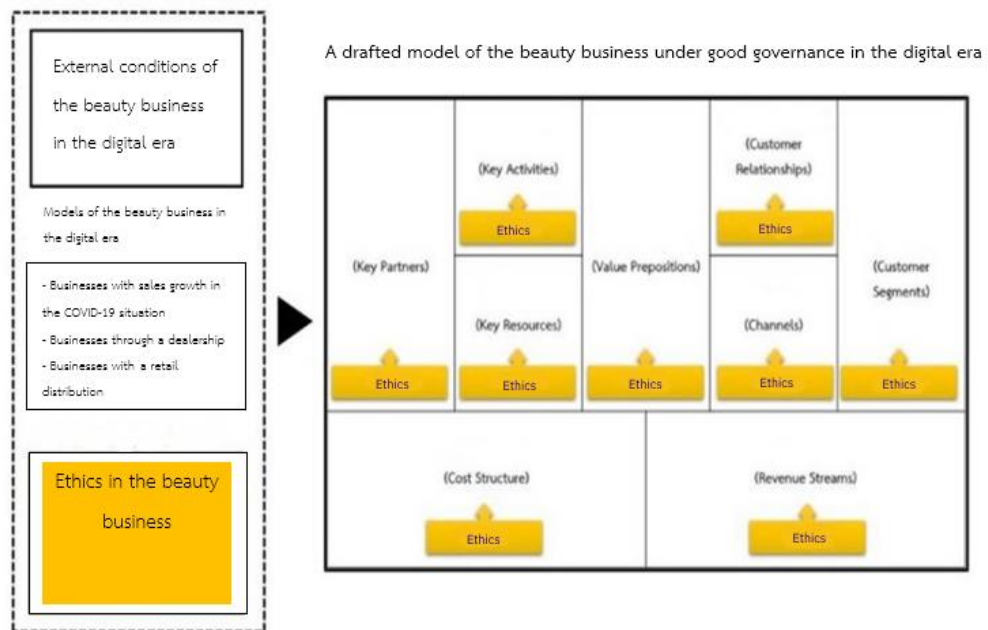


Figure 6.2 The Development of a Beauty Business Model under Good Governance in the Digital Era

6.4 Recommendation

6.4.1 Recommendation for the Government Sector

The government sector can apply the developed beauty business model under good governance in the digital era, developed by this study, as information for preparing policies and practical guidelines for promoting entrepreneurs in the said business, i.e., the issue-setting for promoting and supporting entrepreneurs, the establishment of new standards in parallel to business sustainability based on nine components of the business model.

Table 6.7 The Examples of Issue-setting for Promoting Entrepreneurs and Determining Rules, Regulations, and Ethics for Beauty Business Operations and for Creating Consumer Awareness, are Based on Nine Components of the Business Model

Issue	Ways of Supporting/Promoting Entrepreneurs	Policy, Standards, Regulation, and Ethics in Business Operations	The creation of Consumers Awareness
Customer Segments	Convenient and rapid access to basic information on consumers' behaviors	Responsibilities for consumers	Beauty value that is appropriate for the quality of life and mental health
Value Propositions	Accessibility to research sources and advanced product development, both domestically and internationally.	Product security and quality and ethical value propositions	Advertising literacy
Channels	Fluidity in a commercial process starting from the beginning up to the end via various channels by surveillance of Thai entrepreneurs and enhancing their competitive advantages over foreign competitors	Trading/commercial activities within an ethical framework	Deception literacy
Customer	Activities for	Communication and	Beauty values,

Issue	Ways of Supporting/Promoting Entrepreneurs	Policy, Standards, Regulation, and Ethics in Business Operations	The creation of Consumers Awareness
Relationships	establishing good relationships with both domestic and international customers like what other businesses do, i.e., press, home, garden, car, restaurant, etc.	activities for establishing good relationships with consumers.	especially expressing Thai product quality and advertising literacy
Revenue Streams	Provision of knowledge and channels for creating income diversely.	Proper pricing and revenues from legal and ethical business operations	Deception literacy and ways of creating income by fraud sellers.
Key Resources	Accessibility to quality personnel, research, and resources in Thailand	Responsibilities for stakeholders and the environment	Social responsibility and environmental concern
Key Activities	Empowerment in various dimensions, i.e., production, communication, transport, etc.	Legal and ethical business operations	Social responsibility and environmental concern
Key Partners	Entrepreneurs are key partners in many aspects, such as strategies, collaboration	Participation in regulating and applying codes of ethics in business	Positive value toward Thai beauty-product image and

Issue	Ways of Supporting/Promoting Entrepreneurs	Policy, Standards, Regulation, and Ethics in Business Operations	The creation of Consumers Awareness
	on competition, joint ventures, partnerships, etc.	operations as strategies for strengthening business growth and stability.	quality
Cost Structure	Access to capital sources and supervision of key resources' proper and fair costs	Legitimate cost management, i.e., taxation, remunerations, etc.	Positive value toward Thai beauty-product image and quality

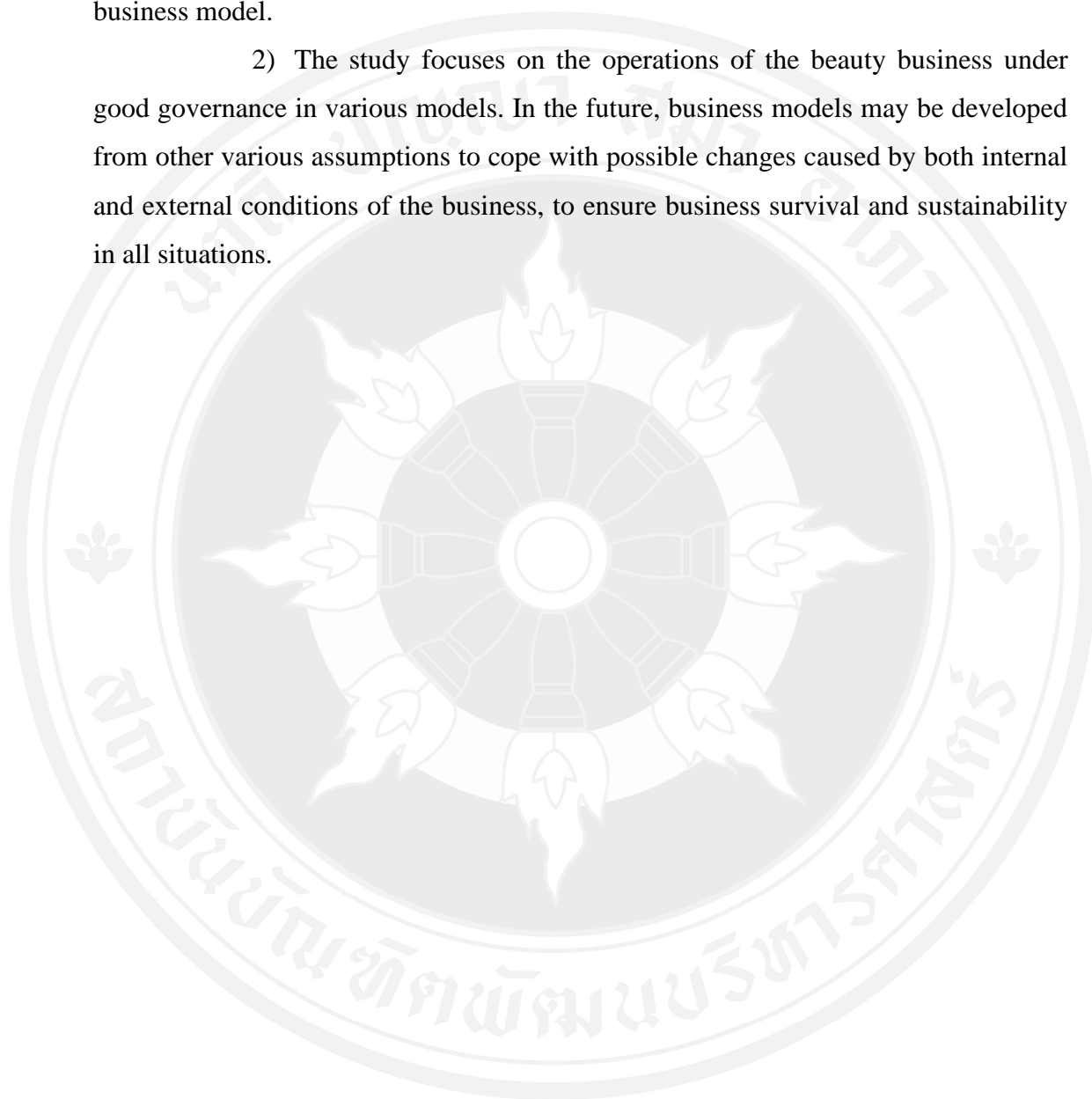
6.4.2 Recommendation for Entrepreneurs

Owing to the misconducts of some entrepreneurs, i.e., product quality and security, marketing communication, deception for business investment, etc., the entire online beauty business and industry is perceived with a negative image and low credibility. Besides, because of the violation of regulations and codes of conduct in online distribution, many entrepreneurs wasted their money meaninglessly and had to re-invest in certain distribution channels again. Such unethical business operations cannot lead an organization toward sustainable growth. Accordingly, entrepreneurs need to adhere to their code of conduct or ethics in their business operations since business is a structured organization and involves a process of establishing relationships among all parties of stakeholders to create a competitive advantage. Such a procedure will lead an organization toward growth while increasing values for all concerned parties under good governance or under great concern about its stakeholders and society.

6.4.3 Recommendation for the future studies

1) The findings of the study do not identify steps of designing a business model; thus, in future studies, a process of developing a business model should be provided more thoroughly as guidelines for entrepreneurs to design their business model.

2) The study focuses on the operations of the beauty business under good governance in various models. In the future, business models may be developed from other various assumptions to cope with possible changes caused by both internal and external conditions of the business, to ensure business survival and sustainability in all situations.



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APPENDICES



APPENDIX A

**Questions on the External Conditions of the Beauty Business
in the Digital Era**

Questions on the External Conditions of the Beauty Business in the Digital Era

Component/Domain	Operational Definitions of the Study	Research Issues/Questions
Political	Political factors affecting the beauty business, i.e., short- and long-termed governmental policies influencing the business and leading to actual operations, political stability, international cooperation, etc.	<ul style="list-style-type: none"> - What are the government's policies relating to the beauty business? - The government's earnestness in driving the policies toward efficiency.
Economic	Economic factors affecting the beauty business, i.e., the national household income, economic growth tendency, business operation costs, competition in the beauty market, etc.	<ul style="list-style-type: none"> - What is the current situation of the beauty market? - Trends of domestic and global markets. - Marketing communication strategies of the beauty business.
Social	Social factors affecting the beauty business, i.e., culture, value, attitude, tradition, custom, consumption behaviors, lifestyles of people in society, domestic infrastructure, etc.	<ul style="list-style-type: none"> - What are predominant Thai consumers' behaviors in the digital era? - What are the values and behaviors of consumers in the beauty market? - How have consumers' behaviors changed since the emergence of COVID-19?
Technological	Technological factors affecting the beauty business, i.e., the national overall technological infrastructure, research and development (R & D), accessibility of people to	<ul style="list-style-type: none"> - At which stage is the development of the national technological infrastructure related to the beauty business, i.e., information and communication, payment, production,

Component/Domain	Operational Definitions of the Study	Research Issues/Questions
	technologies, etc.	transportation, etc.? - What is the situation of Thai people's accessibility to information and communication technologies in the digital era? - How do technologies affect consumers' behaviors and business operations?
Environmental	Environmental factors affecting the beauty business, i.e., climate, pandemics, etc.	- Does the natural environment affect business operations? Does it influence the value proposition to buyers? - How has the COVID-19 situation affected the beauty business?
Legal	Legal factors affecting the beauty business, i.e., laws related to consumer protection, taxes, copyrights, health and safety, regulations and obligations of the business, etc.	- What are laws related to beauty business operations? - Have any laws been enforced seriously? - What is the current condition?



APPENDIX B

E-Commerce Technologies

E-Commerce Technologies

Functions for Sales on Social Media

Facebook: Marketplace. It was introduced, in parallel to Facebook Live, from the forecast of E-Commerce growth, since a lot of Thai Facebook users prefer using Facebook Live for sales to replace general digital content generation like users in other countries.

Instagram: Instagram Shopping. It has been applied in other countries before being launched in Thailand at the end of 2020. It has been popular in many stores on Instagram shortly after its introduction because Thai people have been using personal accounts to open their businesses on Instagram for quite a time.

LINE: MyShop and LINE Shopping. LINE is another platform that forecast E-Commerce growth in Thailand so it introduced two platforms: MyShop for back-end system management for stores participating in LINE, and LINE Shopping, like Marketplace, a center of both SME and big brands.

A CF Suction System

A suction system or technology is an information technology created for facilitating online commerce activities. It is generally called CF or “Collaborative Filtering.” It is a real-time order management system on social media. At present, E-Commerce is dispersed in Thailand via LIVE functions. Entrepreneurs will use real-time product proposals while buyers can order products instantly through the comment box on the store’s pages or live channels, i.e., Facebook, IG, LINE, OA, Shopee, Lazada, and websites, then, all orders will be summarized automatically to buyers' text boxes or inbox direct message so that they can pay as stipulated.

For the operation of the CF system, each service provider will have a similar basic function, namely

1. Screen the codes of products needed to purchase from comments of live selling for order.
2. Deliver a bill of total orders needed to purchase for confirmation automatically (without waiting for the end of live broadcasting).
3. Support CF comments

4. Balance deposit systems (Buyers who make an order several times via live broadcast can collect the balance of all orders)

5. Balance follow-up and cancellation systems for customers who confirm an order but have not paid yet.

6. Automatic bill-checking systems (Verify bills or receipts if any forgery or repeated bills are found, together with balance auto-checking.

Other additional functions:

1. Live broadcasts with multiple fan pages simultaneously but deducting products from the same inventory.

2. Functions for creating or modifying keywords, prices, and products during live broadcasting.

3. Opening/closing systems of needed keywords.

4. An order-trial function for a store to check its product keyword before actually selling.

5. A firework function for displaying lists of possible buyers to increase the amusing atmosphere and make live broadcasts more colorful or livelier.

6. Functions for checking the remaining products in stock during live broadcasting.

7. A warning alarm of out-of-stock product codes during live broadcasting.

8. Functions for correcting customers' orders by mistakes.

9. An order system with discount-coupon compilation.

10. Functions of a product queue for sales.

Values of a CF suction system

1. Buyers can order instantly by typing "reservation" with codes specified by sellers. The system will screen codes from the comment display in real-time and completely, including summarizing an order balance and creating an instant order within the system to reduce the problem of incorrect or incomplete reservation balances.

2. Sellers can summarize reservation balances to buyers automatically for instant payment. The system will deliver personal statements to buyers, consisting of a reserved-product list, accounts for payment, and links for buyers to fill up

detailed information for product delivery and as payment evidence. Therefore, the system can encourage buyers to close sales by themselves rapidly while reducing problems of abandoned reserved products because of too complicated steps. In the case that buyers who reserve products do not pay, a store can send a text to remind buyers to pay automatically. Besides, it can selectively sustain the accounts of buyers who have not paid.

3. A system controller can check transfers of payment instantly without waiting for sending a summary of reservation balance to buyers because the system is equipped with distinct separate order statuses that are easy to use. After checking, a packing team can manage products for immediate delivery.

Payment Technologies

Digital Payment can be done through a variety of channels (Nares Laopannarai, 2021); for example,

Social Platform

Products can be paid for through social media, i.e., Facebook, Line, etc. with self-payment features for supporting Thai people's preference for online purchases. Product owners can close their sales instantly, conveniently, and rapidly, with continuous marketing promotion campaigns.

Payment Gateway

Earlier, the use of Payment Gateway might be too costly since software developers needed huge investments for its development so there were only large companies as service providers. However, nowadays, software producers can create online payment platforms with relatively lower costs so MSME entrepreneurs can use them. Buyers can pay by deducting from their bank accounts or paying with a credit card. Besides, QR codes are developed for enabling buyers to pay through a bank's online application.

Digital currency

Digital currency is another option for today's payment due to the trend of using digital currency, such as bitcoin, etc., which is popular at present. Owing to the advantages of digital currency value that tends to increase, platform-development entrepreneurs allow stores to accept real-time payment with digital currency in

possession by transforming digital currency into Thai Baht. Thus, it helps to alleviate their anxiety about price fluctuation. Even Paypal, a global payment platform, also starts accepting the digital currency for expenses.

A Fulfillment System

Fulfillment is a service of managing inventory, packaging, and product delivery, which gains high popularity and tends to grow increasingly in Thailand because it helps to solve business problems, especially some operational burdens, and enhances the effectiveness and agility of business operations. A fulfillment system is suitable for online distributors who require more systematic online businesses.

There are four types of fulfillment services:

1. Order fulfillment is a service of managing storage space, packing, and delivery, including managing systematic order management so that sellers can prepare, pack, and deliver products instantly and readily to buyers.
2. Fulfillment center is an online inventory that is the center of stocks and product distribution to other sub-inventories or customers directly. The center consists of inventory management systems and systems for connecting product data effectively.
3. Fulfillment service is a holistic system of inventory management through a fulfillment system, starting from storing, packing, and delivering products, including product supply. A fulfillment service can reduce burdens for online distributors efficiently.
4. E-fulfillment is online inventory that applies technologies and internet networks for systematic product management, which helps to find products, follow up on orders and products, and investigate product conditions conveniently and rapidly.

Functions of a fulfillment service

1. Door-to-door delivery so service users do not need to have their products stored at the warehouse by themselves which helps to save time and provides facilities for business owners.
2. Product storage in a safe space suitable for large-quantity inventory without causing any damage or loss.

3. Ordered product packing. Once an order is received, ordered products can be arranged and packed for immediate delivery.

4. Product delivery after product preparation and packing, which helps to facilitate customers by delivering products through a well-known courier or transport company, such as Kerry, Thailand Post, Flash, etc. A fulfillment service helps business owners to save time without delivering products by themselves.

Benefits of a fulfillment service:

1. A fulfillment service helps to reduce costs of business operations related to warehouse rental, equipment, packing, and gasoline for transporting goods to a transport company, so online sellers can earn increased income and spend their money fully on developing products for online markets and increased sales.

2. The service helps to save time in running a business as it manages everything after the receipt of orders, starting from storing, packing, and delivering products.

3. The service increases storage space as a fulfillment service can serve large storage with ample space for effective inventory and business owners can be assured that products will be stored safely without damage.

4. The service decreases the costs of hiring packing employees so it helps to reduce business capital and transport errors.

5. Entrepreneurs can check product conditions and search for products easily since products are stored systematically while product information is linked to service users, which helps them to access product information and order from everywhere at every time.



APPENDIX C

The Findings of Data Analysis of Business Ethics

The Findings of Data Analysis of Business Ethics

The findings are analyzed and summarized in the following Table from data collection from the related documents, websites, and key entrepreneurs' websites on ethics in business operations of four organizations, which vary by their business nature and characteristics.

Table A Business Ethics of the Beauty-product Business in the Digital Era for Consumer Protection

Ethics for Consumer Protection of the Beauty-product Business in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Security and Product Quality				
1. Both domestic and international provisions and regulations are complied with to ensure congruence with the organization's all products.			✓	✓
2. Products pass a systematic development, production, and delivery process for quality and sanitary control toward the highest standards at every step. (Besides, the process of selecting raw materials or substitutes, security, effectiveness, and quality must be examined thoroughly and cautiously to avoid environmental, social, and ethical problems.)			✓	✓
3. Any possible problem related to product safety and quality must be solved urgently and notified to all concerned.				✓

Ethics for Consumer Protection of the Beauty-product Business in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Selling				
1. Deceptive or unfair selling strategies leading to any misunderstanding are prohibited.	✓			
2. No exploitation will be taken because of the lack of consumers' experience, knowledge, trust, and sickness.	✓		✓	
3. No exaggerating statements are used, i.e., the use of an unauthorized, untrue, outdated, or irrelevant case study or affirmation, in selling or in any way that causes consumers' misunderstanding.	✓	✓	✓	✓
4. Buyers are not persuaded by a claim of partial or full discounts if they can recommend other customers to order products, especially if such discounts or returns may be conditions that are uncertain in the future.	✓			
Identification				
1. The real status of a seller must be identified clearly to any interested consumer without request, starting from the beginning of the sales presentation. Names of a seller's affiliated company, proposed products, and objectives must be specified.	✓			
Explanation and identity presentation				
1. Products must be explained and demonstrated completely and correctly	✓	✓	✓	✓

Ethics for Consumer Protection of the Beauty-product Business in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
especially prices. If there is any additional proposal, i.e., payment conditions, time for product consideration, policies of product returns, etc., must be provided correctly and understandably to answer consumers' every question. Besides, in stating product effectiveness, sellers must provide certified information by the company only.				
Selling activities				
1. A purchase order must be delivered to consumers at or before the selling time. The purchase order must specify the name of the company and independent seller. The specified name must be in a full name with the permanent address, and the company's or seller's telephone number, including documents on sale conditions, warranty, or guarantee in detail, limitations of after-sales services, the name and address of the guarantor, warranty period, and ways of problem-solving for customers. All of these data must be stated clearly in the purchase order or attached to the product. Besides, all conditions must be clear and easy to understand.	✓			
2. Products must be delivered as per consumers' purchase orders within a proper period.	✓			

Ethics for Consumer Protection of the Beauty-product Business in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
3. Before delivery, all quality examination and management must comply with both domestic and international legal regulations and limitations and be checked thoroughly to ensure the company's increased internal management standards strictly.				✓
4. There should be no influence on pricing policies for customers.			✓	
Marketing Communication				
1. Media for sales promotion and advertising must be designed with correct and provable information with detailed properties or illustrations of the product without leading toward misunderstanding or deceptive persuasion. The company's name, address, and telephone number must be given, including the seller's telephone number.	✓	✓	✓	✓
2. Questions on products must not be answered without the ability or authority to do so.			✓	
3. Public relations and any statements must comply with an internal audit process without violating the concerned laws or the company's policies. Responsible persons or staff must be investigated sufficiently.			✓	✓
4. Communication should be conducted for supporting all types of beauty diversely.			✓	✓

Ethics for Consumer Protection of the Beauty-product Business in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Sensitivity toward religions, races, cultures, and social groups should be a concern, including human dignity, anti-violence, and beliefs in sexuality.				
5. The advertising and product promotion content must accord with the corporate code of ethics and be applied cautiously to prevent ethical violations, i.e., human rights, pollution, environmental damage, products for children or teenagers, etc.			✓	✓
6. The use of any animal for public relations must be careful, especially the animals in the list of preservation animals and those that are not accepted to be trained for any commercial purposes.			✓	✓
7. No exaggeration should be used in public relations, especially a claim that the use of the product can provide occupational advantages, social acceptance, and environmental or social claims intentionally.	✓		✓	✓
Competition				
1. No comparison that might cause some misunderstandings should be made. If necessary, the comparison will base on certifiable facts without denigrating any company, business, or product unfairly, either directly or indirectly. No trademark	✓		✓	

Ethics for Consumer Protection of the Beauty-product Business in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
or symbol of any other company, business, product, or reputation is used for business advantages unjustly.				
Benefit protection and quality assurance after-sales service				
1. Consumers must be informed of the length of time they are allowed to make an order cancellation and return products to get refunds. In the case of any quality defect or reasonable appeal, or consumers' rights to get full refunds of the re-sellable products, the period for consumers' inspection of products must be specified clearly. In some cases, it depends on legal restrictions or exceptions regarding consumers' permitted time for scrutiny.	✓			✓
2. Services should be provided for customers with responsibilities regularly with continuous visits and follow-ups of the sold products.		✓		
3. Consumers' appeals must be reported to the Consumer Department for immediate correction. In the case of risks or harms to consumers' health or property because of some products' defects or in the case of anxiety about any possible negative effect, sellers must not ignore or refrain from opinion exchanges about product safety.			✓	✓

Ethics for Consumer Protection of the Beauty-product Business in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Respect for privacy				
<p>1. Consumers' personal data must be protected and the following acts must be avoided:</p> <ul style="list-style-type: none"> - Taking customers' documents out of the working sphere. - Making customers' information leak out. - Re-using or no shredding of customer's documents after use is prohibited. - The prohibition includes any similar acts to the abovementioned, i.e., leaving customers' information unattended or destroyed without attentiveness, etc. 			✓	✓
2. There must be proper steps for storing customers' information to ensure that it will be used within the commonly agreed area, except for customers' agreement or authorized permission.	✓			✓
3. No information will be collected for marketing purposes without notifying internet users in advance.			✓	
4. Consumers should be contacted in the proper manner and timing to avoid violating personal privacy. Demonstration of products or product proposals must be ceased immediately upon consumers' request.	✓			

From data collection from the related documents, websites, and key entrepreneurs' websites on ethics in business operations of four organizations with four business ethical concepts, ethics related to consumer protection are found in all four organizations, as follows:

Ethics in selling: Deceptive or unfair selling strategies leading to any misunderstanding are prohibited; no exploitation will be taken because of the lack of consumers' experience, knowledge, trust, and sickness; and no exaggerating statements are used, i.e., the use of an unauthorized, untrue, outdated, or irrelevant case study or affirmation, in selling or in any way that causes consumers' misunderstanding. For distributorship, buyers must not be persuaded by a claim of partial or full discounts if they can recommend other customers to order products, especially if such discounts or returns may be conditions that are uncertain in the future.

Explanation and identity presentation: Products must be explained and demonstrated completely and correctly, especially prices. If there is any additional proposal, i.e., payment conditions, time for product consideration, policies of product returns, etc., must be provided correctly and understandably to answer consumers' every question. Besides, in stating product effectiveness, sellers must provide only certified information by the company.

Marketing communication: Media for sales promotion and advertising must be designed with correct and provable information with detailed properties or illustrations of the product without leading toward misunderstanding or deceptive persuasion. It must comply with a media audit process without violating the concerned laws or the company's code of ethics. Questions on products must not be answered without the ability or authority to do so. Besides, a global beauty organization gives importance to all types of beauty diversely. Sensitivity toward religions, races, cultures, and social groups should be a concern, including human dignity, anti-violence, and beliefs in sexuality. The use of any animal for public relations must be cautious. No exaggeration should be made, especially a claim that the use of the product can provide occupational advantages, social acceptance, and environmental or social claims intentionally.

Benefit protection, quality assurance, and after-sales service: Consumers must be informed of the length of time they are allowed to make an order cancellation and return products to get refunds. Consumers' appeals must be reported to the Consumer Department for immediate correction. In the case of risks or harms to consumers' health or property because of some products' defects or in the case of anxiety about any possible negative effect, sellers must not ignore or refrain from opinion exchanges about product safety. For the distributorship business, services should be provided for customers with responsibilities regularly with continuous visits and follow-ups of the sold products.

Besides the above four ethical issues, other codes of ethics of the four organizations are found to be different, as follows:

Selling activities are found in three organizations: WFDSA, L'Oreal, and Amorepacific, which specify that products must be delivered as per consumers' purchase orders within a proper period. Before delivery, quality examination and management must comply with both domestic and international legal regulations and limitations and be checked thoroughly to ensure the company's increased internal management standards strictly. Besides, a purchase order and documents related to sales conditions delivered to consumers must specify essential details completely and understandably.

Respect for rights of privacy: Three organizations specify this code of ethics by saying that consumers' personal data must be protected and any acts that are risky toward information leakage must be avoided. Besides, there must be proper steps for storing customers' information to ensure that it will be used within the commonly agreed area. No information will be collected for marketing purposes without notifying internet users in advance. Consumers should be contacted in the proper manner and timing to avoid violating personal privacy. Demonstration of products or product proposals must be ceased immediately upon consumers' request.

Ethics in competition: It is the ethical issue for consumer protection of two organizations, namely WFDSA and Amorepacific, which says that no comparison that might cause some misunderstandings should be made. If necessary, the comparison will base on certifiable facts without denigrating any company, business, or product

unfairly, either directly or indirectly. No trademark or symbol of any other company, business, product, or reputation is used for business advantages unjustly.

Safety and product quality: It is the ethical issue specified in the code of ethics for consumer protection of two global beauty organizations: L’Oreal and Amorepacific, which says that the organization’s all products must comply with both domestic and international provisions to ensure their congruence with them. Products must pass a systematic process of development, production, and delivery for quality and sanitary control toward the highest standards at every step. Besides, the process of selecting raw materials or substitutes, security, effectiveness, and quality must be examined thoroughly and cautiously to avoid environmental, social, and ethical problems. Any possible problem related to product safety and quality must be solved urgently and notified to all concerned.

Identification: It is the ethical issue appearing in a distributorship business, namely WFDSA, which specifies that the real status of a distributor must be identified clearly to any interested consumer without request, starting from the beginning of the sales presentation. Names of the affiliated company, proposed products, and objectives must be specified.

Table B Business Ethics of the Beauty-product Business in the Digital Era for Distributors

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L’Oreal	Amore Pacific
Business partnership				
1. Notify distributors about conditions to be informed and comply with the corporate code of ethics to be able to maintain their membership in the distribution system of the company.	✓	✓		

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
2. No misleading, deceptive, or unrighteous statements to persuade interested people or distributors for maintaining their membership status.	✓			
3. Not persuade the underaged or minor persons. Those aged 18 up to not fully 20 years old are required to have their parents sign for any permission and acknowledgment of concerned responsibilities, i.e., juristic acts, organizational administration, compliance with codes of ethics and regulations, and financial responsibilities.		✓		
4. No shift or persuade others to shift their distribution line.		✓		
5. Present information about business opportunities, concerned rights, and obligations to interested people or distributors completely and correctly. No presentation of uncertifiable information or any promises that cannot be achieved, including not presenting false or deceptive information as benefits from selling the products.	✓			
6. Written agreement must be proposed for co-signing with the company with essential details about the nature of the relationship between a distributor and the company. The	✓			

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
company must notify all legal obligations, i.e., license, registration, taxes related to the business, etc.				
<p>7. Fee</p> <ul style="list-style-type: none"> - No unreasonable fee will be collected. Any collected fee must accord with a distributor's participation or status. - It is prohibited to require distributors to buy the company's products to complement their application, except that such a product purchase is included in the manual of introductory business operations if it is legally permitted without any legal violations. - Fees that the company collects for participation and maintenance of distributorship status, including additional services, must be able to be refunded by deducting from the received commissions. In the case of distributors, the distributorship status must be annulled within 30 days and the refunded fee must be determined to be paid within 30 days before the status will be terminated. - It is prohibited for a distributor to accept any commission from persuasion to participate in the company's business. 	✓			

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Remuneration and accountancy				
1. Report accounting balances to distributors to know periodically, i.e., sales volume, total orders, details about income, commission, bonus, discount product delivery, order cancellation, and other related information as commonly agreed by the company and distributors. The company must pay them entirely as agreed and deduct withholding taxes correctly and properly. The paid returns must come from product sales to consumers. The company's income may come from sales volume or consumption by itself including sales volume and consumption of Downline.	✓			
2. Claims of returns				
2.1 No claim of expected sales volume and selling amount.	✓	✓		
2.2 Rates of returns and sales volume must be true and revealed without any distortion, deception, or misleading, including being harmonious with the figures appearing in the related markets.	✓	✓		
2.3 Anyone interested to be a distributor must be informed of the correct amount; although, sales volume may be different, depending on each person's selling ability, amount of working hours, endeavor, and	✓	✓		

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
other factors. Besides, he/she must acquire sufficient information for assessing an opportunity for income gain. However, the company and distributors must not refer to expected sales amount or volume that is beyond its distributors' capabilities or is deviated from the actual amount so the claimed return amount or sales volume must have written evidence.				
Competition				
1. Products must be sold at the determined prices. Price-cutting will reduce profits one should get fully. Besides, it takes advantage of other business partners and causes chaos in the cycle of business operations.		✓		
2. Not order or deliver products to distributors of other lines of work to avoid conflicts between organizations.		✓		
Respect for individuals' rights				
1. Contact distributors properly in proper timing to reduce violation of their privacy, but work properly to make sure that consumers' personal data or data of those who want to participate in the business or distributorship will not be disclosed concerning domestic laws on the privacy and data protection policies.	✓			

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Inventory and product return				
<p>- Not compel or stimulate product purchase in too high quantities or unreasonably, but have proper audit methods to make sure that distributors receive returns on sales or orders, either from an organization's or a company's consumption or being qualified from the actual distribution</p> <p>- In the case that distributors request to terminate the relationships with the company, the company must accept to buy unsold inventory or reselling products, tools for business, and sales promotion, including business operations manuals that have been bought during the past 12 months. The company must be willing to return the costs of products by deducting the maximum operational expenses of 10% of the product cost. The company has the right to deduct benefit costs from the returned products. Still, it requires a clear explanation of inventory policies to distributors.</p> <p>- The compulsion or persuasion to have others buy products or sales promotion tools improperly is considered unfair and seductive persuasion so the company must find solutions to make sure of no loss of financial benefits as a consequence of</p>	✓			

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
<p>prohibited behaviors.</p> <p>- In the case that any improper, misleading, or deceptive persuasion is found, the management responsible for corporate codes of ethics must find ways to solve it to make sure that there will be no appeal against the loss of financial benefits as a result of such prohibited behaviors.</p> <p>Besides, it includes the compulsion of having the company's members buy inventory, business and sales promotion tools, and or business operation manuals, which are the same product the appellant bought earlier, repeatedly.</p>				
Media for selling				
<p>1. Tools/ devices</p> <p>- It is prohibited to do marketing or determine others to buy any tools or devices that are not permitted by the company or do not comply with the corporate policies or regulations. Moreover, the authorized and legal selling of training document or sales promotion tools/devices are required to:</p> <p>(1) Present tools or devices that accord with the standards determined by the company only.</p> <p>(2) Not require distributors to buy sales promotion tools/devices produced by the</p>	✓			

Ethics of the Beauty-product Business in the Digital Era for Distributors	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
company. (3) Sell sales promotion tools/devices with proper and fair prices without expecting overplus profits, but comparable to those generally sold in the market. (4) Set up product returns policies in writing as well as those of distributors' affiliated companies. - Have proper auditing methods to make sure that sales promotion tools/devices or equivalent produced by distributors comply with the provision of a code of ethics without any misleading methods to cause misunderstandings or deception.				
2. It is prohibited to receive revenues from selling a training program.	✓	✓		
Organizational ethics				
1. No scramble or exploitation from familiarity or relationships with other distributors in selling any products that do not belong to the company.		✓		
Human resource development				
1. Organize training sufficiently to provide knowledge for distributors for righteous business operations.	✓			

From data collection from the related documents, websites, and key entrepreneurs' websites on ethics in business operations of four organizations, four

business ethical concepts related to distributorship of two organizations are found, namely WFDSA and Amway, as follows:

Business partnership: Recommenders must notify distributors or agents about conditions to be informed and comply with the corporate code of ethics to be able to maintain their membership in the distribution system of the company without using misleading, deceptive, or unrighteous statements to persuade interested people. They must present information about business opportunities, concerned rights, and obligations to interested people or distributors completely and correctly. No presentation of uncertifiable information or any promises that cannot be achieved, including not presenting false or deceptive information as benefits from selling the products. Amway specifies additionally that it is prohibited to persuade the underaged or minor persons. Those aged 18 up to not fully 20 years old are required to have their parents sign for any permission and acknowledgment of concerned responsibilities. Besides, recommenders must not shift their line of work or persuade others to do so. The written agreement must be proposed for co-signing with the company with essential details about the company and all legal obligations.

Fee: No unreasonable fee will be collected. It is prohibited to require distributors to buy the company's products to complement their application, except that such a product purchase is included in the manual of introductory business operations. Fees that the company collects for participation and maintenance of distributorship status must be able to be refunded by deducting from the received commissions. In the case of distributors, the distributorship status must be annulled within 30 days and the refunded fee must be determined to be paid within 30 days before the status will be terminated. It is also prohibited for a distributor to accept any commission from persuasion to participate in the company's business.

Remuneration and accountancy: Report accounting balances to distributors to know periodically, as commonly agreed by the company and distributors. Rates of returns and sales volume must be true and revealed without any distortion, deception, or misleading, including being harmonious with the figures appearing in the related markets. Sales volume may be different, depending on each person's selling ability, amount of working hours, endeavor, and other factors. Besides, sufficient information for assessing an opportunity for income gaining must be provided.

Ethics in competition: Products must be sold at the determined prices and should not be ordered or delivered to distributors of other lines of work to avoid inter-organizational conflicts.

Respect for individuals' rights: Distributors should be contacted properly at the proper time and the operation must be proceeded properly to make sure that consumers' personal data or data of those who want to participate in the business or distributorship will not be disclosed.

Inventory and product return: Product purchases must not be compelled or stimulated in too high quantities or unreasonably, but have proper audit methods to make sure that distributors receive returns on sales or orders, either from an organization's or a company's consumption or being qualified from the actual distribution. In the case that distributors request to terminate the relationships with the company, the company must accept to buy unsold inventory or reselling products, tools for business, and sales promotion, including business operations manuals that have been bought during the past 12 months. The company must be willing to return the costs of products and explain inventory policies to distributors clearly. The compulsion or persuasion to have others buy products or sales promotion tools improperly is considered unfair and seductive persuasion so the company must find solutions to make sure of no loss of financial benefits as a consequence of prohibited behaviors.

Media for selling: It is prohibited to do marketing or determine others to buy any tools or devices that are not permitted by the company or do not comply with the corporate policies or regulations. Moreover, the authorized and legal selling of training documents or sales promotion tools/devices is required to comply with the standards determined by the company only. Proper and fair prices must be offered without expecting over-plus profits in the same way as the product returns policies of the affiliated company. Besides, it is prohibited to earn income from selling training programs.

Organizational ethics: Distributors must not scramble or exploit from familiarity or relationships with other distributors in selling any products that do not belong to the company

Human resource management: The organization should have sufficient training to provide knowledge for distributors for righteous business operations

Table C Business Ethics of the Beauty-product Business as Organizational Members

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Conflicts of interest				
1. Adhere to performing their duties toward the company's utmost benefits and avoid conflicts of interest or the conflict between personal financial benefits and the company's benefits, including displaying codes of ethics in operation and communication.			✓	✓
2. Disclose what may or seems to cause conflicts of interest or what may affect your decisions or work to your superior without any concealment.			✓	✓
3. Do not conduct one's business or contact other people or companies without permission from the company first. In the case of permission is requested in advance, the attorney-in-fact who is authorized to give permission needs to consider the request carefully to see if the person's concentration on his/her work will have an adverse effect or not				✓
4. Employees must not give or accept cash, gift vouchers, etc. to or from their				✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
colleagues, customers' employees, or partners, including other financial agreements.				
Financial and business records				
1. Financial and business records must be against money laundering.				
1.1 Participate in supervising the correctness of financial and business records, including financial information reports.			✓	
1.2 Follow recommendations on how to keep or save documents.			✓	
1.3 Work with customers in conducting activities to comply with legal laws and avoid money from criminal activities.			✓	
1.4 Cooperate with internal and external auditors fully.			✓	
1.5 Do not sell, transfer rights, or abandon any property of the company without permission or written consent.			✓	
1.6 Do not conduct business transactions in cash, except if it is inevitable and within the amount permitted by laws only. Otherwise, they have to be recorded as correct and legitimate evidence through legal authorization properly.			✓	
1.7 Do not conceal payment through a third party.			✓	

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
2. Keep documents and records related to taxes correctly and be ready to submit such documents at all times without violating provisions on taxation.			✓	
Gift-taking and hospitality				
1. When contacting any stakeholder, employees must not offer or accept any illegal gift or hospitality, especially products, special treatment, money, benefits, etc., from customers, sellers, other employees, etc.				✓
2. Employees may accept a gift or present that is allowed by laws or as a tradition to proceed with business activities smoothly, but have to make sure clearly that such offered or accepted gift and hospitality will not violate the laws and corporate policies or procedures. If any, they must report to their immediate superior or the Ethics Office.				✓
3. The corporate ethics policies must be notified to customers, sellers, partners, and all stakeholders to comply with the corporate ethical standards. If any violation or dishonesty is found, it must be reported to the Ethics Office.				✓
4. Due to the different traditions of gift-giving and hospitality of each country and				✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
culture, it is cautiously concerned to ensure accordance with domestic laws and traditions without violating corporate policies.				
Bribery				
1. Do not offer or accept any bribery, product, special treatment, hospitality, or non-monetary benefits to or from stakeholders for personal business purposes or profits.				✓
2. Employees may accept a gift or present that is allowed by laws or as a tradition to proceed with business activities smoothly, but have to make sure clearly if such offered or accepted gift and hospitality will violate the laws or corporate policies or not. Besides, before any decision is made, it is crucial to consider if it goes beyond the criteria accepted by the signatory.				✓
3. If employees are forced or requested to offer products, gifts, hospitality, etc. that are improper or illegal, stakeholders responsible for the business operations or in task-related situations must report this to the Ethics Office of the company.				✓
4. For the countries that sign in an anti- corruption convention of OECD that requires signatory countries to criminalize				✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
bribery of foreign public officials in conducting international business transactions, it is prohibited to offer any bribery and illegal benefits to foreign public officials for business or working purposes. Moreover, it is also prohibited to offer money for illegal facilities to governmental agencies or officials in other countries and foreign public officials concerning the following persons: <ul style="list-style-type: none"> · Residents in foreign countries who are elected or assigned juristically, executives, the judicial; · Persons performing their duties as government officials or representatives of an international public organization. 				
Corporate data confidential and security				
1. Limit the dissemination of inside information to only those “essential to know” to be informed of such information for their proper duties. Before sharing any inside information with a third person or outside the company, it requires checking which subject or issue can be communicated.			✓	✓
2. Follow up on the recent information related to information management regulations.			✓	

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
3. Keep all confidential records of employees, consumers, customers, and suppliers safe.			✓	
4. For employees responsible for confidential information protection, either outside the workplace or off duty, when they resign, they must not disclose information under their responsibility unless they are permitted to do so by their immediate superior and manager responsible for information protection of the company.			✓	✓
5. Do not reveal inside information about former employees.			✓	
6. Do not use inside information for stock or securities trades.				
6.1 Be cautious that the use of inside information for investment may violate the law of using inside information for stock or securities trades.			✓	
6.2 Keep confidential inside information that might be accessible well to avoid revealing it accidentally.			✓	
6.3 Do not trade stocks or securities inside or outside at the time of having inside information in hand.			✓	
6.4 Do not disclose corporate inside information to people inside and outside the			✓	

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
company.				
Individuals' rights and data protection				
1. Inform types of information and plans of using the information the persons whose information is being collected, including how to contact back whenever they have any questions.			✓	
2. Persons responsible for collecting or using personal information must abide by the following rules: In information management, it requires collecting only essential personal information. Incorrect or incomplete information must be destroyed or corrected. The collected information must be kept safely while proper and "essential-to-know" information must be provided to those who are permitted only.			✓	
3. "Sensitive" information should not be collected (especially information about health, ethnicity, sexual taste, political opinions, or religious beliefs) without consent from those concerned, except permission by laws. Provision of personal information, too lengthy information possession, and accessibility or correction of personal information are prohibited.			✓	
Corporate property protection				
1. Intellectual property protection				

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
1.1 Intellectual property or important information, knowledge, property, and document belonging to the company must not be used for self-benefits.			✓	✓
1.2 Traditional technologies, major strategies, and key working knowledge of the company, including any confidential business secrets that can yield competitive advantages, must not be shared without approval from the concerned manager or immediate superior. Besides, business secrets must comply with corporate information-protection policies.				✓
1.3 Any design, trademark, technology, drawing, and information belonging to other companies or persons can be used only after getting rights from the owners. The purchase of any product or service that violates others' intellectual property rights must be cautious.				✓
1.4 When any problem of specifying, managing, or protecting intellectual property or business secrets occurs, it must be consulted with the division of intellectual property or law immediately.				
2. Proper use of corporate properties				
2.1 All corporate properties must be used for working only. Therefore, corporate				✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
products, facilities, equipment, expenditure budgets, etc. must not be used for self-benefits.				
2.2 The use of corporate properties beyond task-related purposes must be approved by an immediate superior or the Ethics Office of the company.				✓
2.3 During working time, employees must refrain from doing personal activities that will bother work. Corporate computers and equipment must not be used for obscenity or unethical purposes, such as gambling, watching pornographic images, or other similar activities.				✓
2.4 Respect and protect corporate properties not to disappear, be damaged, or be misused without contributing any beneficial outcome. Accordingly, employees must not lend, transfer, sell, or donate any corporate right or property without authority.			✓	
Corporate representation				
1. Present corporate codes of ethics in operations and communication.			✓	
2. Surveillance of personal communication and opinion expressions or actions that might be misunderstood as they are corporate opinions. Speaking and writing any subjects beyond one's expertise is			✓	✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
prohibited except with authorized permission. To present oneself as an employee of the company on social media as a part of occupational activities must be assured of proper preparation in digital communication about the company.				
3. Corporate inside information and sensitive business information must not be shared or posted outside or online. Participation in online activities requires compliance with the use of social media set by the company at work or in private areas.				✓
4. Employees must not misuse their status for criticizing and defaming others, or expressing their ethnic, religious, or sex discrimination. Corporate codes of ethics must be abided at and outside the working place.				✓
5. When referring to the company, brand, or task, employees must identify themselves as corporate members with their names and positions while communicating through any media about the company's work.				✓
6. All employees must refrain from violating domestic and national laws and be concerned about the consequences of their actions while always maintaining the fame of the company.				✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
7. Maintenance of political neutrality				
7.1 The company must not provide any financial support or facilities for political purposes personally, especially those that are illegal.			✓	✓
7.2 When any employee participates in political activities personally, he/she must be aware that his or her statements, opinions, or acts will not convey his or her representation of the company.			✓	✓
7.3 Employees must not use their working time or corporate property for participating in political activities. If they cannot perform their duties with integrity due to their participation in political activities, they must report to their chief and the Ethics Office directly.			✓	✓
Responsibilities as a corporate citizen				
1. Surveillance of the environment				
1.1 Fulfil corporate missions in creating a production process that is friendly to the environment.			✓	✓
1.2 Support re-cycle policies and the development of packaging that saves the environment.				
1.3 Develop a production, transportation, and selling process that helps to reduce waste or consumption resources and be			✓	✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
friendly to the environment through innovation or creating new things toward environmental values.				
1.4 Comply with environmental laws. Develop and comply with internal standards that are more strict than legal standards with integrity. Besides, changes in relevant laws and regulations must be followed up regularly to prevent violating environmental regulations.			✓	✓
1.5 Be cautious of releasing toxic chemicals excessively that may affect the environment or ecological systems directly, including abnormal leaks into the climate, soil, or rivers. If any leak is found, it must be reported to immediate superiors and the division of environment safety immediately.			✓	✓
2. Contribution to the society				
2.1 The company must support and participate actively in local communities' welfare, culture, art, etc., and perform its duty as a community member.			✓	✓
2.2 All social support activities must reflect corporate codes of ethics and social support principles. The company must participate in planning the implantation of its partnership with communities.			✓	✓

Business Ethics of the Beauty-product Business as Organizational Members in the Digital Era	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
2.3 Do not force employees or business partners to donate things or money to societies supported by the company.			✓	✓

From data collection from the related documents, websites, and key entrepreneurs' websites on ethics in business operations of four business ethical concepts of four organizations, ethics related to organizational membership of two global organizations, namely L'Oreal and Amorepacific are found, as follows:

Conflicts of interest: Employees must adhere to performing their duties toward the company's utmost benefit and avoid conflicts of interest or the conflict between personal financial benefits and the company's benefits, including displaying codes of ethics in operation and communication. They must disclose what may or seems to cause conflicts of interest and must not conduct their businesses or contact other people or companies without permission from the company first. Besides, they must not give or accept cash, gift vouchers, etc. to or from their colleagues, customers' employees, or partners, including other financial agreements.

Gift-taking and hospitality: When contacting any stakeholder, employees must not offer or accept any illegal gift or hospitality, especially products, special treatment, money, benefits, etc., from customers, sellers, other employees, etc. Employees may accept a gift or present that is allowed by laws or as a tradition to proceed with business activities smoothly but have to make sure clearly that such offered or accepted gift and hospitality will not violate the laws and corporate policies or procedures. If any, they must report to their immediate superior or the Ethics Office. The corporate ethics policies must be notified to customers, sellers, partners, and all stakeholders to comply with the corporate ethical standards. If any violation or dishonesty is found, it must be reported to the Ethics Office. Due to the different traditions of gift-giving and hospitality of each country and culture, it is cautiously concerned to ensure accordance with domestic laws and traditions without violating corporate policies.

Bribery: It is prohibited to offer or accept any bribery, product, special treatment, hospitality, or non-monetary benefits to or from stakeholders for personal business purposes or profits. However, employees may accept a gift or present that is allowed by laws or as a tradition. If employees are forced or requested to offer improper or illegal products, gifts, hospitality, etc., stakeholders responsible for the business operations or in task-related situations must report this to the Ethics Office of the company. For the countries that sign in an anti-corruption convention of OECD that requires signatory countries to criminalize bribery of foreign public officials in conducting international business transactions, it is prohibited to offer any bribery and illegal benefits to foreign public officials for business or working purposes. Moreover, it is also prohibited to offer money for illegal facilities to governmental agencies or officials in other countries and foreign public officials.

Corporate data confidential and security: The dissemination of inside information must be limited to only those “essential to know” to be informed of such information for their proper duties. Employees must follow up on the recent information related to information management regulations and keep all confidential records of employees, consumers, customers, and suppliers safe. For employees responsible for confidential information protection, either outside the workplace or off duty, when they resign, they must not disclose information under their responsibility, and not reveal inside information about former employees. Employees must be cautious that the use of inside information for investment may violate the law of using inside information for stock or securities trades. Thus, they must keep confidential inside information that might be accessible well to avoid revealing it accidentally. They must not trade stocks or securities inside or outside at the time of having inside information in hand, nor disclose corporate inside information to people inside and outside the company.

Corporate property protection: Intellectual property or important information, knowledge, property, and document belonging to the company must not be used for self-benefits. Traditional technologies, major strategies, and key working knowledge of the company, including any confidential business secrets that can yield competitive advantages, must not be shared without approval. Any design, trademark, technology, drawing, and information belonging to other companies or persons can be

used only after getting rights from the owners. When any problem of specifying, managing, or protecting intellectual property or business secrets occurs, it must be consulted with the division of intellectual property or law immediately.

All corporate properties must be used for working only. The use of corporate properties beyond task-related purposes must be approved by an immediate superior or the Ethics Office of the company. During working time, employees must refrain from doing personal activities that will bother work. Corporate computers and equipment must not be used for obscenity or unethical purposes. Employees must respect and protect corporate properties not disappear, be damaged, or be misused without contributing any beneficial outcome. Accordingly, employees must not lend, transfer, sell, or donate any corporate right or property without authority.

Corporate representation: Employees must present corporate codes of ethics in operations and communication, and surveillance of personal communication and opinion expressions or actions that might be misunderstood as they are corporate opinions. They must not speak or write any subjects beyond their expertise and comply with the use of social media set by the company at work or in private areas. Employees must not misuse their status for criticizing and defaming others, or expressing their ethnic, religious, or sex discrimination. Corporate codes of ethics must be abided at and outside the working place. They must identify themselves as corporate members with their names and positions while communicating through any media about the company. Besides, they must refrain from violating domestic and national laws and be concerned about the consequences of their actions while always maintaining the fame of the company.

Regarding the maintenance of political neutrality, the company must not provide any financial support or facilities for political purposes personally, especially those that are illegal. Employees must be aware that their statements, opinions, or acts will not convey their representation of the company. Employees must not use their working time or corporate property for participating in political activities. If they cannot perform their duties with integrity due to their participation in political activities, they must report directly to their chief and the Ethics Office.

Responsibilities as a corporate citizen: Employees will fulfill corporate missions in creating a production process that is friendly to the environment, support

re-cycle policies, and develop packaging that saves the environment. A production, transportation, and selling process should be developed to help to reduce waste or consumption resources and be friendly to the environment through innovation or creating new things toward environmental values. They must comply with environmental laws and internal standards. Moreover, they must be cautious of releasing toxic chemicals excessively that may affect the environment or ecological systems directly. If any leak is found, it must be reported to immediate superiors and the division of environment safety immediately.

For the contribution to society, the company must support and participate actively in local communities' welfare, culture, art, etc., and perform its duty as a community member without forcing employees or business partners to donate things or money to societies supported by the company.

Besides the aforementioned ethical issues, L'Oreal specifies additional ethics as an organization's members, as follows:

Financial and business records: Employees must participate in supervising the correctness of financial and business records, including financial information reports, follow recommendations on how to keep or save documents, and work with customers in conducting activities legally. They also must cooperate with internal and external auditors fully, and must not sell, transfer rights, or abandon any property of the company without permission or written consent. They must conduct business transactions in cash. If not, cash must be within the amount permitted by laws only. Otherwise, they have to be recorded as correct and legitimate evidence through legal authorization properly without concealing payment through a third party. They must keep documents and records related to taxes correctly and be ready to submit such documents at all times without violating provisions on taxation intentionally.

Individuals' rights and data protection: Employees must inform the types of information and plans of using the information of the persons whose information is being collected, including information of the contact person. In information management, it requires collecting only essential personal information. Incorrect or incomplete information must be destroyed or corrected. The collected information must be kept safely while proper and "essential-to-know" information must be provided to those who are permitted only. "Sensitive" information should not be

collected (especially information about health, ethnicity, sexual taste, political opinions, or religious beliefs) without consent from those concerned, except permission by laws. Provision of personal information, too lengthy information possession, and accessibility or correction of personal information are prohibited.

Table D Business Ethics of the Beauty-product Business in the Digital Era as an Employer

Business Ethics of the Beauty-product Business in the Digital Era as an Employer	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Health, security, and stability				
1. Employees must comply with all laws related to safety, health, and environment, enforced for business operations strictly, including production, selling, and services.			✓	✓
2. Employees must comply with preventive measures, essential for the safety of themselves, their colleagues, and their customers. They must also report to their superior and safety manager without delay. If any wrong practices or conditions, and accidents are found they must be learned to cope with such emergent situations that may occur at the working place.			✓	✓
3. While working or doing work-related activities, employees must not possess or have liquor, illegal drugs, etc. that may obstruct the security and efficiency of their work, especially any illegal acts, such as drinking while driving, gambling, etc.,				✓

Business Ethics of the Beauty-product Business in the Digital Era as an Employer	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
which will not be accepted at all kinds, except for necessary business purposes, i.e., formal reception drink, etc., which are approved in advance by the safety manager.				
Diversity				
1. Support and promote corporate missions in the respect of diversity related to human resource management, marketing, purchasing, and social contribution. Suppliers, customers, and business partners must be informed of the employees' diversity policy of the company.			✓	✓
2. Practice no discrimination, harassment, or bullying because of prejudice or bias against the following: sex, disability, marital or family status, sexual taste, age, political opinions, and ideologies, religious beliefs, association activities, ethnicity, social class, culture, and race. Such discrimination will not affect only the recruitment or selection process, but also training, promotion, extended employment, and other working conditions, including corporate relationships with suppliers, customers, business partners, and the third party.			✓	✓
Harassment				
1. Physical, verbal, and mental harassment				

Business Ethics of the Beauty-product Business in the Digital Era as an Employer	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
and bullying				
1.1 Promote and support missions for creating a working place without any physical, verbal, or mental harassment and bullying or any behaviors causing pain, or destroying others' dignity or reputation. The prohibited harassment and bullying include visual, verbal, and physical conduct and all acts occurring outside the working place.			✓	✓
1.2 Be humble and treat co-workers and business partners in the same way as expected to be treated by others.			✓	
2. Sexual harassment				
2.1 Promote and support missions for creating a working place without any sexual harassment.			✓	
2.2 Refrain from all kinds of sexual harassment of a third person in contact, both inside and outside the organization. They do not cover only physical, but also verbal and visual harassment that makes others feel insulted or disdained.			✓	✓
2.3 Particularly, if anyone misuses his/her superior or advantageous authority or status in a business agreement to harass others sexually, he/she will get severe consequences.				✓

Business Ethics of the Beauty-product Business in the Digital Era as an Employer	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
2.4 Any employee who experiences or witnesses sexual harassment, etc. must report to the concerned party, i.e., immediate supervisors or the Ethics Office.				✓
3. Violation of human rights The company must comply with laws related to laws of employment and labor of each country and prevent the violation of human rights, i.e., the use of child labor, forced labor, etc.				✓
Respect for employees				
1. The company must enhance mutual respect without concern about socio-cultural differences and collaborative working according to the value of openness and friendship through the use of a diversity of knowledge and experience				✓
2. Personal information and information of other employees must not be disclosed without permission. When there is no task-related need or no permission from persons with problems, authorized personnel responsible for information management must not reveal received information to others.				✓
Human resource development				
1. To elevate employees' capabilities, the company should organize diverse				✓

Business Ethics of the Beauty-product Business in the Digital Era as an Employer	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
educational opportunities for employees to implant their gifts and leadership whereas having fair performance appraisal and rewards.				

From data collection from the related documents, websites, and key entrepreneurs' websites on ethics in business operations of four organizations with four business ethical concepts, ethics related to the employment of two global organizations, namely L'Oreal and Amorepacific, are found, as follows:

Health, security, and stability: The company must comply with all related laws, and determine employees to comply with preventive measures, essential for the safety of themselves, their colleagues, and their customers, including reporting to their superior and safety manager without delay if any wrong practices or conditions, and accidents are found. They must be learned to cope with such emergent situations that may occur at the working place. While working or doing work-related activities, employees must not possess or have liquor, illegal drugs, etc. that may obstruct the security and efficiency of their work, especially any illegal acts.

Diversity: The company must support and promote corporate missions in the respect of diversity related to human resource management, marketing, purchasing, and social contribution. Suppliers, customers, and business partners must be informed of the employees' diversity policy of the company. Practice no discrimination, harassment, or bullying because of prejudice or bias against the following: sex, disability, marital or family status, sexual taste, age, political opinions and ideologies, religious beliefs, association activities, ethnicity, social class, culture, and race. Such discrimination will not affect only the recruitment or selection process, but also training, promotion, extended employment, and other working conditions, including corporate relationships with suppliers, customers, business partners, and the third party.

Harassment: Concerning physical, verbal, and mental harassment and bullying, the organization must promote and support missions for creating a working place without any physical, verbal, or mental harassment and bullying or any behaviors causing pain, or destroying others' dignity or reputation. The prohibited harassment and bullying include visual, verbal, and physical conduct and all acts occurring outside the working place. Employees are cultivated to be humble and treat their co-workers and business partners in the same way as expected to be treated by others.

For sexual harassment, the organization must promote and support missions to create a workplace without sexual harassment of all kinds, both inside and outside the organization. They do not cover only physical, verbal, and visual harassment that makes others feel insulted or disdained. Particularly, if anyone misuses his/her superior or advantageous authority or status in a business agreement to harass others sexually, he/she will get severe consequences. Besides, any employee who experiences or witnesses sexual harassment, etc. must report it to the concerned party immediately.

Regarding the violation of human rights, the organization must comply with laws related to laws of employment and labor in each country and prevent the violation of human rights, i.e., the use of child labor, forced labor, etc.

Besides the aforementioned ethical issues, Amorepacific adds the ethics related to employment as follows:

Respect for employees: The company must enhance mutual respect without concern about socio-cultural differences and collaborative working according to the value of openness and friendship through the use of a diversity of knowledge and experience. Personal information and information of other employees must not be disclosed without permission. Authorized personnel responsible for information management must not reveal received information to others.

Human resource development: To elevate employees' capabilities, the company should organize diverse educational opportunities for employees to implant their gifts and leadership whereas having fair performance appraisal and rewards.

Table E Business Ethics of the Beauty-product Business in the Digital Era for Business Partners

Business Ethics of the Beauty-product Business in the Digital Era for Business Partners	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
Fair business relations establishment				
1. Support and enhance suppliers' understanding and respect of ethical standards with which they should comply and avoid working with those who reject to do so.			✓	✓
2. Pay suppliers duly as specified in the contract, except for legitimate reasons.			✓	
3. Suppliers must not depend economically on the company's business too much.			✓	
4. In business relations, the advantages of having superior positions must not be used to compel customers or sellers into an unrighteous agreement.				✓
5. The termination of business relations must be decided cautiously based on neutral and fair criteria. Besides, evidence for supporting reasons and the legal righteousness of the decision made must be kept.				✓
Righteous competition				
1. Suppliers should have an opportunity to be selected through an open price competition to compare and consider all proposals fairly.			✓	

Business Ethics of the Beauty-product Business in the Digital Era for Business Partners	Organizations			
	WFDSA	Amway	L'Oreal	Amore Pacific
2. An auction or a bid must be conducted transparently and explainable to suppliers who lose the auction based on fair factors.			✓	
Respect for rights				
1. Confidential information of customers, sellers, etc. must be protected.			✓	✓

From data collection from the related documents, websites, and key entrepreneurs' websites on ethics in business operations of four organizations with four business ethical concepts, ethics related to the business partnership are found in two global beauty businesses, namely L'Oreal and Amorepacific, as follows:

Fair business relations establishment: The company must support and enhance suppliers' understanding and respect of ethical standards with which they should comply and pay suppliers duly as specified in the contract, except for legitimate reasons. The company must investigate to avoid suppliers depending economically on the company's business too much. In business relations, the advantages of having superior positions must not be used to compel customers or sellers into an unrighteous agreement. The termination of business relations must be decided cautiously based on neutral and fair criteria. Besides, evidence for supporting reasons and the legal righteousness of the decision made must be kept.

Respect for rights: The organization must protect the confidential information of customers, sellers, etc.

Besides the aforementioned ethical issues, L'Oreal also specifies additional ethics for business partners as follows:

Righteous competition: In selecting suppliers, the company must open an opportunity for suppliers to participate in price competition openly by comparing and considering all proposals fairly. Besides, a bid must be conducted transparently and explainable to suppliers who lose the auction based on fair criteria.

Table F Business Ethics of the Beauty-product Business in the Digital Era between Companies

Business Ethics of the Beauty-product Business in the Digital Era between Companies	Organizations			
	WFDSA	Amway	L'Oreal	Amore pacific
The maintenance of competition fairness				
1. Conduct any activities under fair competition with other companies	✓			
2. Do not intentionally persuade or induce distributors/ agents of other member companies.	✓			
3. Do not defame or let the company's agents/distributors defame other companies about their products, sales, and marketing plans, or any aspects of such companies unfairly.	✓		✓	
4. Report to the manager immediately about the receipt or use of confidential information or proprietary rights of competing companies or the third party, including the former company that is a competitor.			✓	
5. Do not block product sources or releasing-product sources of competing companies.			✓	
6. Do not persuade customers or suppliers to violate their contracts with competing companies. Besides, the company must not intentionally obstruct suppliers or customers of competitors or slander			✓	✓

Business Ethics of the Beauty-product Business in the Digital Era between Companies	Organizations			
	WFDSA	Amway	L'Oreal	Amore pacific
competitors without fact.				
7. Do not make any contract with the key content supporting tying sales of products and services or allow any rebates without legitimate advice.			✓	
8. Do not compile information about competing companies by an unethical or unlawful procedure. New employees must not be allowed to provide information about their former companies that are competitors.			✓	✓
9. Do not exchange information with competitors about prices, products, sales conditions, sales space, profits or margins, market shares, distribution means, etc. Such information must not be used as a conspiracy. The company must not allow or consult, either formally or informally, with any competitor to yield such influence.				✓
10. Do not attend a meeting or gather with competitors with unclear meeting objectives or without a certain agenda setting. If necessary, it must be approved in advance by the immediate supervisor or legal department.			✓	✓
11. In the case that any employee participates in a meeting or gathering with a competitor unintentionally, he/she must				✓

Business Ethics of the Beauty-product Business in the Digital Era between Companies	Organizations			
	WFDSA	Amway	L'Oreal	Amore pacific
write details of the meeting and report to his/her immediate supervisor or the legal department. Moreover, if the meeting or gathering objective is changed from the initial schedule, such an employee must leave the meeting place immediately and submit a detailed report to the immediate supervisor or the legal department.				

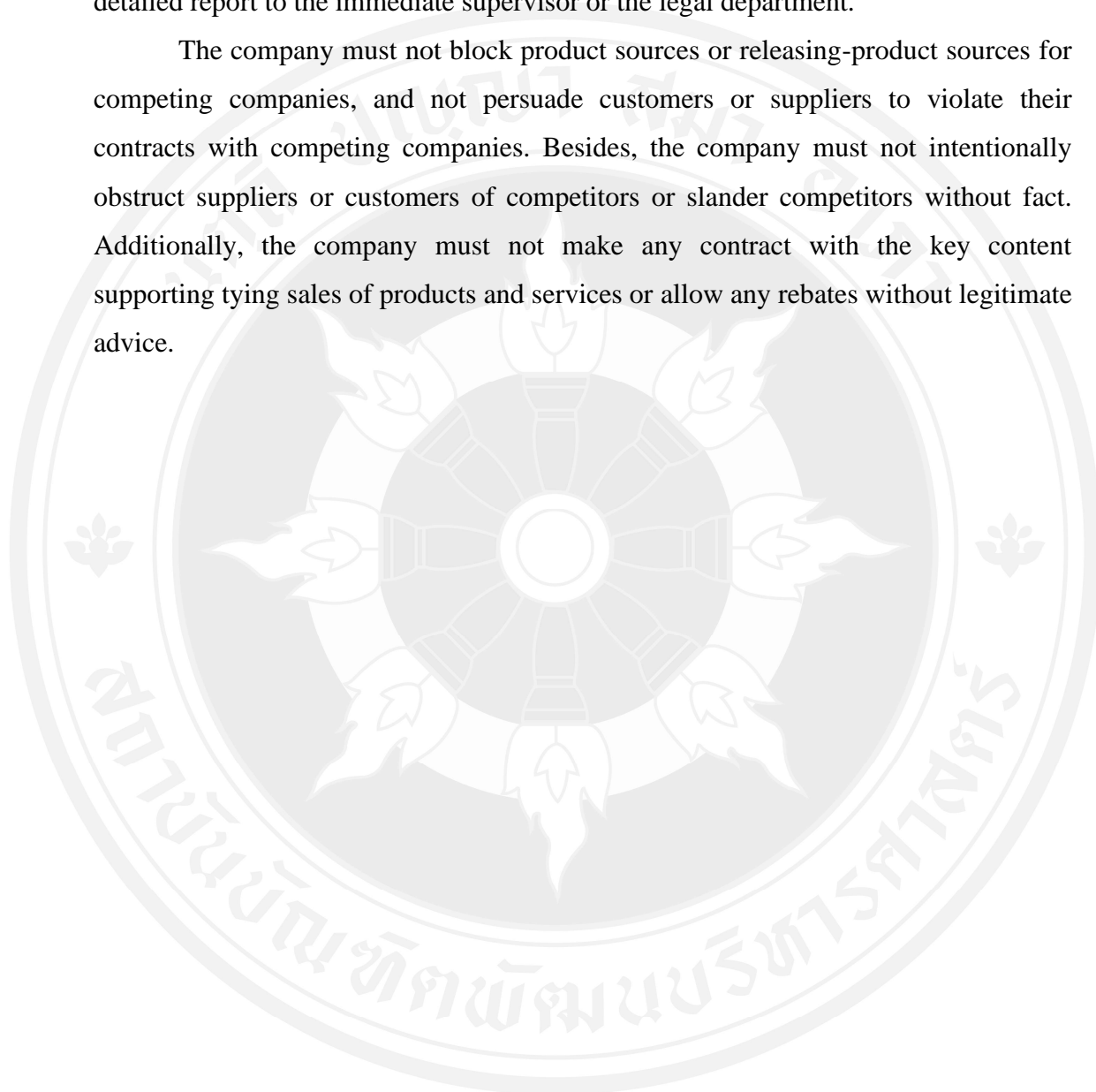
From data collection from documents, websites related to the study, and key entrepreneurs' websites on ethical issues in business operations of all four organizations, 3 organizations are found to have inter-organizational ethics, namely WFDSA, L'Oreal, and Amorepacific, on the maintenance of righteousness in competition, as follows:

The organization must conduct any business activity under fair competition, and must not intentionally persuade or induce distributors/ agents of other member companies. The company must not defame or let the company's agents/distributors defame other companies unfairly about their products, sales and marketing plans, or any aspects of such companies, and employees must report to the manager immediately about the receipt or use of confidential information or proprietary rights of competing companies or the third party. including the former company that is a competitor. They must not compile information about competing companies by an unethical or unlawful procedure and not exchange information with competitors about prices, products, sales conditions, sales space, profits or margins, market shares, distribution means, etc. Such information must not be used as a conspiracy. The company must not allow or consult, either formally or informally, with any competitor to yield such influence. Employees must not attend a meeting or gather with competitors with unclear meeting objectives or without a certain agenda setting.

If necessary, it must be approved in advance by the immediate supervisor or legal department.

Moreover, if the meeting or gathering objective is changed from the initial schedule, such an employee must leave the meeting place immediately and submit a detailed report to the immediate supervisor or the legal department.

The company must not block product sources or releasing-product sources for competing companies, and not persuade customers or suppliers to violate their contracts with competing companies. Besides, the company must not intentionally obstruct suppliers or customers of competitors or slander competitors without fact. Additionally, the company must not make any contract with the key content supporting tying sales of products and services or allow any rebates without legitimate advice.



BIOGRAPHY

Name-Surname Siriporn Waname

Academic Background Master of Business Administration (Marketing)
Kasetsart University
Bachelor of Business Administration (Marketing)
Rajamangala University of Technology Isan

Experience November 2008 – Present
Founder and Project Manager
Tonkluay Production Ltd., PART

