

Women and youth: new focus of marketers

Marketing experts say at BBF seminar

STAR BUSINESS REPORT

ORGANISATIONS have to become more women- and youth-centric while designing and promoting products and services, to boost sales in the coming years, marketing experts said yesterday.

Women and young people around the world are poised to have more influence on purchasing decisions due to rising empowerment both socially and economically, they said at a seminar on marketing in Dhaka.

"Women may earn 20 percent of household income, but they are in charge of 80 percent of spending," said Dan Formosa, jury president for product design at Cannes Lions, an international festival of creativity.

Spending by India's women is expected to rise 30 percent to \$26 billion in 2018 from now, he said.

But women's buying behaviour is a lot more complex than that of men, as women focus on derived benefits rather than advertised features which draw in male customers while buying a product or service, said Hooi Den Huan, a director of Singapore-based Nanyang Technopreneurship Centre, which is part of Nanyang Technological University.

They spoke at a daylong seminar on "Rethinking Marketing" organised by Bangladesh Brand Forum, at Radisson Hotel.

Bangladeshi marketers have to increase focus on the young as half the people in the country fall under that denomination, said Sunil Alagh, founder and chairman of SKA Advisors, a business advisory and consultancy service in India.

Formosa, also a leading design thinker, said brand design has changed a lot over the years.

In the 1970s, designers focused on products, aesthetics and the visual impact, while in the 2000s they emphasised person-and-process to create more usable products. But the current focus is on



Dan Formosa, jury president for product design at Cannes Lions, speaks on brand reinvention, as Rajesh Ramakrishnan, managing director of Perfetti Van Melle Bangladesh, and Sabbir Hasan Nasir, executive director of ACI Logistics, look on at a seminar organised by Bangladesh Brand Forum at the Radisson hotel in Dhaka yesterday.

innovation and knowledge, he said.

A brand is all about its 'promise'. There are three types of brands: okay, good and great. An okay brand meets expectations, a good brand exceeds expectations and a great brand exceeds expectations by a large margin. "So, a great brand needs to do great things," Formosa added.

"A brand is all about experience. It does not concentrate only on the logo or the product," Alagh said.

Huan, also associate professor of Nanyang Business School, stressed treating competitors as value suppliers and customers as value demanders.

To make a strong brand, companies have to innovate products continually, he said. "Kill your product before your competitor makes it obsolete," he said, adding that leading tech companies such as Samsung, Apple and Microsoft practise this strategy.

Bangladesh could be the next possible 'Asian tiger' after Vietnam due to its huge base of young

people, Huan said.

Branding should be a holistic approach, said Sabbir Hasan Nasir, executive director of ACI Logistics that operates retail chain store Shwapno.

"It is time to focus on complete service design for ensuring better experience. Everything that the customer interacts with has to be branded, each and every touchpoint," he said.

The perception of brand ownership has changed over time, said Rajesh Ramakrishnan, managing director of Perfetti Van Melle Bangladesh, a leading manufacturer and distributor of confectionery and chewing gum.

"Once it was thought that the marketing department is the custodian of a brand, which is not true anymore. Entire organisations create and own the brand."

The seminar is expected help local brands redesign marketing to match changing needs of the consumers, said Shariful Islam, founder of Bangladesh Brand Forum.

After a year of many challenges and obstacles, 2015 is going to be critical for Bangladesh, he added.

Four global marketing leaders joined the seminar to share their unique experiences, insights and learning on marketing to help local corporate leaders take appropriate strategies, he said.

On the sidelines of the seminar, a session for university students -- Go for Knowledge -- was held at GP House, where 250 students from 25 universities selected through a campaign on engaging men in women's empowerment, participated.

The seminar was attended by around 400 business professionals. Hermawan Kartajaya, president of World Marketing Association and co-founder of Asia Marketing Federation, and Carmen Z Lamagna, vice chancellor of AIUB, the title sponsor of the event, also spoke.

The Daily Star and Marketing Society of Bangladesh were the strategic partners of the event.

Workplace safety to ensure a better future for apparel sector

SUNTU KUMAR GHOSH

BANGLADESH'S garment industry is moving forward, aiming to reach an export target of \$50 billion by 2021, when the country will celebrate its golden jubilee of Independence.

In fiscal 2013-14, the apparel industry exported goods worth \$24.49 billion, the amount being 81.16 percent of the country's total export earnings.

However, let's take a moment to look back. The Rana Plaza building collapse was a tragic incident in the history of the country's garment industry. Before that, there was the Tazreen Fashions accident in 2012. These incidents remind us of how a lack of safety can take the lives of so many, and account for the loss of machinery, buildings and other assets.

However, the industry is undergoing a transformation as these incidents made all the stakeholders aware of the significance of safety issues.

As the industry is labour-intensive, thousands of families depend on the incomes of garment workers. Meanwhile, the materials used in garment factories are flammable. So, all the parties associated with the industry want to ensure safety. Sufficient safety equipment reduces the rate of accidents.

Two aspects are notable while talking about safety -- one is building and fire safety and the other is workers' safety.

At present, there are initiatives being taken from three sides. One is from the national level, which is known as the National Tripartite Plan of Action (NTPA).

The NTPA agreement on fire safety and structural integrity in the garment sector is signed by the government, employers and workers. Bangladesh University of Engineering and Technology (Buet) is also involved in measuring safety standards in the buildings or workplace.

The second initiative has been taken by 100 retailers, mainly European, known as 'Accord', which is working on building and fire safety.

Thirdly, there is the 'Alliance' of North American buyers that is working to ensure workers' safety.

Now the question comes, how these three parties will work on a combined platform if they have different requirements.

Thus, there are the 'minimum common standards/parameters' that have been finalised considering the three parties' requirements, which have to be followed by the factories.

The common standards will be implemented one by one in collaboration with

the International Labour Organisation, Alliance, Accord, experts from Buet, and the NTPA.

By 2014, the Accord and Alliance have completed their first phase of inspection. The good news is, less than 1.5 percent of factories were found to be unsafe among all the factories inspected. Those factories have been closed down for relocation.

On the other hand, the NTPA is conducting inspection and it will continue to do so as it is a continuous process. Out of 3,500 plus factories, a total of 2,325 have been inspected by the NTPA. In their inspection, they found most factories to be safe and they need fewer corrective action plans.

Implementing the plan involving fire safety equipment is a costly one. Thus, the issue of financing is still important for the remediation process. There was strong pressure from the private sector entrepreneurs to reduce import tax on fire safety equipment.

The high import tax discourages factory owners in terms of ensuring fire safety. For example, the tax on fire extinguishers was 15.32 percent, while it was 154.74 percent on emergency lights and exit signs. But imports of fire doors, emergency exit lights and other safety equipment were announced duty-free in the last budget. So, this change will definitely accelerate the process of ensuring safety.

Another effective approach was from Bangladesh Garment Manufacturers and Exporters Association (BGMEA). It arranged a big gathering styled the Apparel Summit along with the Safety Expo, which were very effective in terms of future guidance. For example, questions like what steps should be taken next and what improvements and modifications are needed were answered.

At the Apparel Summit, BGMEA President Atiqul Islam mentioned that Bangladesh's present share of the global garment market is 5 percent and if the country wants to materialise its Vision 2021, it needs to grab 8 percent of the global market. He expects the industry to grab a further 3 percent of the market share with the help of enthusiastic entrepreneurs and the workforce.

To sum up, we can say that ensuring safety for the workers and workplace is a continuous process. The government, foreign stakeholders, and garment entrepreneurs are performing their duty. At the same time, we need safety awareness among the workers as well.

The writer is an assistant professor at Brac Business School, Brac University.

Sri Lanka bars central bank chief from foreign travel for three months

REUTERS, Colombo

SRI Lanka has imposed a three-month ban on overseas travel by its central bank governor, Arjuna Mahendran, who faces an investigation over alleged insider dealing, an official said on Saturday.

Sri Lankan Prime Minister Ranil Wickremesinghe set up a three-member panel to investigate the alleged insider dealing at a Feb 27 bond auction after opposition parties accused Mahendran of involvement and demanded an independent inquiry.

The probe panel was scheduled to hand its findings to the prime minister on April 10, but the outcome has yet to be made public. "The Bribery Commission has asked to impose a travel ban on the central bank governor for three months," AHL De Zoysa, a spokesman of the Immigration and Emigration Department, told Reuters.

He said Mahendran's passport had not been impounded, but he had been barred from foreign travel to facilitate the Commission's investigation.

Mahendran, a Sri Lankan-born Singapore national, was questioned on Thursday by the Commission to Investigate Allegations of Bribery or Corruption (CIABOC), media reported.

Mahendran, as well as officials of the anti-graft body, declined to comment on the investigation. The central bank governor took a voluntary leave of absence from March 16 pending the outcome.

At the February bond auction, the government raised more than 10 billion rupees from a 30-year treasury bond at 11.73 percent after initially offering just 1 billion rupees with an indicative price of 9.5 percent.

Soon after the auction, primary dealers raised concerns over possible insider dealing, as one particular dealing house had been favoured and the yield spiked more than 2 percent from the indicative price of 9.5 percent.

Besides the Mahendran investigation, Wickremesinghe also launched an inquiry into allegations of corruption in government bond sales by the central bank since 2012.

G20 more upbeat on growth, but officials fret over Greece

REUTERS, Washington

THE Group of 20 leading economies struck a hopeful tone on the outlook for global growth on Friday, even as officials fretted that Athens' inability to strike a deal with its lenders could upset Europe's tentative recovery.

In a communique after a two-day meeting, G20 finance ministers and central bankers welcomed brighter economic signs in rich nations, but lamented weakness in emerging markets.

"Risks to the global economy are more balanced since we last met," the finance officials said. "Near-term prospects in advanced economies, notably the euro area and Japan, have improved recently, while the US and UK continue to record solid growth, which could support a stronger global recovery."

Still, the group of developed and emerging market nations, which represent around 80 percent of global economic output, cited challenges from an array of sources, including exchange rate volatility and geopolitical tensions.

Greece was not mentioned by name in the communique and Turkish Deputy Prime Minister Ali Babacan, speaking on behalf of the G20, said the issue of Greece did not feature in the formal discussions.

But uncertainty over whether Athens could reach agreement with its European Union and International Monetary Fund lenders over new bailout terms in time to meet big upcoming debt payments cast a cloud over the gathering and other talks on the sidelines of the IMF and World Bank spring meetings.

"The mood is notably more gloomy than at the last international gathering," British finance minister George Osborne told reporters. "It's clear now to me that a misstep or a miscalculation on either side could easily return European economies to the kind of perilous situation we saw three to four years ago."

The new leftist government in Athens must come forward with economic reforms acceptable to the IMF and EU before bailout funds are unlocked, but the negotiations have been moving at a crawl.

"It's important that we in the coming days make significant progress, that the process gains momentum," IMF European Department



European Central Bank President Mario Draghi (L), British Chancellor of the Exchequer George Osborne (C), US Treasury Secretary Jacob Lew (R), US Federal Reserve chair Janet Yellen (bottom L) and German Finance Minister Wolfgang Schauble (bottom R) pose for the G20 family photo at the IMF/WB Spring Meetings in Washington, DC, on Friday.

Director Poul Thomsen told reporters. "There needs to be a comprehensive package, and that will clearly take several weeks or more of discussions."

The United States pressed Athens to commit more fully to discussions over the nuts-and-bolts of proposed reforms. "Not reaching agreement would create immediate hardship for Greece, and uncertainties for Europe and the global economy more broadly," US Treasury Secretary Jack Lew said in a statement.

In a sign of the seriousness with which officials are taking the risk that negotiations founder, the European Central Bank has analysed a scenario in which Greece runs out of money and starts paying civil servants with IOUs, people with knowledge of the exercise told Reuters.

Jeroen Dijsselbloem, chairman of the euro zone finance ministers group, warned that

Greece and the euro zone should not try to see who could hold out longer in negotiations.

"Let's not go into a game of chicken to see who can stick it out longer. We have a joint interest to reach an agreement quickly," Dijsselbloem said.

But he acknowledged it would take at least a couple more weeks to come to an agreement between Athens and the euro zone, possibly in time for the May 11 meeting of euro zone finance ministers and just a day before Greece has to make a large loan repayment.

Concerns about Greece contributed to big stock price declines in Europe and on Wall Street, with the Dow Jones industrial average closing down about 279 points, or 1.5 percent.

While the G20 sounded guardedly optimistic on the global economy, it pointed to a risk of financial volatility as the US Federal Reserve prepares to raise interest rates.

Ford to build \$2.5b Mexico engine, transmission plants

AFP, Mexico City

THE Ford Motor Company unveiled Friday a \$2.5 billion investment for engine and transmission plants in Mexico, the second major project announced in the country by a foreign auto power this week.

The US firm's plan to expand an engine plant in the northern border state of Chihuahua and build a transmissions factory in the central state of Guanajuato will create 3,800 jobs, the company said.

The investment was announced by Ford's president for the Americas region, Joseph Hinrichs, and President Enrique Pena Nieto at the Mexican leader's official residence in Mexico City.

Just two days earlier, Pena Nieto had invited Toyota executives to his residence for the Japanese auto giant's announcement

that it was ending a new plant freeze with a \$1 billion factory in Guanajuato to produce the Corolla sedan.

The back-to-back announcements "prove to the world that Mexico has conditions for competitiveness, conditions to be more productive and conditions to attract more investments," Pena Nieto said.

"This makes the world turn to look at Mexico," he said. Mexicans officials said the new investments will boost the country's goal of becoming a top five auto producer in the world by 2020, producing 5 million vehicles per year.

The auto industry's growing success brought the government much-needed good news as falling oil prices have led to budget cuts and a reduction of economic forecasts for 2015, from 3.0-4.0 percent growth to 2.5-3.5 percent.