

# Effective communication helps firms boost sales

Marketing expert says customised messages get greater attention

SUMAN SAHA

MARKETERS should focus on one-to-one communication to build good relations with customers, which will ultimately help companies generate more sales, a marketing expert has said.

Companies can use print or digital means to make communication more effective, said Christophe Balaesque, luxury brands and marketing director of Paris-based Arjowiggins Creative Papers, a global leader in paper products.

An organisation can make an emotional bonding with its target audience through one-to-one or human communication as this method helps them communicate with the people in an innovative way, he added.

A customised and well-designed message generally gets greater attention from the audience than digital means,

Balaesque told The Daily Star in an interview in Dhaka recently.

Balaesque came to Dhaka to attend a seminar on creative design and communication organised by Paper Studio, a leading distributor of premium fine paper in Bangladesh, at its office in the capital.

"For example, if I send you an invitation by a text message, it may not get much of your attention. But if I send you the invitation, which is nicely designed and printed, it will get greater attention as it makes you feel as an important person," he added.

Most customers now want the companies to recognise and



Christophe Balaesque

appreciate their patronisation, Balaesque said, adding that one-to-one communication is an effective way to provide such recognition to customers.

As a marketing expert, he has implemented an innovative marketing approach. His focus is to develop business with luxury brands and opinion leaders helping them benefit from the use of high quality papers.

Performing as a public speaker and a business facilitator, he organises conferences on paper, print and design trends for the design community in Europe, Asia and North and Latin America.

"Bangladesh has around 160 million people with different income brackets and around 20 million of them live in Dhaka. So there is a massive need for recognition," Balaesque said.

He said companies should focus on one-to-one approach to build relations with customers for both premium and non-luxury products and services.

There is a misconception that only luxury brand owners should pay attention to customised services as it involves a lot of investment, he said.

"But it is no longer true." The approach is now effective for all

luxury and non-luxury brands, he said, adding that the print industry, especially paperwork, can do a lot to improve the quality of services.

He said the demand for one-to-one and digital communication will certainly increase due to their complementary role.

"The future of communication would be both digital and print. There was a fight in the past whether the print or digital means will continue as a mode of communication. This fight is over now. The future is aligning both the means," he said.

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# The dilemma of small taxpayers

AMINUR RAHMAN

THERE are just 21.35 lakh registered income taxpayers in the country, as per the latest annual report of the National Board of Revenue.

Total income tax collected from them stood at Tk 37,120 crore, the NBR said.

Currently, the lowest personal income tax rate is 10 percent, which becomes applicable to income in excess of Tk 5.20 lakh.

In Bangladesh, 80 percent of individual taxpayers are small, and their contribution accounts for just 8.73 percent of the total collections from individuals.

According to NBR statistics, the total expenditure in increasing direct tax collection was Tk 216 crore, with average cost per taxpayer standing at Tk 1,012. This is probably the reason behind introducing the minimum tax for individual taxpayers.

Thus, it becomes a huge challenge for taxmen to engage a majority of their resources to small taxpayers, especially in the face of such minimalistic revenue.

Small taxpayers face several problems, including perceived complications in filing tax returns, as well as difficulty in maintaining or having formal accounts and records required by the tax law. This makes the compliance cost much higher than the actual tax payment.

Besides, the tax authority is unwilling to accept actual reduction of profit or loss. The profit margin assessed by the tax authority is far too high in comparison to real profit margins.

Again, many taxpayers feel that officials impose taxes arbitrarily, but many of the small taxpayers cannot afford legal and other expenses to address their grievances through appeals and other dispute resolution mechanisms.

The tax authority also faces some problems in collection of taxes properly. For example, some taxpayers falsely present themselves as small taxpayers to evade proper taxation, and some others do not

declare a change in status even if they graduate to being medium taxpayers from small ones.

However, this creates further problems for small taxpayers as they are unable to produce valid accounts or records to support their claims.

The rate of non-filing of tax returns or noncompliance on other tax obligations is also high for many small taxpayers.

Small business taxpayers are generally clustered in a locality or market. To reduce the fear factor and discomfort of small taxpayers, the tax policy makers introduced spot assessment in 1999.

This was designed as a one-stop service to taxpayers. Under the system, the taxpayers are not required to visit tax office. Rather, all activities are done at the doorstep of the taxpayers.

Tax officials are supposed to go to the market and help taxpayers fill up tax return forms, which bank representatives are then supposed to collect. The acknowledgement of tax payment is also supposed to be given immediately.

There are also salaried taxpayers in the country. Their number stands at 411,605. Of them, 74.32 percent are small and they account for 25 percent of the revenue.

Considering the population of 16 crore and 60 percent people remaining above the poverty line, the number of small taxpayers is far too low. It can be presumed that many small taxpayers, in both salaried and business categories, have remained outside the tax net.

Many of them like to remain unregistered by bribing tax surveyors rather than facing the hassle of tax proceedings each year.

Thus, the challenge for the tax department is to gain confidence of small taxpayers and effectively find the non-filers and unregistered persons.

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# Etihad says top US airlines get \$71.5b in subsidies

AFP, Abu Dhabi

Etihad Airways said on Friday that the US government has provided America's three biggest airlines with more than \$70 billion in benefits and concessions, citing a report it commissioned.

The Abu Dhabi-based airline has itself come under attack from US rivals over subsidies.

"US airlines have received benefits valued at \$71.48 billion, more than \$70 billion of which has been since 2000, enabling the nation's three largest carriers to transition from the verge of bankruptcy to today's industry leaders," a statement from Etihad said.

Last year, the three largest US carriers posted profits of almost \$9 billion, close to half the gains racked up by the entire world-wide aviation industry, the airline added.

In early March, American Airlines, Delta Airlines and United Airlines, along with

US airline labour groups, accused Gulf carriers of enjoying interest-free loans, subsidised airport charges, government protection on fuel losses, and below-market labour costs that are considered unfair subsidies by the World Trade Organization.

They called on the US government to open new talks over bilateral air agreements to address what they said are violations of those pacts, giving the Gulf carriers unfair competitive advantage.

Etihad general secretary Jim Callaghan said his airline's study was not intended to criticise the subsidies US competitors received.

"We simply wish to highlight the fact that US carriers have been benefitting and continue to benefit from a highly favourable legal regime, such as bankruptcy protection and pension guarantees, exemptions from certain taxes, and various other benefits," he said.

# Bharti Airtel gets credit line of \$2.5b from Chinese banks

REUTERS, Mumbai

India's top mobile carrier Bharti Airtel has received financing commitments of up to \$2.5 billion from top Chinese banks as it tries to invest in the growth of data networks across its global operations.

Bharti Airtel, which operates in 20 countries across Asia and Africa, said on Saturday that China Development Bank had committed a \$2 billion credit line, while Industrial and Commercial Bank of China has offered a \$500 million credit line.

The company signed the term sheets for

the financing options in the presence of Indian Prime Minister Narendra Modi, who is on an official visit to China.

The transaction needs approvals, including from India's central bank, the Reserve Bank of India, it said in a statement.

With a majority of the country still using more basic "feature phones", India's smartphone market is expected to grow at about 36 percent a year over the next five years, according to consulting firm Zinnov, making the higher margin mobile data business a potentially lucrative bet for network operators.



REUTERS/FILE

A worker cleans a logo of Bharti Airtel at its zonal office building in Chandigarh, India.

# Philippine fire death trap highlights sweatshop abuses

AFP, Manila

THE deaths of 72 people in a fire that gutted a footwear factory in the Philippine capital has exposed abusive conditions for millions of poor and desperate workers across the nation.

The tragedy, in a long row of gated factories in an industrial hub of Manila on Wednesday, was one of the country's deadliest workplace accidents.

But the exploitation of the workers at the factory, where lax safety standards caused the fire, is anything but unusual across the Philippines, according to the government and unions.

"The deaths should serve as a wake-up call for businessmen to stop these abuses... they should give their employees dignity," Labor and Employment Secretary Rosalinda Baldoz told AFP.

Baldoz angrily hit out at the owners of the company that owned the factory, Kentex Manufacturing, branding them as "immoral" and accusing them of a raft of illegal labour practices.

The workers, who produced cheap sandals and slippers for the domestic market, were paid well below the minimum wage of 481 pesos (\$10.90) a day and were denied a host of legally mandated benefits, survivors of the blaze and victims' relatives told AFP.

They said workers were forced to toil 12-hour days, seven days a week without overtime, had legally-required social security and health insurance payments withheld, and were forced to constantly inhale foul-smelling chemicals.

The government said the fire was caused by welding being carried out near flammable chemicals, highlighting what workers described as a casual approach to workplace safety in which there were no fire drills.

Authorities have also blamed barred windows on the second floor which trapped many of the workers, leading to their deaths.

The lawyer for Kentex, Renato Paraiso said that the steel bars on the windows were intended to prevent theft.

"The second floor, where you had the steel matings, that is [where] the final production is done, so this is where the completed products can easily be thrown from the window where someone can pick them up outside. It is a precaution," he told ABS-CBN television.

Alan Tanjusay, spokesman of the largest labour federation in the Philippines, told AFP the situation in the factory mirrored that in many others.

"This is a very common situation. This is just one factory but it represents the... kind of factories in this country," he said.



REUTERS/FILE

Protesters hold placards calling for a justice for the workers who were killed in a factory, during a protest outside a funeral home in Valenzuela city, north of Manila on Friday.

Tanjusay said compliance with safety standards was "really bad" not just in factories, but also construction sites where workers often did not wear protective clothing.

The Philippines has very strong labour laws and a vocal union movement, but the massive numbers of impoverished people and endemic corruption throughout society are two key factors that allow workers' exploitation to flourish.

Roughly one quarter of the nation's 100 million people live in poverty, which is defined as surviving on about one dollar a day, according to government data.

High school dropouts desperate to support relatives are particularly easy prey, according to labour secretary Baldoz.

"They have no regular jobs. When someone offers them a job, they grab it," she said.

Baldoz said President Benigno Aquino's administration, which has been in power for five years, had worked hard to improve labour conditions.

She cited the closing down of 10,000 of an estimated 15,000 illegal employment agencies. Those agencies are an integral part of the exploitation chain because they hire workers as casuals, allowing companies to turn a blind eye to exploitation such as withholding pensions and paying below the minimum wage.

Baldoz also pointed to the establishment of arbitration courts that resolved labour disputes in as little as 30 days.

But Baldoz said that factory owners and labour unions were responsible for ensuring that these safety laws were observed.

This voluntary compliance is one of the big problems, according to the Labor Party, a small political group representing workers.

"Voluntary compliance and self-assessment means that the government is asking the wolf to guard the sheep. No wonder the sheep get slaughtered," party chairman Renato Magtubo said.

Valenzuela, the industrial district in northern Manila where this week's fire occurred, promotes itself as one of the city's "premier business and industrial centres".

But workers at surrounding factories -- which manufacture products such as cosmetics, plastics, paper plates and small appliances -- recounted similar tales of exploitation as those at the Kentex factory.

They emerged from garrison-like compounds, surrounded by towering fences topped with barbed wire and with security guards patrolling the perimeter, with stories of long hours for little pay.

A common theme was being paid well below the minimum wage.

"I don't have enough for food and other expenses. Sometimes, I borrow money," said one worker aged 36 who moved to Manila from the poor central island province of Masbate after dropping out of high school in the 1990s.