

# Marketers should focus more on digital contents

Experts say at Digital Marketing Summit



From left, Ashrafal Haque, vice president of Robi Axiata Ltd; Hashmi Rafsanjani, country marketing manager of Google; Drabir Alam, chief operating officer and director of the "X"; Aman Ashraf Faiz, managing director of Gazi TV, and Sabbir Rahman Tamim, chairman of Cubex Ltd, attend a panel discussion at Digital Marketing Summit, at Le Meridien Dhaka hotel yesterday.

**STAR BUSINESS REPORT**

**T**HE industry should concentrate more on quality digital contents as the market of this segment is booming to cater for the increasing number of smart customers, analysts said yesterday.

Digital marketing is witnessing a lot of changes in Bangladesh of late, said Asif Iqbal, executive director for marketing at the Meghna Group of Industries.

"Here we need to create more and more innovative products (contents) to bring smart customers on board."

The traditional market platform and contents will not work in this digital era, he added.

The growth of Bangladesh's digital market is much higher than that of India and most Asian countries, he said.

"Here we need to bring new innovations to maintain this growth."

Iqbal also urged the government to set a policy for digital contents so the agencies which create the contents get proper revenues for their produce.

His comments came at the opening of

the fourth Digital Marketing Summit at the Le Meridien Dhaka hotel.

At the event, experts from home and abroad shared their knowledge on how to do marketing with the help of digital platforms.

An initiative of Bangladesh Brand Forum, the summit was presented by Meghna Group and was organised in association with The Daily Star.

Starting in 2014, the event has been a central platform for marketing enthusiasts, advertising experts and creative professionals where they learn and share the best and latest digital marketing practices.

Creative agencies and brand managers should not replicate Western ideas at the time of formulating a campaign, said Zaved Akhter, director for marketing transformation at Unilever for South Asia.

"Most of the times, companies do that and fail."

For a digital campaign, the most important segment is content generation, where local ideas and thoughts should get priority, said Akhter. Knowing the customer is the most important part, and if one cannot understand the customer all the initiatives

will be gone in vain, he said.

Hashmi Rafsanjani, country marketing manager of Google, said they can find the customers' location, needs and their thinking, and companies can use the info and develop their products with the help of Google.

"Digital content is the next frontier and I am amazed to see how Bangladeshi youths are embracing the changes," Sanjay Vaghasia, chief digital officer at Banglalink Digital Communication Ltd, said in his keynote speech.

"Thus I believe if we are to stay relevant in the market we all need to change ourselves as per the customers' demand."

"Mobile phones became the most powerful vehicle for digital marketing and we are using it," Mukit Ahmed, head of e-marketing at the country's third largest telecom operator Banglalink, said at a panel discussion.

At the event, Md Azim Hossain, head of digital media at Pran-RFL Group, shed light on the present condition of the country's digital market.

Hossain said Bangladeshi YouTube channels got three billion views only in

June this year.

The technology has evolved but there are still some challenges on the total ecosystem, said Aman Ashraf Faiz, managing director of private satellite television Gazi TV. Bangladesh now has around 13 crore active mobile connections but smartphone penetration is less than 30 percent in the country, he said.

So, 70 percent of the customers will be out of reach if companies take plans only for the digital platforms, Faiz said.

Less than 1 percent of the country's population use plastic money for transaction, and no market can get success with the use of digital platform if the proportion does not reach 20 percent, he said.

He said he has plans for both digital and traditional channels.

"Mobile operators are sitting on huge customers data but they cannot use it. They have to take some responsibility for innovation."

The daylong summit was followed by the first digital marketing award where 50 of the most successful digital campaigns of 2016 were awarded in 13 different categories.

# Samsung Electronics CEO resigns, even as record profits expected

AFP, Seoul

**T**HE chief executive of Samsung Electronics resigned Friday, saying the South Korean tech giant was facing an "unprecedented crisis", even as it flagged record third-quarter profits.

Kwon Oh-Hyun's resignation comes as the company struggles to overcome a bribery scandal that sent Lee Jae-Yong, its de-facto head and heir to the Samsung empire, to jail. "As we are confronted with unprecedented crisis inside out, I believe that time has now come for the company (to) start anew, with a new spirit and young leadership to better respond to challenges arising from the rapidly changing IT industry", Kwon said.

"Fortunately, the company is now producing best-ever results but this is merely a fruit of decisions and investment made in the past", he said in a statement.

South Korea's largest company has been seeking to move past a bribery scandal that saw Lee thrown into jail, and to overcome a damaging recall last year of its flagship Galaxy Note 7 smartphone over exploding batteries.

Lee, who was found guilty in August of bribery, perjury and other charges relating to payments made by Samsung to the secret confidante of ousted president Park Geun-Hye, is appealing his five-year sentence and says he is innocent.

Kwon's sudden departure may be a calculated legal tactic to seek a softer punishment for Lee, said Shim Jung-Taik, an author of several books on Samsung and its corporate culture.

"Lee's lawyers may argue that Samsung, with the veteran Kwon gone, needs its vice chairman back more than ever to lead the firm," he said, adding that the tactic had often been used by other family-run South Korean business empires.

One analyst who declined to be named said the departure of the 64-year-old Samsung veteran may signal a broader reshuffle at the top.

"Samsung's CEO-level leadership has remained largely unchanged for past three years, which is like an eternity in the fast-changing tech industry," said the analyst.

The group has not made any radical changes in its leadership since 2014 when the current chairman Lee Kun-Hee suffered a heart attack that left him bedridden.

Friday's personnel announcement came shortly after the company said it was expecting to log 14.5 trillion won (\$12.8 billion) in operating profits for the July-September quarter, an all-time record and nearly three times the 5.2 trillion won of the same period a year earlier.

Sales are expected to have surged 29.65 percent on-year to 62 trillion won, with the booming semiconductor business boosting the company's bottom line.

Samsung did not announce the performance estimates of each business division but its semiconductor business is widely believed to have contributed greatly to the record-beating report.

# What's at stake for business in Iran's nuclear deal



An Iranian man reads a copy of the daily newspaper Omid Javan, in front of a kiosk in the capital Tehran.

**AFP, Paris**

**I**F the Iran nuclear deal fails then all the countries involved have a lot to lose -- and not just for political and security reasons.

If US President Donald Trump, as expected, refuses to certify to Congress that Iran is complying with the deal, that could pave the way for future sanctions, which could have a big impact on countries and companies that have re-engaged with Tehran since the 2015 deal.

The nuclear agreement is designed to prevent Iran developing a nuclear weapon, and saw Tehran halt its nuclear programme in exchange for the lifting of international sanctions.

Since it came into force in January 2016, the Iranian market of 80 million people has been opened up to European, Russian and Chinese businesses.

Many investors have held back but others, including several large companies, have already concluded some big deals, including European aircraft manufacturer Airbus which has signed agreements with Iran to deliver 100 aircraft.

Here are some of the other major trading partners and what's at stake for them:

Before sanctions, Germany was Iran's main trading partner.

After the lifting of sanctions, German exports to Iran increased by 26 percent in 2016, and continue to rise, according to the federation of German industry (BDI).

The Siemens group relaunched in Iran

in March 2016, signing an energy agreement with Iranian power and infrastructure group Mapna.

Daimler signed letters of intent with two Iranian groups in January 2016 to produce and market Mercedes-Benz trucks.

"Companies that have since resumed commercial relations with Iran and are also active in the United States would be extremely destabilized by the reintroduction of sanctions," warned the BDI.

Trade, which had collapsed under sanctions, rebounded dramatically after the end of sanctions, rising by 235% in 2016, mainly due to oil imports.

Carmaker Peugeot-Citroen (PSA), which was forced to leave Iran in 2012, returned in 2016 after signing production deals worth 700 million euros.

Renault, which had remained in the country and already makes about 200,000 cars per year there, signed a joint venture agreement to step up production and make more than 300,000 cars a year.

Total, for its part, was the first Western oil group to return to Iran in more than a decade. It signed a \$4.8 billion gas deal in early July, heading an international consortium alongside Chinese CNPC.

Trade between the two countries, which had collapsed due to sanctions, saw a sharp rise in 2016, to such a level that Italy was named the first trade partner of Iran in the EU.

In 2016, Rome and Tehran signed a number of agreements, including in tourism, renewable energy and railways.

# US moves closer to EU position on taxing tech giants

AFP, Washington

**W**ASHINGTON is softening its position on European plans to impose taxes on US tech giants such as Apple and Google, officials said this week.

The evolving attitude in recent days would mark a stark shift from American officials' frustration at previous efforts by European authorities to collect taxes from Silicon Valley firms.

"The United States is open to considering the matter and they understand very well the need for the fair taxation of digital giants," French Finance Minister Bruno Le Maire told reporters on Friday.

He spoke after meeting with US Treasury Steven Mnuchin on the sidelines of the annual meetings of the World Bank and International Monetary Fund. A Treasury Department spokesman on Friday referred AFP to a statement made earlier this month, according to which American officials remain "deeply concerned" about the matter.

The administration of former President Barack Obama was outraged in 2016 when European authorities decided to force iPhone maker Apple to pay \$14.5 billion in back taxes after the company negotiated highly favourable tax arrangements with the Irish government.

But, according to Pascal Saint-Amans, director of the tax policy and administration centre at the Organization for Economic Cooperation and Development, Washington's attitude has changed in recent days.

The European Commission is due next year to present proposals for taxing tech giants such



French Finance Minister Bruno Le Maire briefs a group of French journalists on the sidelines of the World Bank and IMF annual meetings in Washington.

as Google and Apple, and France is also threatening to impose far more punishing taxes -- not on profits but on corporate revenues, according to Saint-Amans.

Washington knows "countries will act unilaterally and so they prefer to be involved themselves," Saint-Amans told AFP.

Headquartered in Paris, the OECD has worked on this subject for several years, but had so far encountered American officials' firm refusal to discuss it.

The OECD will present G20 finance minis-

ters with a report on the subject in April, aiming for a long-term solution.

Because this may take time, the OECD is also seeking to harmonize various governments' tax proposals to reduce the harm they could cause to companies' financial positions, according to Saint-Amans.

"The news is the United States will sit at our table not to block the discussion, but to the contrary, to drive it and try to discourage, or at least limit, the damages these taxes could cause," he said.

# Sales tax hike is 'obvious' choice for Japan debt woes: IMF

REUTERS, Washington

**R**AISING the sales tax is a "very obvious" choice for Japan to get its fiscal house in order, a senior IMF official said on Friday, shrugging off proposals by the country's opposition parties to freeze a hike scheduled for 2019.

Odd Per Brekk, the International Monetary Fund's mission chief for Japan, also said he saw no need for the Bank of Japan to begin communicating a future exit strategy from its ultra-easy monetary policy anytime soon.

"We think communication that focuses on maintaining monetary accommodation and achieving the 2 percent (inflation) target is the right approach and should remain the approach," Brekk, who is also deputy director

of the IMF's Asia and Pacific Department, told Reuters in an interview.

Japan's sales tax hike has emerged as a key issue ahead of an Oct. 22 general election called by Prime Minister Shinzo Abe.

Abe has pledged to proceed with the move to raise the sales tax to 10 percent in 2019, from the current 8 percent, but said he wants to use the revenue more for education and childcare spending than paying down debt.

Opposition parties have called for freezing the hike, arguing it would harm Japan's fragile economic recovery.

Brekki said he had some concerns the hike could cool the economy, and called instead for a smaller, gradual hike in several stages.

But he stressed that raising the tax rate was essential and the best way to rein in Japan's

huge public debt, which, at twice the size of its economy, is the biggest among advanced nations. "When you look around for revenue sources, this is a very obvious choice for Japan," he said.

"The government can also look around for other areas for taxation. But clearly, any strategy for fiscal adjustment needs to feature an increase in the consumption tax."

Abe's administration abandoned a promise to balance the budget - excluding debt service and new bond sales - by March 2021, as efforts to fix Japan's tattered finances stalled.

The government plans to review its fiscal framework around the middle of next year, though it is uncertain whether it will set a new time frame for achieving the balanced-budget target.