

Ad firms using tools to help them read your mind

AFP, New York

Why did you splurge on that new pair of shoes? Or that pricey smartphone? More and more advertisers are trying to tap into the unconscious to divine the invisible forces that drive those spending decisions.

Using gadgets to track eye movements, computer maps of faces to capture a momentary grin (approval) or squinting (anger), and sensors to measure perspiration or monitor brain activity, companies are mining consumers' raw emotions for information.

Traditionally, ad firms have measured the success of their campaigns through consumer surveys, but that technique has its limits.

"It's not that people won't tell you, they actually can't tell you why they're making the decision they're making," said Jessica Azoulay, vice president of the market intelligence practice at Isobar, a digital marketing agency.

The new techniques recognize that our purchase decisions are driven by both rational and emotional factors, and reflect research showing the brain takes in information on different levels.

They "enable us to capture many different types of emotions and to be able to profile the emotions that are happening very granularly on a second by second basis," said Elissa Moses, chief executive of the neuro and behavioral science business at Ipsos, a consultancy and market research firm.

"People won't be able to tell you that something irritated them in scene three or thrilled them in scene seven, but we'll know from looking at the facial coding," Moses said.

The technologies can help track if brands are maintaining their edge over competitors, and make ads more effective by determining what to highlight, for example whether to emphasize the distress of allergy symptoms or the relief of treatment when pitching medications.

And the techniques are being applied to other industries, such as retail, which is experimenting on ways to attract customers in the Amazon era.

"Ultimately there is a dance between the conscious and unconscious," Moses said, noting that "in order to actually buy a product, you have to make a conscious decision."

Some of the techniques were first employed in the 1970s, but now are being more widely adopted as equipment has improved.

An eye tracking test uses technology-enhanced glasses with a camera to record what a person is seeing on a television or in a store and read how long the eye settles on a particular cue.

That can be combined with other methods, such as galvanic skin responses with sensors applied to a person's hand to read perspiration, and electroencephalography (EEG) which reads brain activity through sensors on a person's head.

The data is used to produce a "heat map" with yellow, orange or red "hotspots" that show where the person's eye fixated. Techniques measuring arousal can signal whether an ad stands out amid today's media avalanche.

Other tests that are becoming more popular seek to shed light on unconscious associations with products or shopping needs.

Johnson & Johnson has tested thousands of consumers about Tylenol pain relief and other over-the-counter products, showing them quick-fire images or words that connote a particular emotion.

Responses are tracked to the tens of milliseconds, said Eric Dolan, associate director for global strategic insights at Johnson & Johnson.



Syed Mahbubur Rahman

ABB elects new office bearers

STAR BUSINESS DESK

Syed Mahbubur Rahman, managing director of Dhaka Bank, has been elected as the chairman of the Association of Bankers, Bangladesh (ABB) for 2018-19.

The forum of the managing directors of commercial banks also elected Shafiqul Alam, managing director of Jamuna Bank, and Sohail RK Hussain, managing director of City Bank, as its vice chairmen.

The election took place at the 20th annual general meeting of ABB at MTB Tower in Dhaka on Saturday.

Anis A Khan, managing director of Mutual Trust Bank and outgoing chairman of ABB, presided over the meeting.

At the meeting, Md Arfan Ali, president and managing director of Bank Asia, has been made the secretary general and Md Abdul Halim Chowdhury, managing director of Pubali Bank, got the post of treasurer.

Barakat new president of BEA



Abul Barakat

STAR BUSINESS DESK

Abul Barakat and Jamaluddin Ahmed have been elected president and general secretary respectively of Bangladesh Economic Association (BEA), for 2018-19.

Md Mostafizur Rahman Sarder has been reelected as treasurer, the association yesterday said in a statement.

The election took place at the Institution of Diploma Engineers



Jamaluddin Ahmed

Bangladesh in the capital during the association's 20th biennial conference that concluded on Saturday.

Barakat is a professor at the department of economics at the University of Dhaka. He is a former chairman of Janata Bank.

Ahmed is a chartered accountant and has been a fellow member of the Institute of Chartered Accountants of Bangladesh since 1990.

Ahmed is also a director of Bangladesh Bank.

Lafarge to acquire Holcim at BB-set price

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At the DSE, 58 securities gained, 245 declined and 30 remained unchanged. The DS30 was 0.14 points in the red whereas the DSES was 0.40 points in the green.

Small cap companies dominated

the turnover chart.

Nahee Aluminium Composite Panel topped the list, followed by National Tubes, BBS Cables, Rupali Life Insurance Company, Brac Bank and Padma Islami Life Insurance.



Nazimuddin Chowdhury, chairman of MJL Bangladesh Ltd, presides over the company's 19th annual general meeting at Krishibid Institution Bangladesh in Dhaka yesterday. The company approved 45 percent cash dividend for the year ending on June 30, 2017. Azam J Chowdhury, managing director, was present.



Alam becomes ED of Bangladesh Bank

STAR BUSINESS REPORT

Md Shah Alam has recently been promoted to the post of executive director of Bangladesh Bank.

Prior to the promotion, he had been serving the central bank as general manager, according to a statement of the BB.

Alam joined the central bank as an assistant director in 1988 after acquiring his master's in economics from Chittagong University.

US tax cuts to reduce incentive for affordable housing: campaigners

REUTERS, Seattle

The new US tax bill could have a negative impact on the production of affordable housing at a critical time of rising demand across the country, according to low-income housing advocates.

The US Congress passed the Tax Cuts and Jobs Act of 2017 and President Donald Trump signed the bill on Dec. 22, keeping a promise to deliver a tax cut by Christmas. But the 503-page bill, which critics say was rushed through Congress for speedy passage, could leave some collateral damage in its wake when it comes to affordable housing programmes, according to the National Low Income Housing Coalition.

"This bill will exacerbate our country's already yawning income inequality and will harm efforts to end homelessness and housing poverty," coalition President and CEO Diane Yentel said. Housing advocates' main concern is how the reduction in the corporate tax rate impacts the market for Low Income Housing Tax Credits, the fiscal mechanism responsible for the largest share of privately-built affordable housing in

the United States.

US corporations purchase these credits, which reduce their tax bill, by investing in affordable housing developments. A lower corporate tax rate means private companies will have less incentive to invest in the production of affordable housing.

Analysis by public accounting and consulting firm Novogradac & Co said this change would reduce the future supply of affordable rental housing by nearly 235,000 homes over 10 years.

"At a time when we should be increasing investments in solutions to the housing crisis impacting low income people across the country, the increased deficits created by these tax cuts puts the national Housing Trust Fund and other vital housing and community development programs at risk of deep spending cuts down the line," Yentel said.

The repercussions of changes to that market will be felt nationally where there is a shortage of 7.4 million affordable homes for renters living at or near the poverty line, according to a National Low Income Housing Coalition report.

In Seattle, where increases in home

prices led the nation for the 13th straight month in November, local officials are bracing for the impact. "We think lowering the corporate tax rate from 35 to 21 percent without making other changes to the Housing Credit will mean a 14 percent reduction in the number of affordable homes we are able to create in Seattle," said Steve Walker, director of the Seattle Office of Housing.

"In 2017, this would mean an impact of approximately 125 less affordable homes being built, or at least one building, at a time when we face an affordability crisis."

Trump touted the corporate tax rate reduction as a boost to the US economy, saying it would mean more products were made in the United States and bring back companies.

Low-income housing advocates said the final tax bill was an improvement on earlier versions, however, which would have entirely eliminated Low-Income Housing Tax Credits and another affordable housing tool, tax-exempt Private Activity Bonds.

Yentel said such a course of action would have had "an immediate devastating impact on affordable housing."

Challenging year for steelmakers

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The steel sector did not grow as expected this year, he said, while forecasting 5-6 percent growth for 2017.

Masud said the production cost of mills rose this year for increased prices of electricity, gas and the appreciation of US dollar.

However, the industry made some progress in 2017, with one being that it has become almost self-sufficient in billet, the main raw material for rod.

"Those who had expansion plans could finish," Alihussain said, while citing the increased efficiency of the sector as another achievement.

For instance, the rod prices are now lower than in China and India, according to the BSRM chief.

However, none of the three cited any improvement in the ease of doing business in the outgoing year.

"Rather than becoming easier, doing business has become a little bit difficult in 2017," Hossain said.

Alihussain complained the processes have

become much too centralised. "Every file has to go to Dhaka for decision. This is a problem for those doing business outside of Dhaka."

Steps should be taken to ease the movement of goods as entrepreneurs have to pay more for freight and pay fines for delays in clearance of goods from the port, he said.

"There is a huge lack of coordination. Efficiency will increase by 5-10 percent if the government takes decision in coordination with all stakeholders. Let the people participate," Hossain said.

Millers said the steel market will grow in 2018 because of the government's spending on infrastructure development ahead of election.

Alihussain said the government should take decisions in advance so that development activities continue during the election period.

"But political unrest could be a problematic factor. This would be the biggest challenge for us. All parties should give effort so that such a situation does not occur and affect business," Masud said.

Hossain said political instability will affect all. "All are concerned about it."

Govt clears way for issuing more ISP licences

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The BTRC also sent 350 applications on licence renewals in the last 18 months. The telecom division is yet to take decision about them.

Md Emdadul Haque, general secretary of the ISPAB, said internet business has been going through tough times as there is a lot of confusion everywhere, starting from licensing to monitoring.

He said there are over 4,000 illegal

internet business entities, so the threat for cyber attacks for the country is mounting.

"We are observing a lack of regulation in the internet business," Haque said. The ISPAB has sent a letter to the BTRC, seeking an appointment to sit and discuss the issue.

There are about 53 lakh active internet connections linked to ISPs as of November using over 350 Gbps of bandwidth, according to the BTRC. The country's total bandwidth consumption is about 530 Gbps.

Machines threaten RMG workers' jobs

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For high-end garment items, a certain level of satisfaction is needed that cannot be achieved by way of manual labour.

At present, value-added items account for 40 percent of the total apparel shipments, up from about 30 percent five years ago, according to industry insiders.

It is also true that the rise of other sectors like agro-processing, leather goods, IT and construction work for mega projects by the government also attracted workers away from the garment sector, Ahmed said.

"But at the same time, new factories have also come up and the efficiency of workers

have also improved a lot," Moazzem said.

In the near future, if the e-commerce giants like Amazon and Alibaba employ internet-based marketing tactics, there is a possibility of merchandisers losing jobs as well, he said.

The government should come up with a policy as automation is taking place rapidly, the economist added.

Siddiqui Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, acknowledged the shedding of workers in sweater factories for automation.

"But the most damage was done by the shutdown of nearly 600 small factories."

ArcelorMittal tells Ilva it wants to change buying contract

REUTERS, Rome

Steelmaker ArcelorMittal has told commissioners running Italy's Ilva plant that it wants changes made to the contract in which it agreed to buy the company in order to protect it from legal challenges in Italy.

ArcelorMittal, the world's top steelmaker, reached a 1.8-billion-euro (\$2.1 billion) deal to buy Ilva in June but the purchase has since stalled due to legal challenges and an EU anti-trust investigation.

In the latest twist, the commissioners in charge of Ilva have written to Italy's industry ministry saying ArcelorMittal has told them it now wants the purchase contract changed to safeguard it in case the legal challenges are successful.

ArcelorMittal has asked for "modifications and additions" allowing for the deal to be suspended or dissolved if a court in southern Italy upholds the challenges, according to the commissioners' letter, dated Dec. 21, which Reuters has seen.

"We are assessing, with our consultants, whether these requests are compatible with the rules in force," the letter says, adding that in any case the commissioners will take no steps without first informing the government.

ArcelorMittal declined to comment to Reuters.

EU antitrust authorities in November upgraded their own investigation into the company's proposed takeover of Ilva, fearing it will lead to steel price hikes. European steel prices

are up some 85 percent since Jan. 1, 2016.

A few weeks after the anti-trust filing, the Puglia and Taranto local authorities filed an appeal against the Italian government's approval of ArcelorMittal's environmental plan for Ilva. They said the plan did not do enough to safeguard the environment and public health.

Prime Minister Paolo Gentiloni wrote to the governor of Puglia and mayor of Taranto on Friday, urging them to drop the lawsuits.

Similar appeals had previously been made by Industry Minister Carlo Calendar, warning the challenges could scupper the deal with ArcelorMittal. Puglia's governor Michele Emilio has so far refused to budge.



AMA Muhith, finance minister; AK Abdul Momen, chairman of Chittagong Stock Exchange, and Manjur Ahmed, managing director of Bangladesh Development Bank, open the bank's 43rd branch at Islampur in Sylhet on December 21.