

The Role of PR and Marketing *IN TAX ADMINISTRATION*

IOTA Report for Tax Administrations



Intra-European Organisation of Tax Administrations
www.iota-tax.org

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Budapest 2009

INTRODUCTION

The most successful, efficient and profitable organisations are those with a market-led approach to their businesses. They have a very clear vision of what they are trying to achieve and how they will achieve it. These principles apply whether they are a big organisation, SME, not-for-profit organisation or public administration, and marketing drives this focus and public relations (PR) helps communicate it.

For tax administrations, like most public sector organisations, the move towards adopting business-type processes is a relatively new one and is largely driven by a recognition that the people whom they serve are “customers”, who now expect good and efficient “customer service”. Additionally PR and marketing skills are now required to relate and respond to the media 24/7; in an increasingly open society the tax administration is often the focus for critical comment and it has to be prepared to respond quickly to “put the record straight”. Just as important is the ability to communicate effectively with taxpayers/customers and often the best way to do this is by using the media to carry the message and in order to successfully do this the acquisition of PR and marketing skills is vital.

Some IOTA Member tax administrations have already adopted such processes and use these skills very effectively to build good relationships with communicators and through them with their customers/clients/taxpayers, whilst others are just beginning to appreciate the value of acquiring such skills.

So public relations and marketing in tax administrations was the topic for investigation by an IOTA Area Group Task Team during 2007 - 2008, they aimed to find out how IOTA Member tax administrations are adapting to this new business-driven, customer-focused environment. Their report is based on a questionnaire, which was answered by 26 IOTA Member tax administrations, and the Task Team has produced an overview of good practice and methods adopted within Member administrations.

The report is divided into six Chapters. First of all, there is the theoretical part: “what is marketing?”, “what is public relations?” and how can we define these concepts in tax administrations? - These ideas are then developed in Chapter 1. Chapter 2 examines the strategic aspects of marketing, whilst Chapter 3 is all about tools and marketing programmes. What it really looks like on the operational side is discussed in Chapter 4 and tools and some case studies are commented upon in Chapter 5. Chapter 6 is devoted to general conclusions.

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Budapest, 2009

Intra-European Organisation of Tax Administration

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1. DEFINITION OF PR AND MARKETING

Our questionnaire started with the following question: "Does a tax administration need to market itself and if so, why?" Before we can answer that question, we must of course define the meaning of marketing. There are many definitions of marketing, from the Chartered Institute of Marketing: "Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably" to a definition of societal marketing (applicable to non-profit organisations): "The societal marketing concept holds that the organisation's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors, in a way that preserves or enhances the consumer's and the society's well-being" (*Kotler, Philip. Marketing Management: Analysis, Planning, Implementation and Control*).

Marketing in the strict sense of the word, is about transactions with a win-win situation. The offered product or service satisfies the customer's needs, whereas the price paid fulfils the expectations of the supplier. Customer and supplier have a certain liberty to decide whether or not the transaction should take place.

1.1. Definition of marketing in a tax administration

The questions we should ask ourselves are: Can we talk about a transaction between taxpayers and the tax administration? If yes, what do we exchange? And what are the interests?

First of all, tax administrations have a number of special features that do not apply to private companies. The services we offer are very often compulsory. We have a public mission we have to fulfil - safeguarding public funds - we are also a monopoly. Moreover our core business is not a very popular one: enforcing and collecting taxes. In doing this, we are serving both citizens and society, and we have to explain that their interests are not necessarily opposite. Citizens have to submit their tax file and pay taxes. We can also apply sanctions if they do not - that is part of our product. Our 'customers' have many interests: they know that society needs an income to insure that government, education, social security, etc. are well functioning. Amongst others they have a sense of civics that makes them compliant with reasonable rules. They also do not like to be punished for transgressing these rules. So the transaction is that a rule is exchanged against behaviour. Citizens can also choose whether or not the transaction takes place. For instance, when tax deductible expenses are not claimed, or subsidies not asked for. Or even, when they do not pay the amount of tax due, which makes them defaulters of course. Anyhow, there is a certain amount of liberty, so marketing does apply to tax administrations.

1.2. Definition of public relations in a tax administration

Almost every IOTA Member is convinced that tax administrations should market themselves, although a few tax administrations think marketing has a secondary role. They think public relations are more important, and that we should focus on

the services we offer. Effective public relations solutions involve meeting communication needs and producing collateral material that create a positive image for businesses and organisations. A well-planned, proactive PR campaign supports an organisation's business objectives, communicating news and information to both internal and external target audiences and influences a positive response - thereby helping an organisation achieve its goals. PR solutions are achieved when tailor made plans are put together and executed through the appropriate combination of media relations, issues and crisis management, internal communications, event organisation, media training or promotional activity.

The next definition sums up well the answers given by IOTA Members to the question "What does marketing mean to your tax administration?" Making it easy to be a taxpayer - that is what marketing is about. Since the taxpayers and their needs are essential in all our services we try to provide information communicating through a wide variety of different channels. Promotion is not the main objective, though new tools are presented, such as e-government, and "no touch" solutions. We create a positive image of the tax administration and are eventually achieving our tax department's mission.

1.3. Objectives and mission statements of tax administrations

Commercial marketing is about survival of private companies making profit. Their mission is maintaining a solid financial basis, making profit through selling products in the market.

The central emphasis in tax administrations is more and more oriented towards client satisfaction. We want our citizens/customers to be loyal clients. We also want to make it easier for them to fulfil their obligations, thus improving compliance.

"In our daily work we proceed from the mission and values" agree most of the IOTA Members. Having a clear definition of its mission is of major importance for a tax administration willing to market itself. Mission statements describe a number of main objectives that can be evaluated when realized (or not). These missions must define a clear scope and should not only be relevant for but also have a stimulating and inspiring effect on all its stakeholders: government, society, citizens, and of course employees. The mission consists of expanding the taxpayers' knowledge and switching-over from the enforced collection to voluntary payment by the means of measures in the area of education and information.

Both internal communication and messages to the public are in compliance with the mission of the administration. Not only are we briefing taxpayers regarding their rights and obligations; we are also briefing professional accountants and lawyers regarding the latest tax news in order to consolidate and reinforce fiscal conscience in our society, building confidence. Tax authority must be a reliable and trustworthy organisation, and we want it to be perceived as such by its customers. Frequent training and education of our employees leads towards a higher degree of professionalism of our staff and marketing is necessary to build a positive image of

such an “open” tax administration. This also means that we are interested in knowing the taxpayer’s view on the administration.

So this brings the well-being of society into the equation and puts a certain emphasis on identifying the needs of the clients, and of course on providing services that are of the required quality.

1.4. Taxpayers’ needs and expectations

Of course tax administrations have needs. They are a direct result of their objectives, and must enable them to continue to exist by providing them with the means to do so. But what do the other stakeholders want? People buy products in a private market because they want to satisfy their needs, both material and immaterial. We all know the Maslow pyramid where we discover that only after fulfilment of our basic needs; we seek to satisfy the higher ones.

Citizens, who are concerned by the social effects (education, social security, the environment) are interested in a social regulation that satisfies their needs. Politicians and political parties are interested in political power, votes, continuity. Employees want to have some influence, and are interested in continuity and career possibilities. Tax administrations should take into account that for the taxpayer the intended result on society is of great importance. A broad social support for paying taxes will be guaranteed when the pursued effects meet their actual demands. Hence the success of Al Gore’s “An Inconvenient Truth”, because people are more concerned about the environment. This is translated in many measures related to “green fiscality”.

Surveys help us to discover different customer features thus enabling us to divide customers into segments according to their need for service and abilities to make use of certain services. By implementing new initiatives based on these needs we are improving effectiveness and reducing compliance costs whilst developing confidence and trust in paying taxes.

In most tax administrations, marketing is not a new phenomenon, and civil servants are aware of the importance of being customer-oriented. Sometimes a change of mentality (citizens are definitely no longer there for the tax administration) is however necessary. The customer/citizen should be the starting point of the way we think and act, and we should do so on a double track. On one track the needs of the taxpayers provide the guidelines for our actions. On the other track we focus on how we want to obtain our objectives, the pursued social effects.

The customer being the core notion of this attitude means that they are treated in a customer-friendly way, supposing they will deliver compensation. The tax administration stays informed on their needs and tries to meet these demands. Limitations are of course the objectives of tax administrations and the fact that the government has to act by strict regulations. Finally comes the moment when the citizens have to pay. If they do, tax administrations stay customer-oriented offering an after sales service, e.g. allowing them to pay not at once but in several

instalments. If they are not compliant, tax administrations can sometimes react in a very unfriendly way.

In many countries, especially those with mature tax administrations, there is a demand for trimming down the organisation, certainly regarding the huge financial efforts that were recently made trying to restore calm in financial markets. Let's not forget that the generation of baby boomers is slowly reaching the age of retirement and many governments, driven by budgetary boundaries, think that reengineering can improve efficiency. To be specific: if we are to perform the same tasks with less staff, tax administrations need good marketing because they need a good public image, and trimming down makes it unavoidable for civil servants to become more efficient. The needs of the customers are also taken into consideration: citizens have become emancipated and critical and make demands on quality and tax administrations and civil servants know that.

In IOTA Member tax administrations taxpayers' behaviour before and after marketing is not always analysed. However, some tax administrations do so as will be explained in detail in the following chapters.

2. MARKETING AND PR STRATEGY

It may be astonishing to some to connect marketing or public relations with taxation. After all, taxation is a monopoly, a firmly legislated function of the society and citizens do not have a choice whether to be a “customer”. They can not choose not to be taxed. At least, should they do so, they become members of a different customer group, tax evaders, and thus a subject to harsher actions. General approval of taxation as a function in the society is the foundation on which the society can build its future existence. Thus tax compliance can be seen as number one target, *raison d'être*, in all tax administrations within IOTA.

2.1. Overall aim of public relations and marketing

Ways to achieve tax compliance vary. All tax administrations see themselves as more or less administrations that provide services to their customers: citizens, organisations and other authorities. One can argue that collecting money from citizens is hardly a service; rather, it is a theft. Yet the same taxpayers receive some of that tax revenue as services of the society: infrastructure, education, health care etc.

From this service point of view it is essential that a tax administration looks at its functions and customers as a set of relations with which it can produce value to its shareholders, taxpayers as members of the society. Value producing service provider can be seen as a target image for all tax administrations.

Building an image is a slow and persistent process; it cannot be built overnight. All tax administrations see better performance in their core business as the main key to the customers' heart. Main elements here are improved service and products (such as a tax return etc.) and well-trained personnel. The better the service perceived in customers' mind, the more compliant they tend to be. The better the image of the tax administration, the more loyal they want to be as members of the society. Certain clumsiness of administration can be more easily forgiven to a tax administration that has an excellent image. Such an administration can also compete in the market of its future employees.

Transparency plays a significant role in the tax administration image, as well. Trust in the society is built on equality between different customer groups, steadiness of tax administration procedures, understandable guidance and legislation etc. Thus also the legislators should be seen as a significant target group to the tax administration, and their relationship should therefore be cherished among others. We must not forget stakeholders' point of view as an interest group. Surveillance of the financier is generally based on overall figures and report on activities and not all can be reported. Thus general perception of the tax administration in the eyes of the public serves the control of legitimacy. The more transparent the society and its administrative functions are the more reliable and less corrupt are its civil servants. Thus public relations must reach stakeholders as well.

Public relations is an essential tool to build a better image by conveying all these elements to all the customers of a tax administration. Its key activity is to create publicity through press conferences, meetings, and other events that will draw attention to services. The aim is to help develop and maintain good relations and understanding between tax administration and the public. It is a long-term activity that involves the building of relationships with media and continuously seeking to find opportunities to enhance tax administration's reputation in the public mind and to highlight improvements and successes.

2.1.1. Some examples on PR within IOTA

Belgian tax administration visits a number of shopping malls each June to help taxpayers understand their taxes. Taxpayers are even helped to fill in their tax forms. These actions are very successful because of the long lasting collaboration with a Belgian radio channel promoting this initiative. At the same period a bus chartered by the FPS Finance is present in a number of cities where there is no tax office. In this bus taxpayers can file their personal income tax return online. Civil servants help them to accomplish this task. Also Italy provides "Tax on Wheels", a van equipped like a real office driving around the countryside providing information and services.

Belgium, Finland, Estonia, Italy and many others attend a number of fairs and events targeted at different customer groups. Special audiences can be found in the field of construction, housing, financial domain, etc. Finland promotes its eService in the Starting a Business fair for small and medium enterprises (SMEs) and small employers each March. A lecture is given on central taxation issues affecting the taxation of these target groups. Features brought up here can be changed due dates, new forms, latest features on the eServices etc. Estonia educates potential businessmen on taxation in an Entrepreneurs' Day thus avoiding tax crimes. Belgium is on the road also on energy saving measures. A new rising target group is senior citizens, a fast growing public thought to be active and multiplying its interests.

Nordic countries and Spain, among others, have a history of educating the young in the schools (for details please get acquainted with the IOTA report on the subject). Officers can either go out to the schools or invite school classes to the tax office. An exciting way to increase transparency is Job Shadow Day in Estonia. There a student (or any person interested) is welcome to the office and escorts an official everywhere thus observing in real life how the Estonian Tax and Customs Board operates. Denmark and Spain have introduced a game on taxation to the youth. One step to openness is also "The End of Anonymity" in the French Tax administration. It is now possible to know the name and contact information of the agent who follows the file of the customer.

2.2. Segmentation

Only a few tax administrations state to have a separate marketing strategy. However, almost all tax administrations aim their marketing activities at somewhat different target groups. Marketing is seen here as a larger function concentrating in

the customer's needs. Thus it involves both research and development: gathering information on customer behaviour, analysing it to the needs of departments responsible for developing and maintaining services, and finally but not least, for the needs of better understanding customer behaviour and communicating accordingly.

Optimizing activities can only be done when entities are reasonable and comprehensible. It is quite impossible to improve organizational functions on a strictly general basis. Dividing customers according to functions is the first step. An organization looking for value added goes deeper in its research: it segments its customers according to their needs, prioritizes organizational drivers of change and then optimizes its path of actions on a win-win combination of the two sets of goals.

Most effective organizations are those that have found their most value-producing customers and have been able to fulfil their needs with the service supply. Key customer groups can be ones of highest fiscal significance or ones that deliver impartial information to taxation. Building better services according to their needs, communicating and marketing of these better services and building public relations in these customer groups is highly productive.

Segmenting in tax administrations is usually done roughly. Customers are divided into two or three groups. Marketing in these groups are then usually campaigns concerning tax returns, electronic filing or general services for these target groups.

A more popular way to segment target groups is categorizing customers according to the products aimed for this certain group or other typical features of the target group. 21 out of 24 tax administrations use some level of differentiation in its marketing and PR activities. The following target groups were found in the questionnaire (*Questionnaire sent by IOTA, PR & Marketing, Spring 2008*): businesses, SME's, upcoming businesses; International customers, immigrants, VAT taxpayers; travel agencies, housing associations; educative communities, university people etc.

2.3. Analysis

Responsible government agencies should decide on marketing on the same basis as businesses do. Marketing is an investment and it should be carried out only if it is profitable or at least cost-effective. In order to decide on the most effective activities, tax administrations, as well as other actors in society, should draw an analysis on their environment.

Which customers are the most profitable ones, from our perspective? One should carefully consider customers through a prism of tax collecting responsibilities, voluntary tax compliance and service offering of the tax administration, among many other things. Such an analysis leads the way to the most potential target groups where activities of the tax administration bring forth fast and economical results.

Ideally at the end of this development, all the complying customers have been won and the only ones left are the non-compliant. But then of course, the tax administration can afford to focus all its resources on tax inspection and other forcing activities.

However, one of the most difficult tasks in business is how to deduce and measure the indirect effect of marketing activities. It is easy to see and measure the direct effect through questions like "How many people saw the advertisement or campaign". But the real question should, in tax administrations as well, actually be, "How many people of those who saw the campaign actually changed their behaviour and started to act the way we wanted them to, due to the advertising campaign".

2.3.1. Some examples on analysis within IOTA

Marketing donates to raising awareness. Awareness of the service is compulsory before one can become a user. Efficiency of marketing activities, as measured with return on marketing investment (ROMI), helps further decision making in investments. Correlation between raising awareness and becoming a user and marketing is essential for tax administrations in their planning, allocating resources etc.

Finland forecasts the customer willingness to use the eServices. It is done as a website survey: users are asked their perception of the eService and their future tendency to use that eService next time. Non-users are asked the awareness of our eService and their future tendency to use eService next time, instead of the channel they now used. Both groups are asked the source of knowledge (marketing activities, word of mouth, visiting in the tax office etc). Surveys forecast thus the willingness to change between the channels, for example move from ordering the tax card per telephone to ordering it as a self service on the website.

2.4. Feedback

A few tax administrations (Sweden, Denmark and Ireland) measure customer behaviour or knowledge both before and after the taken actions. Others estimate the efficiency through the ratio of fiscal compliance (Portugal) or customer feedback (Estonia).

The more accurately the results can be measured and assigned to public relations and marketing, the more accurately, consistently and efficiently future actions can be planned. The ideal outcome is that the results will be taken into consideration on the strategic level. This way customer behaviour, the most valuable asset of tax administrations, would actually be a feedback to the strategic process and the tax administration would adjust to customer needs, whenever possible.

3. TOOLS FOR PR AND MARKETING PROGRAMS

The implementation of a public relations and marketing policy requires a strategy, tools, budget and human resources.

The strategy has been studied previously in Chapter 2 above. Chapter 3 will deal with various tools and various strengths. We will see that it should be differentiated by size and in terms of objectives.

The study on human resources particularly deployed in training areas in this activity shows a large variety of situations and actions.

Ultimately it should be noted that the section on tools is the richest and most diverse, and leaves the field for a wide range of experimentation.

3.1. Marketing mix

The answers to the questionnaire are important as regards to the topic of tools. They are so diverse and numerous, that we will classify them according to typology and strategy. One clear thing is that this is certainly one of the main thrusts of communication in almost every administration. It must be highlighted that the recently most implanted tools in tax administrations are those related to the phone use.

The studies of answers can be classified in three categories of tools: those promoting good citizenship, those promoting a better quality of service provided to users and those improving the image of a tax administration. An ultimate section is devoted to the measure and extent of these impacts.

3.1.1. Tools improving compliance

The tools are available to the public and used to promote a tax campaign and generally good citizenship.

Active information

- Media: wide annual tax campaigns about income tax return: radio, TV, press, conference, billboards, advertising letters, website magazine (Italy).
- Meeting with taxpayers in training: active information on change of laws. The target is limited to specialists or professionals (intermediaries, accountants, notaries, trade unions). The communication is mainly done through conferences, seminars, users' committees (in France).
- Partnership: with accountants, lawyers, notaries, etc. It is the consequence of segmentation policy implemented in several countries: individuals, business, and large taxpayers, employers (Ukraine, Cyprus, Belgium, and France).

- Face to face or phone call to local office: walking-in receptions and remote reception facilities, face to face with appointment, phone call. Useful in some countries mostly for individuals (for example, in France).
- Contact or Call Centres: most of the tax administrations use and enforce this tool.
- Website, robot, tax portal, tax on web, podcast in UK. Website delivers services online: download documents, send an email, pay online, and fill electronic tax return.
- SMS: information on deadlines, calculations, how to validate income tax returns, etc.
- Education of the youth: some tax administrations (Estonia, Finland, Portugal, and Italy) have initiated a strategy to promote public citizenship among young people. The programs are implemented by the administration itself or with the help of external partners (universities, etc.). Some other tax administrations, like in Portugal, have created an educational toy around tax and citizenship.
- Letters, forms: prefilled information, massive sending before deadline. The taxpayer is becoming a customer!

Information at disposal

The tools listed are those used to ease information and provide a greater access to information in a general way:

- Leaflets, booklets, and billboard: all kind of technical information concerning the law, conditions, deadlines, etc. Mostly simple and synthetic for individuals.
- Forms: some tax administrations send pre-filled forms to the taxpayer. These documents include information on name of the officer, local tax address, phone, email address, how to claim, etc.
- Charters: information letters sent by mail when an activity is created, information on local services, etc.
- Advertising letters, subscription: useful with website, personalised newsletters (Italy).
- Official documentation and interpretation of law by tax administration: official newsletter published regularly by tax administration and whose main objective is to provide a unified interpretation of legislation and applicable to every citizen. These newsletters are published on the website.
- Website: tax portal, tax on the web, etc. This is the main tool to deliver simple or complex information about law, calculation of fees, local tax service schedules, etc.
- Information about non-compliant taxpayers: Ireland, Portugal (list of debtors), Norway, Estonia.

3.1.2. Tools to improve and provide best services

- One scope: modern and enhanced quality of service for the taxpayer means a better acceptance of tax. Tax administration is aimed at enforcement and the promotion of quality. The expected result is confidence and trust, and a significant improvement of citizenship.
- Media and press: press conferences (TV, radio, newspaper) to enhance electronic tax return (VAT, income tax, etc.) and reduce the number of paper forms and the management costs (France, Belgium).
- Call or Contact Centre: tools developed in almost all the tax administrations that answered the questionnaire.
- E-services: online services like downloaded forms, fulfilled electronic tax returns, calculations, possibilities to send emails to claim, make an appointment, etc. All kind of services, to obtain information 7/7 and 24/24 everywhere.
- Training customers: One or two examples but not common.
- Training staff: special training to help and solve taxpayer problems, to deliver good services, to prepare appointment, to conduct seminars, etc.
- Segmentation with aim to provide best and more qualified services: individuals and businesses in France, large taxpayer directorate, employees and employers, and also intermediaries, mandatory, accountants, lawyers in useful relation with tax administration.
- Change the behaviour due to a legislative change.

3.1.3. Tools to enhance "best image"

Tax administrations build a better image by providing better services to taxpayers as well as by improving those services. It could be achieved with a permanent education and training of the staff, by keeping updated with developments in technology that enable improving channels of communication and providing the new channels of communication which would enhance the service delivery to the customers. The main tools targeted to enhanced image are listed there:

- Media: the focused ambition of public relations is to promote "a good image" through press conferences, meetings, and other events that will draw attention to services. The aim is to help to develop and maintain good relations and understanding between tax administration and public. It is a long-term activity which involves the building of relationships with media and continuously seeking to find opportunities to enhance tax administration's reputation in the public mind and to highlight improvements and successes.
- Campaign "tour": for example in Italy with "Tax on the wheels" tax administration uses a van through the countryside to promote citizenship.
- Open days: to improve their image, some tax administrations take part in different fairs e.g. the Entrepreneurship day in Estonia, open days in France at local or national level, etc. These kinds of events are good ways to meet taxpayers and have an approach on problems and are an occasion to deliver messages.

- Education for the youth: activities like in Finland with partnership of university, youth fairs in Estonia, Tax and school in Italy, MBA in France with students (University of Paris Dauphine), experience at school with the tax administration of Denmark, presentation of jobs in Belgium during events or in high school, creation of fiscal toys in Portugal etc. - some take a different approach with targeting to improve the image of tax administration with the young and with the aim also to enhance the idea of compliance and citizenship.

3.1.4. Feedback and measures

Measuring the outcomes of marketing actions

- Questionnaires, enquiries: to the targeted group when large information campaigns underway, before, during and after the campaign (Sweden, the Czech Republic); post-tests of advertising campaigns (Spain).
- Surveys and analysis: statistics (Denmark), monthly reliability study (Estonia), ROMI (return on marketing investment) in Finland, external observation (monthly study of opinion by external polling institute (France)), contentment with tax administration survey (Slovakia), general surveys to measure the taxpayers' opinions on tax administration and its activities (Sweden), measurement of the impact of the PR element and analysis of the advertising element of the "claim your relief" campaign (Ireland), examination of tax cases, objections settled and tax collected (Cyprus).

France

Methodology of the external observers: monthly inquiry conducted by the polling institute BVA. From a sample of 900 taxpayers. The main questions concern:

- What is your opinion on the service?
- Has the service improved?
- Is the service good?
- Quality of reception?
- Measures to improve (select only quick answer): simplify the process (provide more information); greater equality of treatment between citizens; improve the agent skills.

- Statistics, indicators: monitoring the number of taxpayers attending its initiatives (Italy), analysis of proportion on media about the work on tax administration in 2007 (the Former Yugoslav Republic of Macedonia), compliance rate (Malta), ratio of fiscal compliance (Portugal), and indicators (Denmark).
- Media analyses in Norway, France (Ministry of Finances).
- "By Law": "On state tax service" and regulations "On state tax administration of Ukraine".

Tools of surveying

Questionnaires and enquiries by tax administration:

- In the media: questionnaires published in newspapers.

- Public enquiries: delivered to the taxpayers during every meeting with tax administration (Azerbaijan), or outsourced as in France (external observation).
- Telephone surveys: call record, interviews, etc.
- Internet online questionnaires, vote on different themes about the website, Internet polls, web surveys among the users of e-services for citizens and the non-users in order to find out the link between raising awareness and turning into a user (Finland).
- In the office: on-the-desk or delivered to taxpayer questionnaires.
- In the taxpayer office: control visits, visits of firms by management members.

Externalised enquiries

- External observer as in France.
- Private enquiries about the quality of tax officers' answers on the phone (organising to train staff in call centres).

Survey and measure

- Measure of the number of visitors on the web page and the number of software downloads (programmes and forms) from the Internet.
- Surveys on the ability/willingness of the customers using the phone to change this channel and use the Internet instead.
- Customers' complaints: indicators, statistics.

3.2. Resources and budget

3.2.1. Resources

Only the Montenegro tax administration has an internal department responsible for marketing.

In all other tax administrations, marketing is carried out by people working in the communication area (from 3 to 30 officials). Recourse to outsourcing is, in most cases, limited to special events, large-scale publications, design of a new logo, campaigns to promote new services. In France, the Ministry of Finance also outsource monthly enquiries (external observer).

3.2.2. Budget

Most tax administrations (15 of 26) have a specific marketing budget. But half the cases show no direct link between marketing strategy and financing the activities chosen for marketing:

- 3 tax administrations that stated "no marketing strategy" yet they had a separate budget for marketing.
- 9 tax administrations with marketing strategy did not have direct budget for the marketing activities.

It means that public relations and marketing activities of tax administrations have to be separated from the private sector: the strategy is more focused on completing and enhancing the actions of tax administrations. There is no advertising and nothing to sell, but messages to promote compliance and information on specific topics like new tools (electronic tax return, send SMS, mailing, etc.)

Loose correlation between planning and financing may hinder actions as good as marketing plans are they may fall totally without funding. Disconnected, scattered funding also creates trouble in calculating efficiency (return on marketing investment) thus showing poor results.

Last but not least, no tax administration has given an indication about the amount of budget.

3.3. Human resources and training

Most of the tax administrations answered that they have a training plan for employees in the field of taxpayer services. It is especially the case of the taxpayers' service department staffs, who often take part in improvement courses held by the internal training centre or in courses offered by external organisations (OECD, IOTA, etc.). The frequency of these courses, seminars or training forums differs from country to country.

The answers provide much information about this training. We detail them in four categories: specific training in the field of public relations and marketing, initial staff training, external training and taxpayer training.

3.3.1. Training public relations and marketing

Few tax administrations have a specific training in this field and they are mostly more focused on the general way of "best services to taxpayer" with the aim of enhancing the quality of answers and dialogue with users. But there is little quantitative information about human resources (number of persons, budget).

Some examples:

Finland

The training is aimed at better customer service skills (attitude, how to contact, etc.) Customer centred management should be our aim. At its best it can be seen in the projects where co-operation with our staff lets us (us being the developers by profession) benefit from their customer knowledge.

Ireland

A Call Recording System has been introduced in regional areas that deal with our Pay as you Earn (PAYE) customer base and also in the Collector General's Office. These calls are monitored on an ongoing basis by local managers and any training/mentoring is identified and delivered.

France

PR Department of the tax administration manages a specific network of 100 local PR delegates in each tax directorate.

- Activities and targets

Develop and implement local PR (open days, press room) and advice on targeted actions (local call centre support, Intranet, quality of service, etc.)

Provide link between ministerial communication officers and the media: press hub.

Follow business "user committees".

- Means and tools

Access to forum.

PR delegate meetings both on an interregional and national level: best practices sharing, sharing experiences, seminars, etc.

PR training (2 days) "PR delegate activities and management of relationship with media".

3.3.2. Initial staff training

This is the greatest part of the answers: each tax administration has a specific program to train its staff after their recruitment. Training programs are important and developed to teach staff first about fiscal technical activity and secondly about good service delivery, good practices and public relations.

Each employee receives professional and specific training in the case of new laws, new process etc. Specific training activities are given to their managers to develop their management abilities, including communication as a public relation tool.

Some significant examples:

Belgium

Each staff member receives professional training (after recruitment).

Every year the latest news (laws, procedures etc.) in different branches of taxation is explained during training sessions.

Specific training sessions are proposed to the employees who can choose the best to improve their expertise.

Promotion of good practice for the legal security of the taxpayers.

Spain

There are special training processes included in the annual training plans to train the staff in a high variety of courses and seminars related with service and attention to taxpayers (technical matters, information technologies, interpersonal communication, services techniques, and so on) which are imparted in close co-operation with the School of Public Finances.

Italy

The Revenue Agency carries on annual training activities aimed at its human resources, arranging at internal level refresher courses on latest fiscal news. The Agency encourages its officials and managers to attend regular master courses arranged by the Superior School of Economy and Finance and by the major Italian universities.

Specific training activities are aimed at its manager in order to develop their management abilities.

Some tax administrations organise this activity periodically, most of the time when they have changes of tax regulation.

Hungary

The tax administration trains its staff to improve services to taxpayers. At the end of each fiscal year, the representatives of the Ministry of Finance inform the tax administration about the changes in rules and regulations for the next year on a meeting. Thereafter, the heads of the regional directorates and departments are given information about the new changes on a national meeting at the beginning of the following fiscal year. Then the information is forwarded to each tax officer at a regional meeting in each region.

The Training Institute of the tax administration organises courses, training, where tax officers can take part every one or two years. These training courses are mostly designed for those tax officers who have face to face contact with taxpayers.

Montenegro

The tax administration organises seminars and meeting from time to time, often when tax regulation changes occur.

Sometimes (once in 1 to 3 years) employees have training about communication abilities and after each amendment of the tax laws they are trained in tax legislation.

Slovakia

The tax administration trains its staff with the aim to improve services to taxpayers. Once in three years the staff have training on communication abilities and annually (after each amendment of the tax laws) they are trained on new tax legislation.

3.3.3. Outsourced training

Few tax administrations have partially outsourced training with external or international organisations such as OECD, IOTA or the Fiscalis program. It is the case in Malta and Azerbaijan. But the responses do not give details on these programmes.

The Former Yugoslav Republic of Macedonia

The tax administration has training program for 2008.

Training for the staff who work on registration and services for taxpayers-for 140 persons from regional offices.

Preparation to provide better services with the opening of Contact Centre of the tax administration.

Tax experts from the tax administration will provide training for new staff about tax, and an independent agency will provide training for the staff, how to manage with angry taxpayers etc.

Project: to establish a tax academy as a new project of the tax administration, Code of Conduct and DVD for services.

3.3.4. Customer training: only one example

Example of Estonia:

Estonia

One significant example in Estonia: customer training is held both by the officials of the central office and local offices, free of charge to the participants. There is training in topics that are essential at certain moments (for example, changes in tax legislation) but there is also training that is popular over time (e.g. different lectures for self-employed persons - accounting, taxation, filling tax declarations etc.)

Training calendar is available on home page and there is also a possibility to submit the electronic application to register (e.g. <http://www.emta.ee/?id=24696>).

4. WHAT TO DO: FROM THEORY TO PRACTICE

To set with accuracy the strategies and increase the likelihood of success of marketing and public relations, in addition to the elements that make up the strategy, it is good to analyse the type of organization of the administration, with its laws, its public reference, the technologies available, as well as its behaviour towards citizens/taxpayers, and therefore the way in which it addresses them, the way it communicates.

Elements that can “classify” the public administrations, and in particular the tax administrations, are often different. The bodies responsible for imposing, monitoring and collecting of taxes vary from country to country, configured in ministries, tax agencies, boards of assessment, collection entities, etc.

Regarding the public reference, types are almost similar in all nations; they include individuals, professionals, businesses, intermediaries, although their “weight” may change.

Another factor which affects the behaviour of public administrations is the complexity of laws which are enacted at central level, but then could need specific regulations such as circulars, resolutions and so on to be applied.

The driving force in the change that has occurred in recent years has been undoubtedly the spread of new technologies, which has allowed administrations to use, in the relationship with citizens, fixed telephony, as for call centres, mobile phones (SMS) and in particular the website, with its great means to collect and distribute data and information. Therefore technologies available to every administration may constitute an important factor in the possibility of proposing changes and improvements in the relationship with citizens, and therefore to have better results in voluntary compliance.

4.1. What administration?

On the basis of these elements and the attitude of the administration towards citizens, it is possible to define four types of administrations:

1. Self-oriented;
2. Neutral;
3. Customer-oriented;
4. Proactive.

4.1.1. The “self-oriented”

This is an administration that is detached from society and from individuals, it merely expresses its will; it holds the power to manage, plan and realize in the collective interest. It is not in a relationship with the community but adopts mechanisms that are a reflection of the position of superiority which it maintains

The authoritative administration, a direct emanation of state and government, works in a centralized way, it does not delegate to the territory more than few

functions, keeping the control activities, which it often performs with the support of military organisms, to the centre.

This category of administrations, which have a passive attitude towards reforms and change, in most cases does not perform customer satisfaction activities.

The communication of the authoritative administration could be defined as "formal". In fact it communicates almost exclusively through official bulletins. Its activities are mainly addressed to make the authority known, to spread the laws and the sanctions applied to whoever does not respect them. To simplify, its communication is limited to spread this message: "This is the law" ", "Who makes a mistake pays".

4.1.2. The "neutral"

The advent of new technologies and the development of mass communication have triggered a gradual change in the relationship between administration and citizens, made more aware of their rights. The pressure for reform, coming from the bottom, in many cases creates the need for a simplification in the administrative action, which becomes more transparent, equipped with tools to publicize its acts, its hierarchies, its responsibilities. It establishes a dialogue with taxpayers/citizens, no more subjects but interlocutors with rights as well as duties. Customer satisfaction activities are considered a regulatory compliance, are mostly "home-made", often discount the lack of specific knowledge and approach, and do not lead to improve criticalities.

The administration, under obligation to communicate with citizens, establishes public relations offices to help citizens deal with the maze of bureaucracy. It issues "services charters", which constitute a promise of service, specifying its contents and taking firm commitments of time and results.

It tries to simplify its language and uses paper to disseminate information and news. The development of the website means that the public administration can go online with websites that offer to citizens a window on its activities and that, at this stage, can be defined 'showcase sites'.

4.1.3. The "customer-oriented"

At this point in the process of change in the public administration, in which the citizen becomes interlocutor, is redefined the internal culture of the institution and the internal organization changes to accept the concept of the centrality of the user, the strategic factor in making people more involved in the management of public affairs.

The knowledge of the activities of the administration with its laws and regulations, the simplification of its language, the offer of services that facilitate the performing of obligations, encourages voluntary compliance.

In this administration, it is the development of technology that is the real difference, because it allows a better understanding of its "users" and so to become "customer-oriented", that is able to know the needs and offer differentiated services, to increase interaction between the administration and its public and simplify the citizen's life.

The development of databases allows the use of customer relationship management systems, which assist the administration in making its services responsive to requests and able to solve the problems of the citizen/taxpayer.

These administrations launch "quality learning programs", therefore the activities of customer satisfaction attempt to reconcile the results of the investigation process to the evaluating of the staff and to the management and internal control.

The administration defined as 'customer-oriented' communicates bearing in mind one thing: simplicity. The online services and call centres enable citizens to obtain information and services without leaving home, and even if they must necessarily go to an office, access will be facilitated by cut-queue systems, by terminals connected to centralized information systems, etc.

News releases, advertising campaigns to spread knowledge of new rules or new services, information material use a simple language, avoiding too bureaucratic or technical words.

Websites become databases supplying services.

4.1.4. The "proactive"

The proactive administration has a fundamental characteristic: its approach towards the citizen is "citizen centric". Its aims are to increase satisfaction of the citizens in their relationship with the administration, a key factor in voluntary compliance, while achieving greater operational efficiency, enabling a proper cost-benefit analysis, the enhancement of human resources, more revenue and less litigation.

The proactive administration uses Customer Relationship Management (CRM) techniques that offer a set of methods for managing processes and activities: from the stage of detection and segmentation, to acquisition, customer retention, then to the development of a long-term lasting relationship.

In particular, the CRM responds to the need of obtaining information through which customize services to the needs of users and thus increasing their value.

In this context, customer satisfaction surveys work as strategic systems, which allow the administration to identify the requests of users and, on the basis of them, to identify the various processes needed to provide services responding to requests, triggering a virtuous process of request/change/satisfaction.

The proactive administration communicates in a customized way, on the basis of the knowledge of its customers and maps of their needs.

Thanks to profiling techniques, it is possible to identify user groups with similar characteristics, so the administration can act proactively, for example by acting timely in potentially critical moments. The proactive administration has interactive websites that allow the use of tools such as chat lines, forum , web TV, FAQ, WAP (Wireless Application Protocol) technologies, but does not neglect newsletters, personalized email, SMS as well as papers, press releases or advertising campaigns.

4.2. Where we are: the answers

How do you achieve the trust and confidence between tax administration and taxpayer/clients?

Most tax administrations decided to answer the question by listing the channels through which they provide assistance and information to taxpayers. Many examples, from websites to call centres are available and are quite widespread, also, the use of advertising campaigns and meetings with taxpayers. Some tax administrations have focused on broader principles: transparency and neutrality (Switzerland and Finland), dialogue and equity (Italy and Lithuania) customized information (the Former Yugoslav Republic of Macedonia). Some tax administrations have focused on the force of laws and the publication of lists of the evaders (Moldova and Portugal), or on the proper preparation and training of employees (Cyprus).

How you expand the knowledge of citizens on their rights and duties?

Almost all the tax administrations that answered the questionnaire focus on internal information systems (leaflets, CDs, websites, call centres, front offices) and external (TV, radio, press, mass media in general), or participation in public events (fairs, congresses, seminars). Others stress the importance of clear and transparent laws (Italy and Slovakia) and services charters (France). Others still focus on customized information for young people (Italy and Portugal), for people living in the same territory (Switzerland), for interest groups (Norway and Ireland) or focus on personalized services (France and Belgium). Someone divulges black lists and fraud lists (Hungary).

Do you encourage taxpayers to voluntary compliance?

Also to this question the majority of tax administrations answered by listing the channels used to communicate with taxpayers (media channels: TV, radio, press conferences, seminars to some kinds of users as chartered accountants, notaries, lawyers). There are many examples of information through leaflets, websites, and books. Some administrations point on fiscal education (Moldova) and the right to information (Italy). Many administrations promote their online services (Azerbaijan, Portugal, Hungary, Malta, and Ireland). Others prefer to intensify contacts with interest groups and especially with professionals (Ireland, Cyprus, Belgium and France). Switzerland tends to increase compliance by informing citizens about how

the revenue is spent; Spain focuses on the quality of services, Lithuania on good example.

How do you deliver the information on offered services?

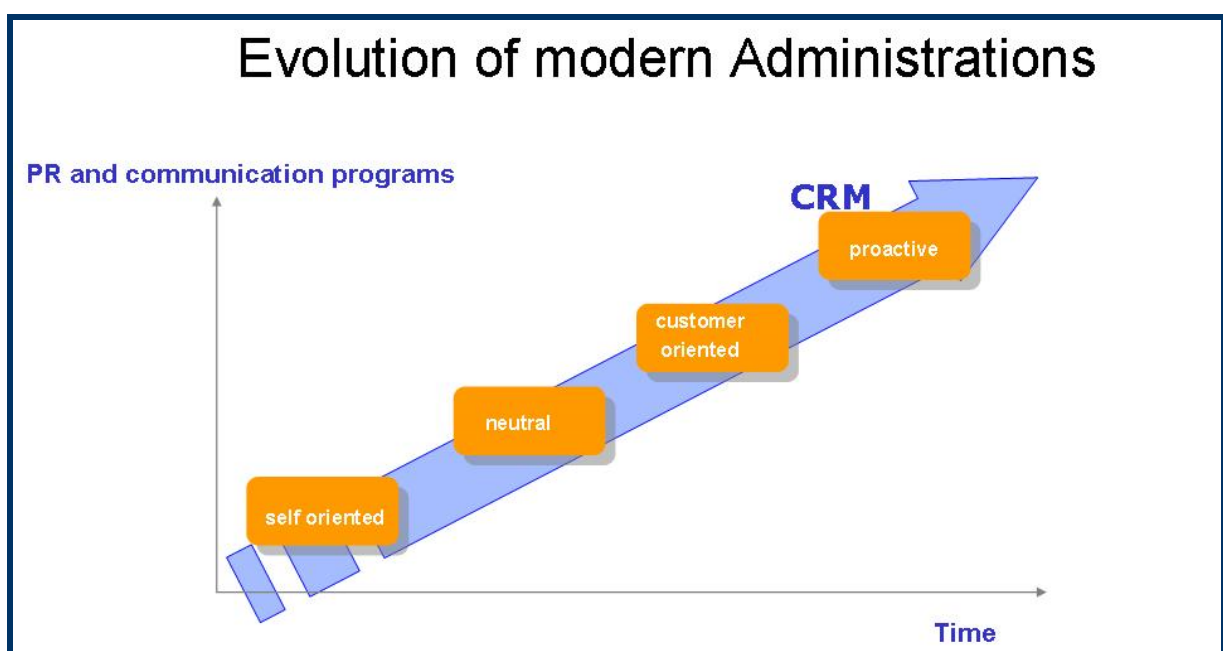
Information on services is offered primarily through the online channels, ranging from government sites to dedicated procedures. Services are publicized, nationally and locally, through the media, leaflets, posters, local TV stations, radio stations, daily newspapers or through advertising campaigns. Someone focuses on customized services: personalized letters, direct contacts (France, Spain, Lithuania and Malta). Norway believes strategic to expedite customer satisfaction surveys and benchmarking.

4.3. From the “self-oriented” to the “proactive” administration

In order to become “proactive”, the administration should pay more attention to communication policies both to the outside, to make citizens participate to the results and actions taken and to provide a social recognition to its activities, both inward, to encourage the participation of all administration processes of evaluating of their performance by the citizen.

The communication, certainly not in its self-celebrative and self-referential, but as service that comes from the dialogical and relational dimension of communication processes, is a fundamental element in building a relationship of trust between state and citizen and in the process of innovation involved when the administration agrees to open dialogue.

When the relationship with the citizen is recognized as essential for the good functioning of public administration, then the communication itself becomes a tool for collecting information, and to activate appropriate responses.



It would be useful and appropriate for the administrations to proceed, besides a systematic monitoring of the surveys, towards the comparison of results and sharing of the most successful experiences.

Benchmarking, that is the exchange of experiences, practices, methods and models of quality surveys, would help the administration to come out of self-referentiality and manage more deliberately the procedures for carrying out surveys, solving, for example by comparison, some method criticalities.

5. MARKETING TOOLS - CASE STUDIES

5.1. Mass media

In this context the mass media includes: TV, radio, newspapers and magazines.

All Members of IOTA use specific marketing campaigns to alert customers of the current obligations, mainly before and during the period of submitting the income annual tax return. Only a few Members use mass media for institutional marketing (for example: in Sweden there are TV-spots). This is supported by articles in the press, interviews with spokespeople on national TV and radio, interviews with local officials on regional radio stations all around the country and advertising (print ads in the largest selling national and local newspapers; radio ads on national and local stations; outdoor advertising on bus shelters and in trains, buses and trams).

In Ireland to raise awareness about citizens' rights and obligations specific campaigns using paid-for advertising and supplemented by media and public relations initiatives. For the past number of years in autumn a campaign "Claim Your Reliefs" was run.

5.2. Public relations

In general, press conferences, press releases, seminars for target groups (practitioners, professionals, mandatory, accountants, employers, etc.) and similar events are used mostly after a change of law or when new rules are introduced.

Other examples of public relations events include meetings and events and education in schools.

5.2.1. Meetings and events

Belgium - fairs and events

Throughout the year many fairs take place in a number of fields such as the construction area, housing, or in the financial domain. Since many years the FPS Finance is present at these fairs to answer questions of citizens. This year, the FPS Finance will be present at fairs on newly starting firms, energy saving measures. They also like to be present at fairs organised for special public, for instance senior citizens, a fast growing public thought to be active and multiplying its interests.

SOS Taxes - each year in June specialists from the FPS Finance are present at a number of commercial centres to allow taxpayers to ask questions about their tax form and even to help them to fill in their forms. These actions are very successful because of the long lasting collaboration between a Belgian radio channel promoting this initiative and the FPS.

Fiscobus - at the same period a bus chartered by the FPS Finance is present in a number of cities where there is no tax office. In this bus taxpayers can file online their personal income tax return. Civil servants help them to accomplish this task.

Estonia

In order to improve the image of the Board and improve voluntary compliance, ETCB participates in different fairs, e.g. the Entrepreneurship Day (a fair for raising awareness of the role of business) and at the Youth Fair offering youngsters information about studying and employment possibilities.

On the Entrepreneurship Day many potential businessmen participate; educating such people in taxation issues is extremely important for avoiding tax crimes in the future when such prospective businessmen start with their own business.

The target groups of the Youth Fair are pupils and students looking for a school for their further studies and so they can find specific information at the fair. Besides, various educational institutions are represented at the fair. Educating youth on taxation issues is one of the priorities of the Estonian Tax and Customs Board.

Ireland

Tax administration established dedicated Pay as you Earn (PAYE) customer service panels which comprise of PAYE customers and staff from organisation and which meet regularly to discuss issues/concerns pertinent to the PAYE customer.

Italy

With the campaign "Tax with the Wheels" the Agency aims to spread information about its services and provide citizens with information and assistance in order to simplify tax duties. A van, equipped as a real office, drives through the countryside, stopping at municipalities providing information and services. Twenty-five stops, in eleven Italian regions, were scheduled in 2008.

France, Hungary and Poland

"Open days" at local or national level, face-to-face meetings are organised to help taxpayers and to improve voluntary compliance

5.2.2. Education in schools

Education of young people is a very important strategy to enhance knowledge and confidence.

Denmark

The Danish tax service offers a team of 70 guest teachers. Target: 9th and 10th grade (app. 14 - 16 years old).

Estonia

Tax administration takes part in youth fairs. The project "Tax and School", on the other hand, involves the tax administration and the Ministry of Education with aims to promote a law abiding fiscal culture amongst the young generation.

Italy

Various initiatives, promoted by the Agency's offices and public schools all over Italy, aim at making youngsters aware of the importance of respecting rules, also tax rules, as a foundation of every civil society.

Poland

In primary schools educational actions are organized under the watchword "Where Have We Money for Our Expenses - We All Pay Taxes", which consist in conducting lessons by a tax officer in primary schools. The lessons aimed at making children aware of the role of taxes and how they are used in a state, on the assumption that such activities will bring measurable effects in increasing the level of voluntary compliance in Poland. At present it is planned to expand the action to grammar schools.

Portugal

Special "fiscal game" is innovated to attract children to the issue of taxes.

5.3. Call and contact centres

This is one of the best tools for encouraging voluntary compliance. All Members of IOTA have established call or contact centres (with channels like e-mail and others), but they vary in structure, organisation and scope.

The call centre does not usually deal with queries that are case specific, although there are some major exceptions, for example the UK.

In some countries there is intensive use of new technologies and wide scope of possibilities and solutions for the taxpayers, but in others call centres operate simply by devoting a few telephone lines and operators with the aim of providing essential telephone information to the taxpayers.

For more information on Call Centres please see the IOTA good practice guide, available on the IOTA website

5.4. Tax portals

A website provides information, access to on-line services and contact with TA. The most used services are tax news, tax forms to download or fill in, registering via the Internet, e-files, pre-filled income tax returns, e-mail and online publications.

5.4.1. Tax news

Tax portals are used for new laws and regulations, and also the homepage of the website is often used to alert customers of current campaigns.

Denmark - electronic reminders

Around 300,000 citizens have signed up for receiving reminders via SMS from the tax administration and around 600,000 citizens have signed up for receiving reminders via e-mail from the tax administration. "Normal reminders" (when a new tax card/preliminary assessment has been calculated and can be accessed and seen on the website in the "Taxfolder", when a new version of the final assessment has been calculated and can be seen on the website) and "ad-hoc reminders" (when it is time again for verifying the tax card, when it is nearly deadline for filing the tax return, or other campaigns that might be planned).

Hungary

The electronic newsletter service, issued daily, provides all the latest information available on the website (www.apeh.hu) to taxpayers who have registered for that service. The data of taxpayers who fail to register at the tax administration, and the so called black list is published on the website of the tax administration, which contains the data of those taxpayers who have particularly high tax debt and have not complied with their tax liability for more than 180 days.

To improve the transparency of the work of the tax administration the contracts over 5 million HUF are published on the website under the link "Üvegzséb" (Glass pocket).

The electronic version of press clipping is available on the website and it can be browsed according to different aspects (date, topic, channel, etc.)

Ireland

Tax administration published tax news as follows:

- Deadlines for filing returns using similar methods;
- Customer Charter, customer service standards and complaint, appeal and review procedures;
- Customer Service Standards, which set out the level of service/timescales etc. that customers can expect when contacting the tax administration;
- Powers for dealing with non-compliance, for example, auditors are tasked with ensuring that the penalty provisions (including publication) are applied in a uniform manner (and IT systems are developed to prompt such follow-up). The potential for criminal prosecution is highlighted.

Italy

In online journals (webzines) FiscoOggi.it and Fisconelmondo.it, the Agency disseminates information on tax issues at national and international levels. Newsletter is able to target information and provide services to specific users. The administration aims to personalise its services enabling an exchange of information and providing a unique opportunity to listen to citizens and give them a chance to express their requirements.

United Kingdom

Tax administration uses podcasts (short recorded interviews with senior officials, which can be listened to over the Internet or downloaded onto a portable digital MP3 player).

5.4.2. Tax forms to download or fill in

In some tax administrations personalised correspondence is made available at specific times that require a taxpayer's reply, e.g. personalised forms are issued in advance of deadline, VAT returns/employer's payroll returns are sought, etc.

5.4.3. Registering via the Internet

Some tax administrations make it possible for new taxpayers to register via the Internet.

5.4.4. E-file

Some tax administrations make it possible for registered users to see information in their personal tax profiles. Taxpayers have access to their personal tax documents and check their tax accounts online. Examples include:

- Belgium - "My Minfin";

- Croatia - "My tax accounts".

5.4.5. Pre-filled income tax return

In Belgium, Denmark, France and Norway all information received electronically by tax administrations is pre-filled in the e-form income tax return. When taxpayers receive their income tax return they have also all the documentation about their obligations and rights and electronic instructions how to fill in the form, which deductions are possible and an e-calculator. For more information please see the IOTA report "Pre-filled and Electronic tax Returns", available on the IOTA website.

Finland

One of the latest innovations to promote awareness is a website demo of how to fill in a tax return. A demo is a conversational flash animated website in which the customers can choose the parts of the return they need help in and get guided step by step.

5.4.6. E-mail

Azerbaijan

Taxpayers have the opportunity to make complaints on illegal activities (lack of activities) of official of tax authority to the e-mail address of the Ministry of Taxes, to "195" Call Centre and to the Taxpayers Service Department. The complaints are received, accordingly entered complaints and information is analyzed and informed to taxpayers.

Some countries, Italy and Ireland for example, send customised emails to remind taxpayers about deadlines, and Estonia also sends customised e-mails to remind their clients about tax deadlines or to highlight a new, more convenient rule change.

5.4.7. Publications

Various publications providing answers to the most frequently asked questions on a number of topics are available on the website.

5.5. Brochures and leaflets

Almost all tax administrations print booklets, leaflets and brochures in order to help taxpayers to comply and to learn about their rights and obligations.

Azerbaijan

With the purpose to expand the knowledge of citizens on their rights and duties the weekly newspaper "Tax News" and monthly magazine "Taxes" are being published. 14 booklets, in English and Azerbaijani languages and a "Memory Book" for taxpayers have been published, the Ministry of Taxes has published a text book called "Importance of Taxes or Seven Nights of Tales" for 3rd - 5th grades and a textbook named "Taxes" for 6th -8th and 9th - 11th grades and distributed them.

Ireland

Customer Charter, Customer Service Standards, and Complaint, Appeal and Review Procedures. Customer Service Standards, which set out the level of service/timescales etc. that customers can expect when contacting the tax administration.

5.6. Survey, media analysis and measuring the outcome of marketing actions

5.6.1. Survey (questionnaires, telephone survey, Internet)

Czech Republic

The questionnaires are published in newspapers, on the website or in a paper version.

Estonia

For making out the level of customer satisfaction with the services provided by the Estonian Tax and Customs Board, the Board has ordered some customer satisfaction studies. ETCB has outsourced telephone opinion polls and subsequent analysis. We have watched the quality of different types of services by making control visits for this purpose; also the Central Service Department has checked whether the quality of replying to e-mails meets the service standard.

Our customers' complaints about the quality of services form also an important feedback. On the basis of subsequent analysis we improve the quality of our services, taking into account the suggestions made by our customers for improving job organisation.

Finland

A web survey on the users of our eServices for citizens and the non-users is run in order to find out the correlation between raising awareness and turning into a user. In addition we use surveys on the ability/willingness of our customers at the telephone service to change the channel from telephone to website.

France

The Minister requests twice a year from an independent polling organisation an enquiry of measure of satisfaction of the public for every activity of the Ministry.

Hungary

Survey and measure the number of visitors of website and the number of software downloads (programs and forms) from the Internet.

Italy

Tax administration carry on annual customer satisfaction surveys by means of questionnaires delivered in offices, interviews to contact centre's customers and online questionnaires to website users.

Norway and Sweden

Outsourced services are used for this purpose.

Portugal

Through satisfaction enquiries to the clients by sectors - SIAC (Integrated Taxpayer Support System).

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Slovakia

"Questionnaire" on website

Spain

The Spanish Tax Agency has an internal and external global surveillance plan which is agreed by the Communication Committee, formed to develop the Communication Strategic Plan.

Ukraine

Internet polls are conducted as far as necessary, social poll - quarterly and general poll - annually.

5.6.2. Media analysis

Croatia

Press clipping is outsourced, but with no in-depth analysis.

Czech Republic

Information is used from local, regional and central level (press clippings).

Estonia

We do outsourcing for daily media monitoring and we use the information received for planning our media actions.

Finland

Our media analysis tracks 30 of the biggest media outlets. We outsourced the service in February 2008 and are about to receive the first semi-annual analysis in the summer.

Hungary

Press clipping is made in paper form and electronically. The electronic version is available on the website and it can be browsed according to different aspects (date, topic, channel, etc.)

Ireland

We have a press clippings service and we have also used an external media analysis company to analyse a specific campaign.

Italy

There is an in-house monitoring system for daily press clipping published on the Intranet.

Switzerland

A monitoring service sends press clippings every morning.

5.6.3. Measuring the outcome of marketing actions

Czech Republic

Based on questionnaire.

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Estonia

We can assess the marketing activities by a monthly reliability study - its conclusions reflect whether the actions carried out had the effect we expected.

Satisfaction study revealed that the customers expected some preliminary information, and so we started to publish the Customer Newsletter on our website.

Finland

ROMI (return on marketing investment) in two of eServices.

Ireland

For the past number of years has run a "Claim Your Reliefs" campaign in the autumn. The campaign consists of "paid for" advertising, supported and supplemented by a media campaign involving press, radio and TV. In 2006 the administration asked an external company to measure the impact of the PR element of the campaign and in 2007 they asked a (different) market research company to analyse the advertising element. The results were very positive in both cases.

Poland

The outcome of marketing actions is measured through analysis of medial effect, analysis of information and suggestions from taxpayers.

Malta and Portugal

The outcome of marketing actions is not measured directly, but the results may be measured as analysis of taxpayer's behaviour before and after marketing actions, i.e. by the ratio of the fiscal compliance.

Slovakia

We try to measure the outcome of our marketing actions - we made a survey about contentment with tax administration services. Next year we plan to repeat such a survey.

Spain

With post-tests of advertising campaigns in order to measure the impact of campaigns.

Sweden

Larger information campaigns are followed up with questionnaires to the target group. Measurement before campaign, during the campaign and after to see if goals are reached. General surveys are carried out to measure the taxpayer's opinion about tax administration and its activities.

Italy

The Revenue Agency released the second edition of the "Services Charter" with which the Agency commits itself to respect quality standards, guaranteeing timely information, punctual assistance and fair tax controls. Taxpayers have the possibility to make complaints and the office has to resolve the problem within twenty days.

6. GENERAL CONCLUSIONS

A long time ago, tax administrations did not communicate directly with the taxpayers. They were simply informed officially how the fiscal law was implemented and how fiscal obligations should be fulfilled. Sanctioning was the weapon used to deter “bad behaviour”. At that same time, the concept of marketing was considered a “gadget”, a set of gimmicks exclusively reserved to private companies. Tax administration had indeed nothing to sell!

New technologies, especially the Internet, together with a change of mentality and growing insight on behalf of tax administrations and governments, have changed the situation. It became obvious that PR and marketing are strategic business actions that offer possibilities to become more productive with less costs. At the same time, contact with officials has become easier. New tools were introduced reducing management costs which meant that tax administrations now had a clear interest to get in touch with their clients. Communication strategy, once used for occasional actions becomes increasingly a daily mission. Marketing allows the organization to establish the preferences of its customers and ensures its core messages are communicated. For these purposes different kind of tools are used, depending on the target group, although very rarely one tool is used separately from others. Most often they are mixed together to strengthen the main message or appeal. As a part of marketing actions the role of public relations is irreplaceable in creating the good image of tax administrations. Its key activity is to create publicity through press conferences, meetings, and other events that will draw attention to services. The aim is to help develop and maintain good relations and understanding between tax administration and public. It is a long-term activity which involves the building of relationships with media and continuously seeking to find opportunities to enhance tax administration’s reputation in the public mind and to highlight improvements and successes. It is definitely a win- win tool.

This report may be considered a theoretical and practical “handbook”, an effective tool that allows the administrations to consider the opportunities offered by the marketing activities and public relations strategies usually used to obtain the best results; it is also a guide for those who want to start or develop marketing and PR activities or evaluate what has been done previously.

The report tries to explain how to (better) organize such activities, starting from the study of the recipients, to that of the instruments an administration should use to manage effectively the strategies to spread or reinforce its image or to promote and advertise its services. It allows the management to identify the key elements to define the strategies that fit better, thus enabling the administration to obtain the best results.

The authors realize that marketing activities are closely related with how tax administrations and their political-administrative boundaries are organized in each country. Therefore the description of the different types of administration could be useful, since it takes into account the structure of the organization and the objectives it intends to achieve.

Once the framework is established that will activate its strategy, all the administration needs is a 'catalogue' of the tools that can be used in its PR and marketing activities, comprehending costs and benefits and the way to use them. Perhaps IOTA could consider providing its Members with a PR and marketing model? This model could be developed for different groups of interest, typical medias and patterns to be used for PR and marketing.

A final consideration for an effective use of this handbook: the entire report was written taking into account the direct experiences of the administrations participating in the IOTA Area Group, taking into consideration the results of the survey conducted among all of them.