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FORUM ON TAX ADMINISTRATION: TAXPAYER SERVICES SUB-GROUP

Information note

Social Media Technologies and Tax Administration

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CENTRE FOR TAX POLICY AND ADMINISTRATION

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ABOUT THIS DOCUMENT

Purpose

This report summarises the findings of a survey conducted by the Forum on Tax Administration's Taxpayer Services Sub-group to assess member revenue bodies' progress with the use of social media technologies in tax administration. To assist readers new to, or unfamiliar with, this topic the note also provides background information on the main social media technologies being deployed in the private sector and elsewhere in Government and some insights into early experiences.

Background to the Forum on Tax Administration

The Forum on Tax Administration (FTA) was created by the Committee on Fiscal Affairs (CFA) in July 2002. Since then the FTA has grown to become a unique forum on tax administration for the heads of revenue bodies and their teams from OECD and selected non-OECD countries.

In 2009 participating countries developed the *FTA vision* setting out that... *The FTA vision is to create a forum through which tax administrators can identify, discuss and influence relevant global trends and develop new ideas to enhance tax administration around the world.*

This vision is underpinned by the FTA's key aim which is to.... *improve taxpayer services and tax compliance – by helping revenue bodies increase the efficiency, effectiveness and fairness of tax administration and reduce the costs of compliance.*

To help carry out its mandate, the FTA is directly supported by two specialist Sub-groups—Compliance and Taxpayer Services—that each carry out a program of work agreed by members. Both OECD and selected non-OECD countries participate in the work of the FTA and its Sub-groups.

The Taxpayer Services Sub-group exists to provide a forum for members to share experiences and knowledge of approaches to taxpayer service delivery, in particular through the use of modern technology. To achieve this objective, the Subgroup's mandate calls for it to:

- 1) periodically monitor and report on trends in taxpayer service delivery, with a particular focus on the development of electronic/online services;
- 2) examine ways to promote the uptake and use of electronic services by revenue bodies;
- 3) examine options for cross-border administrative simplification and consistency; and
- 4) assist, as appropriate, other groups of the CFA.

Caveat

National revenue bodies face a varied environment within which to administer their taxation system. Jurisdictions differ in respect of their policy and legislative environment and their administrative practices and culture. As such, a standard approach to tax administration may be neither practical nor desirable in a particular instance.

The documents forming the OECD tax guidance series need to be interpreted with this in mind. Care should always be taken when considering a country's practices to fully appreciate the complex factors that have shaped a particular approach.

Inquiries and further information

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SUMMARY

Social media technologies (SMTs) are the new and personalized face of the Internet. As described in this note, their arrival and development bring promises of stratified personal contact and new forms of communication and interaction with potentially large and growing numbers of tax system stakeholders. This note provides a fairly concise description of emerging SMTs, a brief account of their deployment by the private sector and related experiences, and an overview of how these technologies are starting to be used by revenue bodies in their day-to-day operations. Clearly it is early days but there are some emerging directions, drawing on revenue body and others' experiences:

- While the breadth of revenue body experience with SMTs to date and described in this note is relatively limited, it appears overwhelmingly positive: 1) they offer virtually free online word-of-mouth marketing; 2) they enable positive dialogue; 3) they facilitate the recruitment of users for product testing/ innovation; and 4) they can contribute to revenue administration image building.
- Like any new technology, there are challenges and risks to be managed (e.g. provision of misleading information); however, these appear manageable by adopting a properly considered and co-ordinated strategy built on the philosophy of..... start small, monitor, evaluate and build on from there in a similar manner.
- The business case for SMT deployment for the moment largely rests on the potential benefits envisaged from using SMTs to advertise revenue body news, products and developments and/ or conducting dialogue for various purposes (e.g. product testing) relevant to conducting day-to-day tax administration while the up-front investments required are, for the most part, relatively limited and contained.
- The incidence of negative experiences with SMTs reported to date by revenue bodies has, for the most part, been minimal and of relatively little consequence; much of what has been experienced can be linked to weaknesses in setups, challenges in resource availability, and negative feedback (some tax policy-related).
- As for any technology deployment, there should be a sound business case for SMTs; however, the newness of SMTs and the incremental and exploratory nature of their deployment suggests that such a business case should be viewed more as a medium term objective for revenue bodies, given the need to learn and gain experience around how such technologies can best be utilised for day-to-day administration.
- Successful deployment of a social media strategy lies in the right and purposeful implementation of specific social media tools; this stresses the need to consider the characteristics and relevance of each SMT, insights to which are provided in this note.
- Overall development and management of a revenue body's channel strategy for service delivery should pay regard to the actual and potential role of SMTs, in particular how they can support and possibly reduce demand for traditional channels.

Recommendations

- Revenue bodies are strongly encouraged to study the contents of this note to learn more about SMTs in general and the approaches and experiences of revenue bodies already using these technologies.
- Revenue bodies already using SMTs are encouraged to continue their efforts and share knowledge of their experiences, both positive and negative, with the Forum.
- Revenue bodies still contemplating the potential value of SMTs are strongly encouraged to study the experiences of other revenue bodies and to consider adopting an exploratory/ experimental strategy for SMT deployment relevant to their context.
- The design and definition of the strategies for implementing and use of SMT should be compatible with general strategies of the revenue body.

I. Background

1. Social media technologies are the new and personalized face of the Internet. Their arrival and development brings promises of stratified personal contact and new forms of communication and interaction with, for example, over half a billion potential users already active on Facebook alone every day. Not surprisingly, the prospects of utilizing this and other technologies have made social media technology attractive to commercial interests exploring an entirely new universe of advertising, communication and interaction with consumers. Governments are also starting to explore and use these technologies in a variety of ways. While experience to date is relatively limited there are indications of significant potential benefits to businesses, Governments and citizens.

2. As well as the potential benefits, it is also imperative for Governments and revenue bodies to fully understand the risks associated with the use of social media, and that whether through the implementation of a strategy, a project or an employee participating in social media interactions with taxpayers or other bodies, that any such activities are approved by the revenue body with a full understanding of relevant risks.

3. It is only natural and logical that Governments and revenue bodies are now investigating the potential of this medium which could enable and inevitably result in informal and valuable communication and interaction with many taxpayers.

The role and work of the Forum

4. At its June 2010 meeting, the FTA Bureau decided that the use of social media in tax administration justified study in light of the dramatic growth in the use of social networking technologies and perceived possibilities for their use by revenue bodies in a service delivery context. It tasked the Taxpayers Services Sub-group to assist with a study to examine how revenue bodies were using social media technologies and what their experiences had been.

The study

5. At the October 2010 meeting of the Taxpayer Services Sub-group the use of social media was an item on the agenda which included a background paper prepared by the Mexican revenue body on its experience with social media, a comprehensive presentation from Accenture giving a broad perspective on the emerging uses of social media in both the private and public sectors, accompanied by presentations on the experience in this field from Australia, United States and Denmark. The presentations were followed by an extensive discussion in work groups and plenary, which focused on:

- Expectations to social media technology in a taxpayer service delivery context;
- Current experience and plans for deploying social media technology; and
- Possible objectives of the FTA study on the use of social media in tax administration.

6. These presentations and related discussions provided useful background for planning and framing the study that were ultimately reflected in its terms of reference. A number of countries ¹ agreed to participate in a task group to guide the work and the Danish Tax and Customs Administration agreed to lead the study with support from the OECD Secretariat.

7. For the purposes of the study, a questionnaire was designed in conjunction with task group members and issued to all members of the Taxpayer Services Sub-group. Twenty six (26) survey responses were received and these serve as the basis for the information and analysis provided in Chapter III. In addition, the study team carried out research to better understand the nature and potential of the emerging social media technologies. The key elements of this are described in Chapters II and IV. Annex 1 provides examples of practical applications from selected revenue bodies.

¹ Australia, Austria, Canada, Chile, Denmark, Finland, Ireland, Japan, Mexico, New Zealand, Norway, Spain, South Africa, UK and USA.

II. Introduction to social media technologies

1. One needs only to recall recent events in the Middle East or Barack Obama's 2008 presidential campaign to appreciate the potential influence of social media technologies, and the empowerment of *vox populi* they facilitate. Thus, social media technologies can be a powerful ally or a formidable adversary to all established organizations or regimes that rely on public image or communication, including the public sector and revenue bodies.

2. This section gives an introduction to the main social media technologies and a basic overview and overall explanation of the field. Thus, the aim of this section is not to add new knowledge to a field where much professional literature already exists, but rather to give the reader an account and understanding of what social media is and the opportunities to make use of it in the management of relationships with taxpayers.

Introduction to social media

3. Based on a study of existing descriptions and taxonomies of social media technologies (SMT)—and different consultant agencies offer various takes on the matter in this new field—the following explanations are based closely in the content, structure and text of findings from the Forrester Research book '*Groundswell*'² by Charlene Li and Josh Bernoff. The book's title refers to SMTs as a "groundswell" that shakes the traditional understanding of public relations management and customer interaction that large corporations and organizations have so far relied on, and this source has been chosen because it is by now (things move fast in social media) an industry classic, and gives a useful explanation and grouping of social media technologies that this study would be hard pressed to better (and therefore does not attempt to do so).

4. At their very core, SMTs were designed at the outset to enable private individuals to interact and communicate, be that peer-to-peer or peer-to-many, and as such an individual identity or face is mandatory. However, several private sector companies have proven how it is possible to deploy and make good use of SMTs to further an organization's ends.

5. Li & Bernoff identify and describes what they somewhat humourously perceive as a common reaction, the (social media technology) *approach-avoidance syndrome*. Symptoms of this syndrome include "anxiety at the thought of actually participating in social technologies, balanced by similar anxiety at the thought of missing out" and "increasing nervousness about answering superiors' and subordinates' questions about the company's "online strategy in the Web 2.0 era".³ While this reportedly was the case three years ago in the North American private sector, this description still seems fitting in describing the SMT status of many revenue bodies in OECD countries, and is the reason for this report being commissioned by the FTA in late 2010.⁴ Part of the scoping of this report took place in workshops and subsequent panel session at the Taxpayer Services Sub-group meeting in October 2010, and the general attitude among the delegates could very understandably be described as one of approach-avoidance and anxiety on how to best harness and deploy social media technology into tax administration service.⁵

² Charlene Li and Josh Bernoff, Harvard Business Review Press 2008, pp. 17-39.

³ Li & Bernoff 2008: p.66.

⁴ Reflecting the pace of development in the social media landscape, several of the examples used in this otherwise comprehensive and critically acclaimed volume now seem outdated. For example, in 2008 use of Twitter was just taking off; today, three years later, Twitter-presence is commonplace if not mandatory for private sector companies in many OECD countries.

⁵ Use of SMT varies among countries. For instance, generally speaking people in Japan, Korea and North America tend to use blogs more than the rest of the world, while some European countries have initially been more reluctant than others to develop user-generated content. However take-up is likely to change over time – and is changing continually - and so regional differences will not be addressed here.

Description of the main social media technologies

6. SMT is often associated with a handful of specific platforms such as Facebook, YouTube and Twitter, and so it is easy and typical to equate SMT with the given *technology-platform* itself. While this is practical for comparing specific SMT-initiatives, it is fundamental to understand that SMTs are only the enabler:

*“So many words have been written about blogs and blogging, social networks, and user-generated content that you might think that understanding those technologies will equip you for the new world. Wrong. First, the technologies change rapidly. And second, the technologies are not the point. The forces at work are. (...) With that in mind (...) concentrate on the relationships, not the technologies.”*⁶

7. Set out in tabular format below is a snapshot of the current main SMTs and a description of how they enable relationships and are being deployed, generally speaking, in the private sector. This information is presented with two caveats: 1) it does not purport to be exhaustive; and 2) given this is a rapidly evolving environment, change will in all likelihood occur over the short to medium term.

1) Blogs and user-generated content

<i>How they work</i>	<p>A <i>blog</i> is a personal (or group) journal of posts containing written thoughts on the Internet, while a <i>video-</i> or <i>audio blog</i> may be submitted to YouTube as video/audio, iTunes as <i>podcasts</i> (recorded audio for download by other users) or any other platform.</p> <p><i>User-generated content</i> is perhaps best epitomized by YouTube, a video site owned by Google where users may distribute user-generated videos.</p> <p>Typically blogs and user-generated content encourages commentary, and both blogs and YouTube videos enable other users to include their own comments on what others have posted or written.</p>
<i>How they enable relationships</i>	<p>Authors of blogs read and comment on other’s blogs. They also cite each other, adding links to other blogs from their own posts. This interlinking creates relationships between the blogs and their authors and forms the <i>blogosphere</i>. The echo effect in the blogosphere means that for any given topic, there’s a sort of running commentary. The cross-linked blog posts cause these posts to raise in the Google rankings, because of the importance Google places on links in its search algorithms. Similarly, amateur video posts can reference each other and include comments.</p>
<i>Current private sector deployment</i>	<p>As an entry level deployment, private businesses and companies use blogs to <i>listen</i>, monitor and read what is being said about them. This may in turn prove a valuable source of information as costumers are leaving clues about their opinions, positive and negative, all the time in blogs and responses to these blogs.</p> <p>Two caveats present themselves in this regard: Firstly, a given blogger is a person speaking up - not necessarily the customer with the most typical observation, and secondly the volume of information is vast and may be difficult to analyse off hand.</p> <p>Forrester suggests that using search engines such as <i>Google Blog Search</i> and <i>Technorati</i> can help determine what blogs are the most influential. In relation to tax administration, apart from likely posts that may reflect the generic unhappiness some people feel about paying taxes at all, chances are that others may also comment on the ease or difficulty of filing a tax return, good or bad service experiences, and so forth. The same may be done on video sites such as YouTube, or via an available cross-site video search</p>

⁶ Li & Bernoff, 2008: p.18.

	<p>engine such as Yahoo! Video.</p> <p>For further engagement into blogs, Li and Bernoff suggest two strategies, one being brand monitoring and the other setting up one’s own private community. With brand monitoring, it is possible to engage professional services that monitor blogs, videos and online discussion groups for mentions of a given company, organization or perhaps in turn revenue body. TNS Cymfony and Nielsen BuzzMetrics even score and gauge the general sentiment on the various SMT-sites towards a given company or organization.</p> <p>Setting up one’s own private community is likened to a “continuously running, huge, engaged focus group – a natural interaction (to listen into)”.⁷ Forrester advises that the next step will be to actively engage in blogs and videos, or move on to talking yourself, instead of merely listening to others, and this will be the subject of Section 4.</p>
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2) People connecting: Social networks

8. This type of SMT perhaps best epitomises what most people understand as “social media”, with Facebook, MySpace and LinkedIn being the most widely used social networks in many countries ⁸.

<i>How they work</i>	<p>More than 1 billion people in the world have a profile on Facebook today, so it is likely that readers of this section will already be aware of the workings of social networks. Members of these sites maintain profiles, connect with each other, and interact. In addition to updating profiles, one major activity on social networking sites is “friending”, the mechanism by which people acknowledge relationships with and keep up with their friends or acquaintances. Led by Facebook, social networking sites are also becoming a platform for mini-applications. This expands the scope of how friends may interact with each other.</p>
<i>How they enable relationships</i>	<p>More so than with any other type of SMT, social networking sites (SNS) and virtual worlds are by definition about the facilitation of relationships with technologies. Facebook has a news feed on the home page of each profile with updates from friends, while users of MySpace typically comment on each others’ pictures and posts (also possible on Facebook). SNSs connect people who have moved apart even as they enable people who live close together – Facebook was founded by a college student at Harvard University, as featured in the 2010 motion picture ‘<i>The Social Network</i>’ – to keep up with one another. They also help create new relationships and are filled with sub-communities of people who share common interests.</p>
<i>Current private sector deployment</i>	<p>The majority of employees in OECD revenue bodies will probably know SNSs from personal use, and so will not be new to the concept.</p> <p>Many private organizations and companies now have profiles on SNSs that get “friends” just like any other participant. Also, companies use SNSs to facilitate events. Private brands that enjoy a following can create a social network profile on MySpace or Facebook and get friends, just like any other individual. What matters here is whether the brand is seen as attractive for one reason or another. Apple Computers and Porsche sports cars make appealing Facebook friends to many people because they are “sexy” brands. As such, their presence mimics that of attractive individuals – actors, artists, politicians - that other people seek to add as friends, even though they are not personally acquainted. However, social media allows for presence deeper than the skin. Ernst & Young – an accounting firm and so almost by</p>

⁷ Li & Bernoff 2008: p. 82.

	<p>definition, without broad or general appeal as a life style brand – has equally succeeded with their presence on Facebook, but in this instance targeted graduate students as potential new employees.</p> <p>This engagement and appeal is beyond social media popularity contests and targets individuals who happen to be on Facebook, while also having an interest in an accounting career, and who in this context use Facebook as a convenient way to get in touch with a possible future employer. This is not far from what revenues bodies may contribute to social networks – information to taxpayers – and could serve as an inspirational note and point the way forward for tax administrations’ presence on social networks. Section V will explore this in further detail.</p>
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3) People collaborating: Wikis and open source

9. Most social media activity is uncoordinated. People individually pursue their own interests and connections, and the result is the dynamic, chaotic and sporadic interaction that typically seems to take place on a social media platform. However, advanced SMT collaboration tools are available that can create powerful results, and the non-profit people-generated encyclopaedia Wikipedia.org perhaps constitutes the best example.

<i>How they work</i>	<p>Wikis (origin: the Hawaiian word for quick) are Internet sites that support multiple contributors with a shared responsibility for creating and maintaining content, typically focused around text and pictures.</p> <p>Anyone can edit a wiki – which, one might think, would result in chaos. However, in all but the most controversial cases, the collective contributions represent a median or consensus view, based on a shared set of conventions. The community of contributors notices changes and acts to preserve or reverse them based on the ideals of the community.</p> <p>The same sort of cooperation drives other forms of online collaboration, including open-source software products like Linux and Ubuntu, versions of the Unix operating system for computers. In open source, technically adept developers combine their efforts to build, test, and improve software products, and the code is available for all to see. The resulting products may be of high quality and on par with commercial software. For instance, Linux is now the operating system of many web-servers and consumer electronics, and the web browser Firefox has a high global market share.</p>
<i>How they enable relationships</i>	<p>Primarily, the relationships built over wikis and open source are sequential and anonymous, generated by a community of developers for the benefit of all users, who do not necessarily need to contribute themselves (and by far most do not). However, wikis include “talk pages” parallel to each page where contributors discuss (and sometimes argue over) what should be included. Contributors can also view each other’s profiles; those that contribute the most often get more respect from others in the community. In open source, the developer community vets and decides on which bits of computer code will become part of the standard release. In a very real way, these communities are collaborating to define the content of creative efforts that many millions of people will use.</p>
<i>Current private sector deployment</i>	<p>Since Wikipedia pages typically appear within the top few results on Web searches, what they say matters to private companies and brands. Reuters deployed a wiki so its readers could build a financial glossary (glossary.reuters.com). Similar initiatives might also be useful to tax administrations.</p> <p>Open source software implies an open or partly open <i>source code</i> that may be further developed. Since they are often non-profit, open source is often an alternative to buying software from the private sector. A positive side effect is that these formats typically attract less negative attention from computer viruses than the intellectual property of big corporations. This is one of the reasons why Sun Microsystems highly successful servers run open source Linux.</p>

4) People reacting to each other: Forums, ratings and reviews

10. Forums where people can post and respond to posts are the oldest form of SMT, and they even predate the Internet. In fact, online ratings and review have become so commonplace that many may not realize those tools are in fact a variant of social media technology.

<i>How they work</i>	A multitude of discussion forums are available all over the Web. Typically, once people become members, they can log in and post any comment or they can respond to questions and comments posted by others. The comments and responses form “threads” that visitors can perceive as conversations. Reviews are becoming even more common than forums. The online (book) store Amazon.com was among the first sites to leverage reviews; now reviews are spreading to media- and retail sites of all kinds, and even YouTube and Facebook allow users to “like” a post, picture or comment.
<i>How they enable relationships</i>	Discussion forums are basically a slow-motion conversation, enabling people to respond to each other online. Forums and reviews succeed partly because they allow people to show off to peers and gain a status within the community, while reviews allow people to relate on the basis of consumer choices.
<i>Current private sector deployment</i>	<p>Since the late 1990’s, companies have guided their customers to their websites for information, thereby avoiding expensive personal interaction. The SMT response and next step is getting customers to help each other, with expert users answering questions and in reality providing support to other costumers posting questions at the forum.</p> <p>Forrester suggests that the dynamics behind this are the emotional rewards associated with a simple “thank you” or the prestige in being able to provide qualified advice. Threads are typically saved on the forum, so when a new customer posts a question in the search function, the most read previous answers are displayed. It does not seem far fetched that an open forum on a tax administration home page might also be able to generate basic advice on tax matters from one taxpayer to another.</p>

5) Accelerating social media interaction: RSS and widgets

11. RSS-feeds and widgets do not constitute social media themselves, but are rather technologies which sort, reduce and present information to give a convenient overview that may in turn accelerates the use of social media, among other content on the Internet.

<i>How the work</i>	<p>RSS stands for ‘really simple syndication’ and is a tool that generates and presents updates. So instead of going out on the Web to find information, RSS brings the updated content to the user. Web sites that allow RSS often feature the small square orange RSS-logo. This technology consists of a transmitter and a receiver component. The transmitter generates a <i>feed</i>, an updated listing of everything new coming from a site, this being breaking news from BBC World or a friend’s Facebook-update. Any website can be set up to generate an RSS feed. To see the RSS feed, you need a receiver, which is known as an RSS reader. This may be in the form of dedicated RSS reader programs and RSS-driven Web pages, but it may also be on a personalized Google- or Yahoo!-page, or a web browser like Firefox or Internet Explorer. In both cases, the RSS reader organizes the feeds into areas of the screen on the computer or smart phone. The recipient of all this information can then see everything that is new in one place and click on and view anything that looks interesting in further detail. An RSS-reader is personalized and will appear individual, reflecting what content is added.</p> <p>Similar to RSS readers, widgets are mini-applications that connect to the Internet. But unlike RSS, widgets typically have a specific function. For example, a weather widget on the desktop of a computer will provide the</p>
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	local weather forecast, and another may show trading on the stock market. When combined with social media technology, widgets can be highly interactive. Some are designed to run on your Windows, Macintosh or Linux computer or smart phone, others appear on Web pages. Google and Microsoft often refer to widgets as “gadgets”.
<i>How they enable relationships</i>	RSS enables social media activity to happen efficiently. An individual using RSS can realistically subscribe to more blogs, monitor more social networking pages, and generally stay connected more than other people. Widgets can be considered a SMT because they spread. If a widget is placed on a web page or SNS profile, other people will see it. Typically they include a “get this widget” button that allows other people to install it on their pages.
<i>Current private sector deployment</i>	RSS and widgets can be excellent tools for pushing out regularly updated content. This is especially deployed by media corporations, but also by certain revenue bodies.

6) “What are you doing?” - Twitter

<i>How it works and enables relationships</i>	Twitter is a tool that lets members send short messages - no more than 140 characters, on the Internet or on their mobile phone - under the prompt “What are you doing?” That message is then sent out to all the persons that have chose to follow that individual – basically, everyone who is interested in what that person has to update. So called “tweets” can be seen on a Web page or a mobile phone. As such, Twitter resembles both social networks and RSS-feeds.
<i>Current private sector deployment</i>	Twitter is an easy way for companies, organizations - or even politicians - to communicate a personalized message and show a human face. Also, it is an effective way to communicate reminders or other brief, timely messages or updates. Several tax administrations already use them for reminders on tax declaration and VAT, as the next section will present.

7) Customer assistance in the innovation process: Co-creation via crowd-sourcing and workshops

12. Whereas the six abovementioned SMTs are all specific technologies, this item is characterized by its more blended nature. Co-creation is not a concrete technology or tool but a method or a process, which can include the use of the aforementioned SMTs in addition to other more traditional websites and even analogue working methods.

<i>How they work</i>	<p>The idea of co-creation is based on the philosophy that citizen involvement in public sector innovation is not about asking citizens for their ideas (Christian Bason, “<i>Leading public sector innovation</i>”, p.165). It understands how people live their lives, in what context, what is important and meaningful to them, and then exploring what kind of changes might add more value. Citizens are usually not experts in public sector regulation or administration. On this background co-creation workshops can be orchestrated: “Co-creation workshops are about involving citizens in meaningful, concrete ways to actively explore possible futures together with all other relevant stakeholders. A key method here, inspired by design thinking, is to introduce prototypes of potential solutions that citizens can relate to and provide direct feedback about”.</p> <p>One specific method to involve citizens in the exploration of possible future solutions is by introducing “crowd-sourcing” to your procedures.</p> <p>According to Wikipedia (en.wikipedia.org/wiki/Crowdsourcing), ‘<i>Crowd-sourcing</i>’ is the act of outsourcing tasks, traditionally performed by an employee or contractor, to an undefined, large group of people or community (a "crowd"), through an open call. the concept of crowdsourcing depends essentially on the fact that because it is an open</p>
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	<p>call to an undefined group of people, it gathers those who are most fit to perform tasks, solve complex problems and contribute with the most relevant and fresh ideas.</p> <p>For example, the public may be invited to develop a new technology, carry out a design task (also known as community-based design and distributed participatory design), refine or carry out the steps of an algorithm, systematize or analyze large amounts of data. The term has become popular with businesses, authors, and journalists as shorthand for the trend of leveraging the mass collaboration enabled by Web 2.0 technologies to achieve business goals.</p>
<p><i>How they enable relationships</i></p>	<p>Relationships built in the process of performing co-creation might be anonymous, and it might be actual, virtual communities. You can distinguish between involving a few citizens in workshops (it might be from a handful to maybe 50) and on the other hand involving thousands and even millions through crowdsourcing projects.</p> <p>For example Mindlab, the Danish cross-ministerial innovation unit or laboratory, owned by the Ministry of taxation together with two other ministries, invites citizens through their ethnographical methodological toolbox, which includes ethnographical research, such as participant observation, contextual interviews, retrospective review and cultural probes.</p> <p>When involving large communities by crowdsourcing, problems are broadcast by uploading an invitation to participate in a problem solving project to either the organizations own website or by announcing the invitation via Twitter or Facebook. The invitation is either pushed to or pulled by an unknown group of solvers in the form of an open call for solutions. Users—also known as the crowd—typically form into online communities, and the crowd submits solutions. Members of this kind of community are so called <i>lead-users</i>, (Bason, p.165), in contrast to the ordinary users who are invited to workshops, who are not experts in designing solutions. The crowd might also sort through the solutions, finding the best ones. Lead-users might become so expert at using public services that they begin adapting their own behaviour in advanced ways, or modifying the public solutions, to fit their own needs (Bason, p. 166)</p>
<p><i>Current private sector deployment</i></p>	<p>For example the pharmaceutical company <i>Eli Lilly</i> has launched a website called <i>Innocentive</i> that offers rewards for solutions to R&D problems that are posted online. Consumer goods company <i>Procter & Gamble's</i> strategy <i>Connect & Develop</i> has connected the company's own product development teams with external researchers, thereby massively expanding the company's innovation capability. (Bason, p.168).</p> <p>Also some public administrations involve crowdsourcing in their toolbox: <i>TACSI</i>, The Australian Centre for Social Innovation has established a nationwide innovation contest titled the Bold Ideas, Better Lives Challenge. People and organisations are encouraged to participate through ads in major newspapers and on the TACSI website. Similar concepts can be found in Singapore (Enterprise Challenge) and in the UK (Nesta Public Services Lab). (Bason, p.169).</p>

8) Internal sharing of knowledge & assistance in the innovation process

12. SMTs also offer revenue bodies potential value if used internally. For example, forums, wikis and blogs can be used to share knowledge/information among staff. As described in Chapter III, around half of surveyed revenue bodies reported that social media channels are being used for internal communications or that work is in progress for their implementation.

<i>How they work</i>	Fundamentally the knowledge sharing tools deployed internally in revenue bodies work similarly to those tools deployed in the communication with the customers. One basic difference might be the fact that employees should be able to discuss more openly the constraints and challenges that faces the organisation – and receive feedback from those responsible for development of strategies, technology and communication in the revenue body. As employees are bound by their oath of loyalty the revenue body need not fear any leak of confident information.
<i>How they enable relationships</i>	In organizations with employees working from different locations spread across the country in question these tools might be rational assisting the flow of information and help organizing the exploitation of the common insight in the business needs.
<i>Current internal revenue body deployment</i>	Chapter III describes how the revenue bodies have deployed these technologies internally. Examples are: Yammer, webinars, Wikipedia, forums, enterprise intranet.

III. Revenue body experience with the use of social media technologies

1. This section sets out the findings of a survey of 26 revenue bodies that responded to a questionnaire designed to gather information on their current initiatives involving the use of social media technologies. Specifically, it describes;

1. The scope and nature of current revenue body initiatives.
2. The rationale for those initiatives and the benefits expected.
3. How the use of social media activities are being managed.
4. The risk involved in using social media technologies in revenue administration.
5. The resources required and costs involved.
6. Metrics for current and future activities.

Where deemed helpful, examples of individual country approaches are described, as reported in survey responses. However, owing to the limited experience generally with these technologies most of the examples are drawn from a small sub-set of surveyed revenue bodies.

The scope and nature of current revenue body initiatives

2. Generally speaking, survey responses revealed that the use of social media technologies by revenue bodies is in its infancy and relatively few have any substantive experience in their use for interactions for taxpayers. Specifically, the survey responses revealed that:

- Only 16 of 26 revenue bodies reported that they have any substantive practical experience in the use of one or more social media technologies; of this number, only 13 have experience across a range of social media technologies—Table 1 refers.
- Very few revenue bodies reported the existence of a formal strategy setting out a framework, including clearly identified means and goals, for their social media presence; where such strategies exist—see examples below—they tend to emphasise the need for a cautious, step by step and well controlled approach, ensuring that knowledge is gathered on external receptiveness and how the revenue body can most effectively take advantage of the respective channels:
 - *Australia:* The ATO strategy is described in the following terms:
 - Trial or pilot and then evaluate the use of the media before rolling it out on a business as usual or production basis.
 - Establish policy and guidelines to guide and direct staff on the appropriate use of social media.
 - Establish a ‘gatekeeper’ function for all social media activity to provide information, advise and clearances services.
 - Ensure all bulk communications have a supporting communications strategy that is authorised.
 - Use our Professional advisor and educator brand quality- the characteristics are accessible, supportive, clear and direct, in pace and relevant; and
 - Establish a register to record and monitor the success of social media in the ATO.
 - *Singapore:* The IRAS strategy is to start small and observe the public’s receptiveness toward the new communication platform, monitor the outcome of our initial foray and adjust our strategy accordingly. IRAS’policy is not to respond to comments made on-line in real time. Instead, any need for clarification or engagement is to be done via other mainstream channels.

Table 1. Revenue bodies' use of social media technologies for external communications (January 2011)

Country	Use of social media technology			Type of media/ technology					
	Formal strategy exists	Used for external interactions with taxpayers	Used for internal communications	Twitter	Facebook	YouTube	RSS	Webinars	Others
Australia	✓	✓	✓	✓	✓	✓ (pilot)	✓	✓	✓ /1
Austria	x	✓	✓	X	✓	✓			
Belgium	x	x	x	-	-	-	-	-	-
Canada	x	✓	✓	✓	x	✓	✓	✓	✓ /1
Chile	x	x	x	x	x	x	✓		
China	x	x	x	-	-	-	-	-	-
Denmark	✓	✓	✓	✓	✓	x	x	x	x
Estonia	x	✓	✓	✓	x	✓	x	x	✓ /1
Finland	x	✓	x	x	x	x			✓ /1
France	x	x	x	x	x	x	x	x	x
Germany	x	✓	x	x	x	✓	x	x	x
Ireland	(being developed)	✓	✓	x	x	✓	x	x	✓ /1
Italy	x	x	x	-	-	-	-	-	-
Japan	x	✓	x	✓	x	✓	x	✓	x /1
Mexico	✓	✓	✓	✓	x	✓	✓	x	✓ /1
N. Zealand	(being developed)	✓	✓	✓	✓	x	x	x	x
Norway	x	✓	x	✓	x	✓	x	x	x
Portugal	✓	✓	✓	✓	x	✓	x	x	x
Singapore	✓	✓	✓	✓	x	x	x	x	✓ /1
S. Africa	x	x	x	x	x	x	x	x	x
Spain	x	✓	✓	✓	x	✓	✓		x
Sweden	x	x	x	x	x	x	x	x	x
Switzerland	x	x	x	x	x	x	x	x	x
UK	(being developed)	✓	✓	✓	✓	✓	x	x	✓ /1
USA	✓	✓	✓	✓	✓	✓	x	x	✓ /1

Source: Survey responses

/1. Australia- these include podcasts, GovDex (an Australian Government initiative) and SME Tax Forum. Canada—audiocasts and videocasts; **Estonia**—described a ‘forum’ application; **Ireland** — mentioned wiki and forums for limited internal use; **Japan** – NTA provides a lot of video programs in the NTA website, which gives explanations on tax procedures using videos and diagrams. The videos are also uploaded on YouTube. http://www.nta.go.jp/webtaxtv/all_list.htm l; **Finland**—mentioned use of LinkedIn and pilot projects (Suomi- a large network community) and Aamulehti (a newspaper blog); **Mexico**—use of Flickr and blogs in a controlled way (for specific issues). The use of RSS is not to be seen as a network; **UK**—includes LinkedIn (used by 500+ staff), internal community forums and the civil service intranet that has messaging and wikis; **Singapore** - recently launched IRAS_SG, an iPhone app for e-services, which attracted well over 25,000 downloads the first two months. The app lets users check filing status for individual income tax return, calculate individual income tax & property tax. The app has a “follow IRAS on Twitter” link; **USA**—includes DIGG (HR), Second Life (HR) Quora.

- *United Kingdom*: An incremental approach in which HMRC explores and exploits social media through a series of pilots and stepping stones beginning in the communications and marketing space, and with internal collaboration, but leading on into customer insight, compliance, policy development and ultimately into supporting customer contact. At each step, the aim is to capture learning and value, forming an evidence base for the next step. In parallel HMRC is developing its underpinning social media capacity and skills so that the organisation is equipped to support each step.
- Twitter (12 revenue bodies), Facebook (6 revenue bodies) and YouTube (13 revenue bodies) were the most commonly reported social media technologies in use. Specific examples of how these technologies are being used are set out in Table 2 hereunder:

Table 2. Revenue bodies’ use of Facebook, Twitter and YouTube

Technology	Examples of revenue bodies use of these technologies
Facebook	<ul style="list-style-type: none"> • Promoting use of e-tax product (tax preparation and return filing software) to youth (Australia) • Awareness campaign on dangers of illegal drug trading (Austria) • Tax-related messages for Christchurch earthquake affected customers (NZ) • Marketing campaign for policy consultation (NZ) • Advertising targeting student loan borrowers in Australia & UK (NZ) • Recruiting (limited presence- just under 2,000 fans) (USA) • Taxpayer Advocate Service (just under 650 fans)
Twitter	<ul style="list-style-type: none"> • Provide key messages on activities & updates—promotional messages (e.g. new initiatives, tax time, reminders, event coverage & crisis communications (Australia) • Messages—new press release, something new & important on home page, seminars (Denmark) • Providing tips for the filing season and directing users to the CRA’s website for more information (Canada) • Promotion of new public relations site and tax return time(Japan) • Important news re revenue body activities (Mexico) • Tax-related messages for Christchurch earthquake affected customers (NZ) • Information on taxpayers rights (Portugal) • Latest tax news, new service initiatives, tax reminders (Singapore) • Corporate news service, including updates and deadlines (UK) • Promote programs, educate taxpayers & direct taxpayers to traditional channels (USA)
YouTube	<ul style="list-style-type: none"> • Pilot due to start mid-2011- provide key updates, how to guides and answers to FAQs and promotional messages (Australia) • Awareness campaign (Austria) • Video contest- downsides of the underground economy (Canada) • Videos re tax products and web link (Canada) • Instructions on filling in tax returns (Estonia) • Advice on tax (Germany) • Sharing information on budget changes- 10 videos (Ireland) • Aspects of tax administration and procedures (Japan) • News items (e.g. annual campaigns, use of taxpayer services) (Mexico) • General information on tax system (Portugal) • Promoting agency activities (Spain) • Videos of key programs & services (USA)

- Around half of surveyed revenue bodies reported that social media channels are being used for internal communications or that work is in progress for their implementation, for example;
 - *Canada*: Use of webinars and webcasts for training and presentations;
 - *Denmark*: Employ a knowledge sharing platform (**Yammer**)- see Box 1;
 - *Estonia*: Use internal Wikipedia and forums;
 - *New Zealand*: Use internal online forums as feedback and discussion mechanisms for major initiatives; and
 - *Portugal*: Use forums and chat to share experiences and information.
 - *USA*: In the process of implementing i connect, an enterprise intranet, on the SharePoint platform. The platform will provide capabilities to engage in similar activities. IRS continually posts interactive surveys and stories on the current intranet and is using **Yammer** as a community for IRS employees.

Box 1. Denmark’s use of Yammer

Yammer serves two main purposes in SKAT. The first purpose is providing an informal way of sharing knowledge with your peers. SKAT has 8300 employees working from different locations spread across the country. Yammer provides a platform for employees to have informal “water cooler” conversations thus enhancing the sense of community. Studies show that having a virtual place to gather and have conversations is of great benefit for virtual organizations. It gives a sense of knowing what’s going on in different geographic locations. It furthers a sense of knowing your colleagues are out there – working alongside you pushing towards the same organizational goals. The second purpose is giving staff an opportunity to practise the forms of communication necessary on social platforms. Such as keeping updates relatively short and writing in a more direct manner. In order to have an interesting voice in social media, we need to shed some of the traditional official governmental way of communicating. Social media demand that we communicate peer to peer with each other, without getting to loose and private. Yammer provides a safe internal platform for practising and experimenting with these updates to ones colleagues.

Source: Danish survey response

The rationale for these initiatives and the benefits expected

Rationale

3. A goal common to all revenue bodies is the desire to increase taxpayers’ use of online services, ideally in a way that reduces the overall demand on other more expensive service delivery channels (e.g. phone inquiries). In this context, revenue bodies generally proffered the following purpose(s) for their social media initiatives:

- *Education and service*: An additional and effective means of providing service and information in a timely manner, thus contributing to a better tax culture/ increased tax compliance;
- *Calibrating the marketing effort*: The use of social media technologies has grown rapidly in recent years and is particularly prevalent across the younger segment of taxpayers, generally those least familiar with (and most likely the least interested in ?) tax matters; as noted by Singapore.....

“Information consumption patterns of the general public, especially the Gen Y group (15 - 29 years), are changing. This group is our new & future taxpayers. To be effective in our communication to this group of taxpayers, there is a need to leverage on social media to deliver the information to them at their “door-steps”, using the channel that is most used by them”.

- *Enhancing the overall web-based marketing effort*: Social media can add to a revenue body’s suite of web-based products, potentially increasing overall customer reach and further encouraging self-service by taxpayers; as reported by Australia.....

“Research has found that individuals are seeking advice and information about tax affairs on YouTube. A legitimate ATO presence ensures that we can provide the tools the community needs to meet their tax obligations and understand their entitlements from a trusted source.”

- *Image promotion:* A number of revenue bodies reported seeing the opportunity to leverage social media to more effectively control and enhance the revenue body's image. For example, the USA commented.....

"By reaching our audiences where they are, we are able to expand awareness, share information, direct to our traditional channels promote our brand and change perceptions of the organization."

- *Product evaluation:* Social media provides a cheap and effective means of getting feedback from taxpayers, in the words of one revenue body (Australian Taxation Office).....

"shortening product development time and targeting valuable marketing resources".

As an example of this Denmark reported.....

*"The main focus for our profile on **Twitter** is customer service and user involvement. Innovative thoughts or ideas on optimized procedures aired on Twitter by followers are discussed by our business developers afterwards or forwarded to the relevant division or authority, while attained knowledge of taxpayer attitude is used for segmentation purposes and sometimes even for on-the-spot user test recruitment. As a specific example of the latter, one of SKAT's customers had a question via Twitter concerning her obligations to pay VAT. SKAT answered the question and afterwards recruited her to a study of why small businesses register for VAT reporting duties. "*

The expected benefits

4. Although experience to date is relatively limited, surveyed revenue bodies pointed to a range of real and potential benefits that can be realised, both for taxpayers and the revenue body itself, by effective deployment of social media technologies:

- Better and more effective communication and audience engagement (*Australia, NZ, Portugal, Singapore, UK*).
- Enhanced ability to meet community expectations of having the right conversation in the right place with the right technology (*Australia, Mexico, Singapore*); the ease at which social media messages can be shared presents "social media marketing" opportunities—the many to many approach (*Canada, Mexico*).
- Cost effective (*Australia, Estonia, UK*).
- Real time access to information (*Australia, Mexico*).
- A capability to readily test the community response on a range of issues, initiatives and products (*Australia*)/ learning from users—a new channel to receive feedback, especially where and when revenue body messages & directives are misunderstood (*Denmark*).
- Where used internally, can facilitate finding and sharing knowledge in the revenue body (*Denmark*).
- Change external perceptions of the revenue body (*USA*).

5. Australia reported that its use of Facebook in 2008 to promote its tax preparation and return filing software (e-tax product for self-preparers) among the youth population had been very successful.....

"Initially our Facebook page targeted the youth market to lodge their returns online using e-tax and to update with tax tips and other helpful information e.g. use of widgets. Since its implementation, Facebook has gained the interest of a broad demographic so we are able to target a much wider audience. Benefits realised: 1) Provides a low cost online channel to communicate with target audience; 2) Viral effect (pull strategy) - allows users to forward the page onto others, and publishes stories (interaction) into News Feed on both users and friend's homepages; 3) Channel alignment with product (e-tax) and other marketing activities (bulk email); 4) Real-time and cost-effective".

For 2008, usage of the ATO's e-tax product increased by just over 20% on the prior year, with above average increases recorded by taxpayers in the 25 to 39 age group (as per the ATO Tax Statistics publication 2007-08).

6. At a more general level, a number of revenue bodies reported a number of positive and negative experiences to date from their social media activities, but with some overall (net) positive contribution to more effective and efficient administration—see Table 3 below.

Table 3. Social media usage—revenue bodies’ positive and negative experiences

Country	Examples of positive experiences	Examples of negative experiences
Australia	<p>Twitter: 1) least labour intensive investment in social networking; and 2) observing community discussion around ATO activities allows us to be proactive in addressing issues before they arise.</p> <p>Facebook: 1) offers free online word-of-mouth marketing; 2) ability to interact with fans in real-time and reach their friends; 3) low cost activity and can be updated in real-time, as often as required; 4) aligns with other social networking activities and bulk email use; and 5) measurable through ‘Insights’.</p>	<p>Use of active (clickable) hyperlinks involves potential security risks, as online criminals may seek to tamper with those links. The ATO is currently undertaking a pilot involving a risk management approach to the use of hyperlinks within Social Media Channels. There is a review of corporate policy underway which will set a firm position for the ATO.</p> <p>Facebook: 1) regular changes are made to the Facebook platform; 2) monitoring can be time consuming; & 3) keeping the page interactive & engaging after tax time can be challenging.</p>
Canada	<p>The CRA has received very positive feedback from taxpayers regarding its webinars, videocasts and RSS feeds. Webinars are being used to provide information for the transition rules for the implementation of the Harmonised sales Tax (HST) in Ontario and British Columbia. These were taken off the web early in 2011; however, in May 2011 the CRA was approached by one of the accounting firms requesting that it repost the transition rules webinars as they felt it will be very helpful for the completion of year-end returns.</p>	
Denmark	<ul style="list-style-type: none"> • Positive attention as to being present and engaging in dialogue on Twitter – and for simply listening. • Have recruited users for concrete innovation purposes. • Learning what can be difficult for taxpayers to understand in our communications with them. 	
Finland		<p>Our pilot blog in local internet newspaper: Challenge was the lack of immediate feedback. The service needed on blog was comparable to telephone service. As there was no possibility to ask additional questions, it was quite challenging to give explicit enough answers. Relatively often (in 15% of cases) our answers were not clear enough and we received a subsequent question</p>
Ireland	<p>Our only experience has been with YouTube which we used to provide information on recent budget changes to the public. These were well received and had many thousands of hits.</p>	
Mexico	<p>1. A cost-effective communication channel.</p>	<p>Twitter: some people have been</p>

	<p>2. Advice, education and interactive assistance.</p> <p>3. We got effective feedback from the citizens and taxpayers.</p> <p>4. The opportunity to show citizens a different facet of the tax administration: support, guidance, etc</p>	<p>created users to track the activities in order to retweet negative messages. This has been countered by posting positive messages and relevant data of the daily activities of the institution.</p>
New Zealand	<p>Policy consultation: Use of social media for policy consultation delivered several valuable benefits. First, we received input from people who were unlikely to have provided feedback through the conventional written channel – on the latest consultation we received 67 written submissions but 229 online comments and 1,049 votes on proposals. Second, submitters raised their issues in a direct and forthright manner. 3. Around 10% of submitters made iterative comments – their comments built on ideas raised by earlier submitters. This kind of engagement is not possible through a conventional written channel. When the tax policy consultations were run we were very pleased to find that people did NOT take the opportunity to post abusive, obscene, or otherwise non-constructive comments.</p> <p>Facebook advertising: We're able to better target our advertising based on customers' Facebook profiles, ensuring we are reaching out to the right people. It's flexible and scalable. We can refine the messages based on the results the adverts, and expand the campaign to other areas.</p>	
Norway		<p>Social media require ongoing support and monitoring. Presence has a tendency to slip into hibernation, as it is challenging to sustain the necessary resources. Another experience is that it is difficult to secure the relevant domains & brand names in social media-platforms</p>
Singapore	<p>The on-line community complimented us for going on Twitter; we also had taxpayers giving us compliments on our frontline service via Twitter.</p>	<p>IRAS' Twitter availability is dependent on the availability of Twitter's network & servers. One day after our official Twitter account IRAS_SG was launched, the twitter server went down & the number of followers went from 200 plus to zero.</p>
UK	<p>Good press coverage and many retweets for our Twitter channel, which supported our January 2011 Self-Assessment tax return campaign. Some unsolicited positive feedback from customers expressed through social media channels.</p>	<p>Negative feedback about our services from customers expressed through social media channels. Criticism of tax policies through social media channels.</p>
USA	<p>There is a definite interest in our social media activities. Press releases, website promotion and applications distribution have all contributed significantly to increases in audience participation. The IRS has been able to measure an increase in traffic back to our website as a result of our activities.</p>	<p>Human resources and cultural challenges continue to exist. We have received negative feedback from our audience that we are not fully engaging on the platform, such as allowing comments, responding to posts, etc. (two-way communication).</p>

7. A theme apparent from a few of these positive responses is the provision of feedback to the revenue body that enables it to work more effectively. In other words, there appear to be potential benefits to revenue bodies themselves from the use of social media technologies, in addition to what benefits external parties may also experience. On the other hand, there were also a number of negative experiences reported. However, for most revenue bodies it is still “very early days” in the use of social media and there was not a lot of commonality in what was reported.

8. Taken as a whole, both the rationale and expected benefits reported by revenue bodies already using social media technologies point to a potentially strong case for their deployment, at the very least on a comprehensive pilot basis by a wider group of FTA countries, both as a learning experience and to derive the sorts of benefits identified by revenue bodies active in this space.

How the use of social media activities is being managed

9. With the deployment of social media activities largely in an “exploratory phase” in most revenue bodies, the survey sought to gather information on the internal management arrangements being used by revenue bodies. Specifically, it posed the following questions:

- 1) How do you communicate your social media activities to taxpayers and the world at large, and in what media?
- 2) How do you manage your social media activities? (For example, do you have centralized control or may employees blog, tweet, etc at will; how is the corporate message or strategy effectuated through social media channels? Who decides what, when and how to use social media?)
- 3) Are taxpayers’ social media contribution used actively in your work and have they affected your decisions? Do taxpayers want to participate on your social media channels?
- 4) Are there any kind of moderations/censorship or restrictions placed in your social media communications?
- 5) Have you considered the legal implications of using social media in communications with taxpayers (for example, considerations about liability (i.e. liability for you and possibly other users?)
- 6) Have you developed any policies / guidelines covering the use of social media within your revenue body?
- 7) How do you measure effectiveness?

10. The key findings and observations from survey responses on these matters are set out below:

Communication of social media activities

- At the individual revenue body level, the nature of the methods used for promoting social media channels obviously turns on the scale and nature of their respective “products”. Taken as a whole, the survey revealed a multiplicity of communication channels that are being used to varying degrees:
 - Revenue bodies’ website (*many revenue bodies*);
 - Bulk emails to taxpayers and email alerts to subscribers (*Australia, Estonia, & Singapore*);
 - Press releases, newsletters and brochures;
 - Outreach activities (*Canada*);
 - Email signature blocks for media relations officers and official spokespeople —***Follow us on Twitter! See us on YouTube!*** (*being developed by Canada*);

- Using one social media channel to promote another (e.g. Estonia described its use of Twitter to promote YouTube clips; NZ uses Facebook to advertise other social media outlets);
- Policy development forums- publicised through a wide range of traditional media, industry/professional organisations, government and private sector stakeholder websites (NZ);
- Official notices sent to taxpayers re returns and payments (Estonia);
- A mobile application (i.e. IRS2Go described at Appendix 1) (USA);
- A viral “word of mouth” strategy (Denmark).

Internal management

- Most revenue bodies with active social media programs described arrangements that generally centralise their control of social media programs within the Communications/ Public Relations area of the revenue body, for example;
 - *Australia, Germany, Japan and Spain:* All centralised in the Public relations or external Communications area of the respective revenue bodies. (Box 2 sets out the roles performed by the ATO’s gatekeeper function.)
 - *Mexico:* All activities are managed centrally. There is an area of institutional communication that creates, monitors and manages the external communications process of tax administration. In general, strategy communication is associated with major campaigns and tax obligations.
 - *Portugal:* We have centralized control of the information available in twitter and YouTube. In the internal forums and chat, we centrally create groups and sign our employees. Inside of the communities they can blog at will.
 - *Singapore:* Centralised control – Corporate Communications Branch (CCB) decides on the overall social media approach, manages the internal & external publicity, and draws up the social media guidelines. CCB also works together with other Tax Management Divisions to generate timely Twitter contents.

Box 2. Roles of ATO gatekeeper concerning the use of social media

To manage and assure the proper use of social media, the ATO has established a gatekeeper role managed by the Online Marketing team, Corporate Relations. Its role includes:

- provide advice and assistance on the use of social media as required
- promote the sharing of social media knowledge and information through the maintenance of a register of social media activity in the ATO
- clear the proposed use of social media to ensure it is appropriate and consistent with the ATO’s channel, brand and online strategies.
- ensure there is a supporting communications strategy approved by a senior executive for broadcasts/messages to multiple audiences
- clear the content of communication messages to multiple audiences to ensure it is consistent with the social media channel proposed and integrated with other online offers/messages
- manage the deployment and monitoring of all tweets on Twitter on behalf of the ATO
- manage the deployment and monitoring of all videos on YouTube on behalf of the ATO

- manage the deployment & monitoring of all posts on the ATO Facebook page on the ATO's behalf.

Source: ATO survey response

- In anticipation of growth etc and acknowledging a need to ensure effective development and co-ordination of social media activities , a number of revenue bodies reported some additional aspects that are currently being considered/ developed:
 - *USA:* We have several areas engaged in social media. We are in the process of setting up an appropriate infrastructure, including a governance structure, to manage social media activities. The function will be managed jointly by the communications and Web business operations areas. The governance council, established by the New Media Task Force, will review new initiatives, assess opportunities and evaluate effectiveness of our existing initiatives.
 - *New Zealand:* Corporate Affairs approves all messages. Social Media Steering Group under chair of Group Manager, Corporate Affairs. Corporate Affairs works with specific business units to set up social media channels.

Use of taxpayers' contributions and their willingness to participate on social media channels

- A number of revenue bodies reported on their use of taxpayers' contributions, suggesting some potential for a useful source of feedback once channels are fully established, for example:
 - *Australia:* Intelligence gained from feedback and posts (e.g. Twitter) are useful to gauge community attitudes to ATO initiatives and policies;
 - *Denmark:* SKAT has recruited participants for user studies and user involvement for concrete projects on Twitter; it is being praised for picking up on conversations regarding tax-issues on twitter and for entering in to dialogue with taxpayers;
 - *Estonia:* ETCB tries to follow the retweeting. And if it finds suggestions or complaints in its forums, they are forwarded to appropriate areas for review;
 - *Mexico:* The social network contributions go in two ways: 1) Represent a thermometer to know which are the tax issues of greatest impact on citizens and taxpayers, which allows better communication strategies; and 2) We get feedback from efforts to achieve interactive assistance and guidance through videos, demos and pictures of the tax services that are developed;
 - *New Zealand:* Two forums have been run on our website seeking online, public input into policy development. Feedback has been actively considered and has influenced decisions; and
 - *Singapore:* Corporate Communications Branch (CCB) monitors the tweets on IRAS twitter, reads all @replies and direct messages and any emerging themes or helpful suggestions will be shared with the divisions concerned and incorporated into the publicity programmes.
- Concerning participation, most revenue bodies reported that while they are in the early phases of implementing their social media channels and numbers are, for the most part relatively low, there is a market among those taxpayers who already use social media channels for other purposes.

Use of moderation or restrictions on communication

- A number of revenue bodies (e.g. Australia, Canada, and Singapore) reported the use of ‘moderation/censorship’ processes to block/delete inappropriate posts, with Singapore noting that its processes were aligned with the policy on e-engagement set by the Government’s Ministry of Information Communications; on the other hand, Denmark reported that it believed its guidelines to employees were adequate to ensure an appropriate level of conduct by its officers and that nothing further was needed at this stage.

Consideration of legal implications

11. Use of any channel (e.g. phone, brochures and face-to-face inquiry) by a revenue body to provide information to a taxpayer raises issues of its “binding” nature in the event that the taxpayer acts on it and is subsequently found to have acted in error. This is particularly the case where tax liabilities are impacted or the issue of a fine or penalty arises as a result of the wrongful act (e.g. the late filing of a return that attracts a penalty). Such information can be of a general nature and does not of itself have to relate to a taxpayer’s personal tax affairs. In this context, the survey revealed that:

- Relatively few revenue bodies indicated that the legal implications of using social media channels for communications with taxpayers had been formally assessed by their legal department/function, for example:
 - *Canada*: The legal implication of using social media in communications with taxpayers is a very important issue to the CRA and continues to be studied. CRA Legal Services was consulted in the development of Terms of Use for social media tools and also throughout the application process to ensure consistency with the government’s use of Twitter and YouTube); and
 - *USA*: Legal implications have been assessed, particularly concerning accuracy, security and privacy aspects.
- On the other hand, a number of revenue bodies responded that it is their policy not to deal with specific taxpayer cases in their communications.

This response, however, overlooks the fact that social media channels may be used to provide general advice (both technical and procedural) to taxpayers which could in turn be used by them to execute aspects of their tax affairs. In such circumstances, questions could arise as to the binding nature of such advice if it is ultimately assessed by the revenue body as being incorrect, but has been acted upon by the taxpayer in good faith. Countering this, Spain observed.....

“the official communication with the taxpayers is only legally binding if it is provided by a secure channel using an electronic signature- based on an electronic certificate - or using our national electronic ID card (DNIe). So we do not use any social media as a secure communication channel.”

Policies and guidelines

- Very few revenue bodies reported the existence of formal policies and guidelines governing the use of social media although a number reported that such work was in progress, for example:
 - *Canada*: CRA has developed social media guidelines to outline internal roles and responsibilities and processes. It has also developed Terms of Use (TOU) for Twitter and YouTube.
 - *Singapore*: IRAS reported that ‘Frequently Asked Questions & Guidelines’ on using Twitter were drawn up by its Corporate Communications Branch, published via an internal announcement and placed in a central database for access by all IRAS staff.

- UK: HMRC have produced ‘*Staff Social Media Guidelines*’, developed with input from trade unions and published in June 2010.
- *Australia*: The ATO reported that guidelines in course of development—its Corporate management practice statement (CMPS) ‘*Digital Media*’—will provide guidance and direction to employees on the use of social media, email, SMS and social networking sites including online forums, blogs, wikis and podcasts. The CMPS seeks to ensure: 1) a central point of reference exists to guide and direct staff considering the use of digital media; 2) a supporting communication strategy is developed and approved; 3) digital media outcomes are evaluated against communication objectives and business outcomes; 4) the risks to taxpayer privacy, security and compliance are managed; 5) the risks to ATO reputation, integrity and effective use of resources are managed; and 6) staff comply with the APS values and code of conduct when using social media.

Measuring effectiveness

- Given the exploratory/ experimental nature of their initiatives, the approaches used by revenue bodies to gauge effectiveness were largely confined to numbers of users, visits, views etc. A sample of reported measures is set out hereunder:
 - *Australia*: Audience participation and engagement, client feedback (both positive and negative), increased hits to linked websites, level of interaction, number of active users, and unique page views (reach/exposure).
 - *Canada*: While not reporting any measures, reported that it planned to use social monitoring tools such as Sysomos Heartbeat and Google Analytics.
 - *Mexico*: SAT reported using measures such as the growth of followers (Twitter) and video views (YouTube), positive comments and feedback (from Twitter) and via scores given to videos and photos (re use of Flickr).
 - *NZ*: Indicated numbers of visitors and active contributors;
 - *Singapore*: Reported the number of followers, retweets & online comments.
 - *USA*: The IRS uses a variety of measures such as the number of followers and viewers, how long someone is spending on its YouTube site, the number of referrals to traditional channels (website), etc. It also uses social media analytic tools.

The risks involved in using social media in tax administration

12. The use of social media by revenue bodies presents a number of risks, as is the case for other service delivery channels, that need to be recognised and taken account of in organisational planning, for example;

- Breaches of security, privacy & integrity arising from unsanctioned employee use;
- Provision of misleading and inaccurate information;
- Involvement in political content and exchanges;
- Risk of phishing, spoofing and other malicious attacks;
- Reputational risk arising from any/ all of the foregoing risks.

13. While acknowledging their potential, none of the surveyed revenue bodies reported that it had experienced issues of the abovementioned nature with their early deployment of SMTs. Nevertheless, taking account of side comments made in survey responses, it would seem prudent that revenue bodies adopt a reasonable degree of caution when deploying SMTs by having appropriate controls in place (e.g.

clearly articulated guidelines staff on the use of SMTs, centralised control over postings of materials) and keeping abreast of broader developments and experiences with SMT deployment, especially by other Government agencies.

Business case for social media (incl. their value, costs and evaluation)

14. With most revenue bodies still in an “exploratory” phase and learning as they go, it was not surprising that survey responses revealed that few revenue bodies had been able to develop a comprehensive business case for SMT deployment:

- Only four revenue bodies (i.e. Australia, Singapore, UK, and USA) reported the development of a business case for use of social media channels.
- Attempts to systematically measure the value of social media were not widely reported but the examples below give an indication of the approaches being taken:
 - *Australia*: Use of Facebook insights and daily monitoring of Twitter;
 - *Japan*: Survey whether taxpayers recognise its activities and measure number of viewers of NTA channel on YouTube.
 - *Singapore*: IRAS tracks the number of followers, retweets, number of positive, negative and neutral comments.
 - *UK*: HMRC uses relative metrics, based around the success of the channel as compared to other channels, and absolute metrics, which measure the contribution of the activity to the effectiveness of a project or campaigns.
 - *USA*: The IRS evaluates by number of subscribers, referrals and trends in relation to social media activities.
- Approaches for evaluating social media channels were not widely reported but a few useful examples were provided—see earlier comments for ‘*Measuring effectiveness*’.
- Revenue bodies offered a number of observations on the types of skills and expertise needed to participate successfully in the social media space:
 - Knowledge of the technologies (*Austria, Mexico, Portugal, Singapore & Spain*);
 - A more straight, direct & friendly way of communicating is necessary, with an appropriate degree of political sensibility, tone is important (*Austria, Denmark and New Zealand*);
- Quantitative data on the resources used for the administration of social media initiatives was fairly limited across surveyed revenue bodies and, where available, the staffing investments being used were very small. Some examples evidencing this are set out in Table 4 below

Table 4. Staff resource usage on social media initiatives

Country	Resources used and related activities
Denmark	Approximately 0.1 full time equivalents (FTEs) for developing social media strategy and daily operation of Twitter/Yammer, as well as answering e-mails and questionnaires regarding use of social media.
Estonia	Unable to provide exact number of staff as it varies on season and the staff involved are not fully dedicated to SMT deployment, but have other tasks as well. In aggregate, it takes approximately 5 FTEs.
Japan	Three NTA staff who are also in charge of other different public relations operations make

	programs that are uploaded on YouTube while part of the operation is outsourced to outside contractors. Although there are certain expenses to produce programs, the establishment and operation of the NTA channel on YouTube is carried out without identification of specific costs.
Mexico	Two persons are employed for around 27 hours in a week. Their activities are: 1) to make social networking posting messages, videos, and photos; and 2) redirecting and verifying messages. The time invested may increase resulting from the intensity of the subject.
Norway	Equivalent of 0.5 FTE of Media staff, and 2-3 FTEs in total to evaluate and develop initiatives to improve citizens' dialogue and websites
Portugal	There is one person responsible for the tweets, and another for the videos placed on YouTube. The maintenance and development of the intranet and the community websites require further resources.
Singapore	Two employees in the Corporate Communications Branch are responsible for: 1) Monitoring Twitter & other online channels for e.g. related blogs & news sites for comments on IRAS and tax-related topics; 2) Proposing line of response to online comments, if necessary; and 3) Creating content for Twitter.
UK	One FTE on strategy and implementation. Small amount of time of two press officers for the Twitter channel. Various staff time on the internal channels.

Metrics for current and future activities

15. Data reflecting the take up/ use of revenue body social media initiatives by taxpayers and other tax system stakeholders was relatively sparse in survey responses, a situation not surprising given that revenue bodies are in the main still exploring how the various technologies can be optimally deployed. A summary of the data reported by revenue bodies is set out in Table 5 below:

Table 5. Volumes re social media usage by taxpayers etc

Country	Volume/ usage related data
Australia	<p>Twitter: Since its launch (March 2010) the page has attracted 5,571 followers from across tax market segments. Twitter is now a business as usual communication channel for the ATO.</p> <p>Facebook: Since its launch (July 2009) the page has attracted 1,527 fans from across tax market segments. Facebook is now a business as usual communication channel for the ATO.</p> <p>YouTube: Our YouTube channel was launched on 1 July 2011 the page has attracted 146 subscribers, 10,121 channel views and 27,861 upload views. YouTube is currently being evaluated for its effectiveness as a communication channel for the ATO.</p>
Ireland	<p>YouTube: We used this medium to provide the public with information on the latest budget changes – target group was all PAYE workers (around 2 million people). We had 10 different videos (Powerpoints) with voice-over and received many thousands of hits.</p>
Mexico	<p>In seven months (from May to December 2010):</p> <ul style="list-style-type: none"> • YouTube: channel views growth 50% (from 366,000 to 600,000) • Twitter: followers growth 300% (from 3,000 to 13,000)
Portugal	We have 3,195 followers in Twitter and more than 100,000 persons watched our movies on YouTube.
UK	Twitter: Corporate news service, aimed primarily at intermediaries and their media, approx 1,000 followers
USA	<p>Our Facebook experience is very limited. Recruiting has a presence with just under 2,000 fans. Our Taxpayer Advocate Service also has a presence, with approximately 650 fans. There are also several media professionals using Facebook, but on a very limited basis.</p> <p>Twitter is probably our greatest leap into the social media space. We have a national Twitter account (IRSNews) that has over 7,000 followers, and the TaxPros account has over 4,000 followers. We use Twitter to promote programs, educate taxpayers and direct followers to traditional channels. We have several Twitter accounts. Some areas of the organization have their own presence, and communication professionals use Twitter to alert local media.</p> <p>YouTube: IRS launched the IRSVideos Channel on YouTube in August, 2009. To date,</p>

	<p>the channel has had well over 1 million views and has accumulated over 2,000 subscribers.</p> <p>IRS has also recently launched IRS2Go, a mobile app that lets users track the status of the refund, subscribe to e-mail updates, follow us on Twitter and use the click-to-call feature to reach one of our help-lines. The application is available on apple and android platforms and has been downloaded well over 100,000 times. The application is also responsible for increases to our subscription numbers, video views and Twitter followers.</p>
Singapore	There are over 1,000 followers within six months of the launch of IRAS Twitter account.

IV. Considerations when deploying social media tools

1. So far this report has outlined what social media is and broadly explained its potential uses as well as early revenue body experience. While many revenue bodies have already engaged this new field and others plan to do so, the typical initiatives have been on an early, exploratory or experimental basis (although there are notable exceptions, as noted in the previous section).

2. With this point of departure, this section will briefly touch upon possible next steps towards a more systematic approach, and what revenue bodies need to bear in mind when engaging further with social media. However, an initial caveat is appropriate and so the reader should bear in mind that this is not intended as a final road map to social media technology implementation—that is beyond the scope and capacity of this study—but merely suggested inspiration points, based closely on observations and recommendations from industry experts. It follows that further reading on the subject beyond this report is highly recommended, and might even be deemed mandatory for successful implementation of SMT in tax administration service on par with the best private sector deployment.

3. Social media is a new field of venture for revenue bodies, and so it was only natural that the Taxpayer Services Sub-group's initial discussion on this topic (Rome, October 2010) raised specific questions as to the possible benefits, costs, risks, and “how to do it” in relation to SMTs. In reality, it is difficult to generalize. Social media are different, countries' taxpayers display different attitudes and behaviours and in practice take-up rates for new technologies vary widely. Of course, as is the case with all other implementations every business case is unique and thus a contextual approach is needed in each case. However, drawing on external studies and reports some general recommendations are possible. The following section addresses matters that revenue bodies may wish to consider when:

- Developing a social media strategy,
- Building a business case (*while in that process*).....
- Deciding the appropriate metrics,
- Identifying and managing the risks involved by settling on an appropriate social media policy; and
- Implementing initiatives appropriately while accounting for customer and tax administration needs and advantages and risks related to specific social media tools.

4. At the FTA's Taxpayer Services Sub-group meeting in Rome, Accenture's Chris Zinner helped fuel interest in the envisaged study on social media and this section draws further on Accenture's experiences and recommendations, together with perspectives and findings on strategic implementation from Forrester Research and, not least, valuable findings from the survey in relation to this study.

Developing a social media strategy

5. Building on their experiences and observations of emerging practices, external consulting bodies offer a number of methodologies/ approaches for devising a social media strategy.

6. With their ‘POST’ method (or “systemic framework”), Forrester Research suggests a four step planning process for building a social media strategy, taking **People**, **Objectives**, **Strategy** and **Technology** into account. Thus, they favor starting with the question “*What are my customers ready for?*” and second “*What are my objectives?*”⁹

- **People** are in this case taxpayers, and they will engage in an SMT offering based on what they are already doing and are familiar with.

⁹ Li & Bernoff 2008: p. 67.

- **Objectives** relate to goals. In this case, revenue bodies will typically first deploy SMT in existing service delivery activities, parallel and in addition to traditional channels (see Section V on channel strategy). However, the possibilities potentially include:
 - *Listening*—for research purposes and in order to better understand tax payers. This may be suited for the development of taxpayer / tax systems-interface.
 - *Talking*—may be used to extend current digital channels to more interactive channels. Canada’s viral campaign against black economy on YouTube comes to mind.
 - *Energizing*— means “supercharging” word of mouth. This is typically used for brands that have fans. Therefore, revenue bodies may want to make sure there is a viable business case before deploying these initiatives.
 - *Supporting*—means setting up tools to help customers - taxpayers - support each other. This is effective when there is “significant support costs and customers who have a natural affinity for each other”¹⁰.
 - *Embracing*—customers is integrating them into how the business works, including help to design products and interfaces. This is seen as the most challenging of the five types of interaction. Even in a tax administration context, this might not be as far fetched as it sounds. And for instance, it is easy to imagine situations where taxpayer feedback could further tax payer service delivery as well as compliance.
- **Strategy** implies how revenue bodies would want their relations to taxpayers to benefit for SMT. The answer to this defines how to plan the initiative as well as how to measure its impact once it is deployed. Here it is also important to obtain support within the organization for the SMT initiative.
- **Technology** reflects what applications to build. This is not chosen until after having decided on the previous three aspects, and can be any one of the technologies described in Section II.

7. Accenture’s Chris Boudroux offers an alternative to this approach, building on and reflecting some of the latest experience and findings in implementing social media in large (mainly private) organizations. According to Boudreaux, to get the most out of social media technology and to avoid its pitfalls..... “Social media (...) has to become embedded in the fabric of the organization because it affects every functional area”¹¹..... He suggests there are six factors to comprise a framework in order to make this implementation approachable:

- **Context** is set by the external and internal considerations that face an organization in the process of implementing social media. Relating to context, a social media strategy..... “should begin with an understanding of the business objectives that social media is expected to support”, and also include..... “internal business objectives such as corporate priorities or major corporate initiatives.”¹²
Of particular significance to revenue bodies, this includes regulations.....

“Regulations can create tremendous burdens on organizations using social media. They can restrict what the organization can say, which employees are permitted by law to interact with customers, the extent to which interactions must be recorded and archived, and more. (...) (This

¹⁰ Li & Bernoff 2008: p. 69.

¹¹ Smith & Wollan 2011: p. 22.

¹² Smith & Wollan 2011: p. 23.

has) prevented most organizations from adopting social media at the same pace as (most private sector companies)".¹³ Thus, this seems to reflect the findings of the previous section.

- **Culture**.....“includes habits, behaviors, ways of working, and subcultures within an organization”.¹⁴

According to Christine Eberle, an organization’s leaders in particular tend to underestimate the benefits and be overly risk averse when it comes to social media, and..... “many organizations initially struggle with the concept of introducing social media”, while “legal aspects of enterprise social media are a primary concern (as) executives assume the use of social media will require significant overheads to audit and police employee contributions”..... as well as the risk of wasting valuable work hours on virtual socializing ¹⁵. However, according to Eberle, a recent survey conducted by the *Society for Marketing Professional Services* reiterated these objectives, as the study showed that the predominant barriers preventing companies from using social media were..... “not understanding how to use it”..... “just another thing to keep abreast of”..... “not convinced of appropriateness”..... and..... “not convinced of effectiveness” ¹⁶. Eberle compares this to past executive resistance to employees use of e-mail and personal computers 15-20 years ago..... “And in these cases, history has come to two major conclusions: It’s largely impossible to stop adoption of technology as it evolves, and the fears are typically unfounded. The same conclusions are true with social media. Many organizations report that social media positively impact employee satisfaction, particularly in service organizations” ¹⁷.

- **Process** implies thoughtful consideration into how social media are managed across the organization and into the business processes it intends to support or impact. Metrics should be defined within each business process and measure what social media could improve. Both aspects will be further explored in the sections considering business cases and metrics.
- **People** in this context refer to the new roles that social media requires an organization to create. Part of this is building a capable social media team, and essential to this end is that all human capital decisions be anchored in the context of the business strategy, and not left to chance.....

“If organizations spent the same amount of time and energy on the organizational, human capital, and change management elements (of creating social media capabilities) as they did on strategy, technology, or process reengineering, (...) they would find far more success in harnessing the collective power of social media”, and further..... “Organizations (...) are at risk if they if they leave employees to, in effect, make up the organization’s response to social media as they go along (without training or a defined strategy)” ¹⁸.

- **Policies**, according to Boudreaux, “are uniquely important to social media strategies because of the number of people involved in achieving the strategies, the real-time nature of social media and the need to empower employees and customers to interact with speed and at scale to a significantly greater degree than in any other business capability”¹⁹.

¹³ Smith & Wollan 2011: p. 23.

¹⁴ Smith & Wollan 2011: p. 25.

¹⁵ Smith & Wollan 2011: p. 237.

¹⁶ Smith & Wollan, 2011: p. 237.

¹⁷ Smith & Wollan 2011: p. 237.

¹⁸ Smith & Wollan: 2011: p. 253.

8. Finally, Li and Bernoff suggest the following general advice ²⁰ based on their experience on how social media projects affect organizations, managers, technology vendors and relationships. Their key points are as follows:

- Create a plan that starts small but has room to grow.
- Think through the consequences of your strategy.
- Put somebody important in charge of it.
- Use great care in selecting your technology and agency partners.

Building a business case for social media

9. Of particular concern at the Rome meeting was the fact that national revenue bodies, by their very mission, role and mandate, differ substantially from the private sector's pursuit of increased sales of goods and services, where SMT has most widely and successfully been implemented to date. Indeed, revenue bodies do differ from private sector companies and NGO's in that they are government bodies and therefore: 1) are non-profit; 2) operate as monopolies without competition; and, in the end at least, 3) require mandatory attention from their customers and have the final word. But as several FTA compliance studies have shown final mandatory attention and compliance typically comes at high costs to revenue bodies—it is far more efficient to address and inform the taxpayer via early targeted service delivery. This is where SMT is seen to present some opportunities and value.

10. Modern organizations typically require a business case before committing to new technology investments. Accenture suggests that a social media business case can be made with a combination of traditional business case inputs and unique areas where social media excels. This includes approaching the key areas and functions that will be affected most by social media, typically including communication, customer service, human resources, and even the revenue body's IT and service delivery development branches ²¹. Further, a fact-based, three-layer business case framework is suggested, including the following dimensions:

1. **Identify deployment that the management values highly and will easily understand.** Managers typically see the importance of quality enhancement of service delivery, as well as for cost and burden reduction, and improving taxpayers' compliance. Therefore, making a case for how SMT could improve the customer experience or reach out to specific segments via Facebook, Twitter, LinkedIn or YouTube makes for a proven point of departure.
2. **Design the SMT initiative to benefit other parts of the organization, besides the primary objective.** Often it will be possible to benefit or improve activities that are farther away from frontline customer interaction, such as internal human relations (HR) or service delivery development. For example, it would be possible to monitor customer reactions to tax returns on a social network site, and pass knowledge on to the team responsible for designing the taxpayer interface.
3. **Make sure that the SMT initiative is in line with or even underpins broader corporate initiatives.** Ongoing initiatives may at times take up a large share of the capacity for new and seemingly experimental projects, in resources as well as mindshare. In this case a social media initiative can be "sold" within the organization on how it may help achieve those bigger goals.

¹⁹ Smith & Wollan: 2011: p. 29.

²⁰ Li & Bernoff 2008: pp. 72-73.

²¹ Smith & Wollan 2011: p. 59.

11. Finally, Accenture points at the importance of selling the concept of social media initiatives to multiple supporting leaders within the organization.....*“to broaden the support and staying power of the initiative during learning periods”*²².

Deciding the appropriate metrics

12. In real life, including the world of tax administration, the credibility of social media in business deployment is won or lost on a viable business case, and the return on investment (ROI). Keeping management engaged and satisfied requires the provision of concrete measures of progress, and thus the social media team is wise to supply a range of metrics to illustrate the continued feasibility of the business case, and that the initiative matters..... *“Many metrics will be traditional ones used to gauge the health of any corporate initiative. But (...) other metrics will be new ones that social media interactions can provide (...). In either case, it is important for the social media team to establish metrics that cross-functional boundaries. The reason is that such higher-level metrics are likely to reflect bigger improvements in operating performance”*²³.

13. As any experienced revenue body official will attest, exact and valid parameters and metrics can be difficult to define. This especially goes for return on investment, and it is often difficult for an organization to measure the impact of new marketing programs, service improvements, administrative burdens and other investments meant to facilitate service delivery (and being public monopolies, less than perfect or broad approximations would in many cases not be corrected via market dynamics). In this respect, Accenture states that.....

*“Social media is a broad area, with a wide range of tools that can be used for a wide range of goals, each with its own metrics and success criteria. Social media is an exciting area (that can lead the way into) an entirely new set of opportunities. However, doing this will require the team to be even more aware of the needs of the business and to express the value of social media not in technical terms, such as uptime and number of transactions, but in business terms that demonstrate the power of these new technologies”*²⁴.

14. It follows that corresponding SMT metrics to gauge ROI in tax administration use will have to be defined specifically with this purpose in mind, and reflect what’s important in pursuing efficient public sector service delivery. In doing so, specific social media platforms should be treated like any other technology or tool. Again, it’s not about the new technology, it’s how it enables tax administrations to interact with tax payers in an efficient manner - and the effort should be measured accordingly.

Settling policy guidelines for employees working in social media

15. As SMT-tools are a new field of exploration, clear guidance should be provided to those employees involved in their use in light of the risks that must be addressed. Accenture’s Chris Boudreaux suggests the following approach when developing

“Because of social media, every company employee now has the opportunity to be a spokesperson for his or her employer, whether intentionally or inadvertently. Thus, a strong social media policy is critical to helping employees understand the boundaries of their social media activities relating to their employer. Every organization likely will need multiple policy documents for different purposes and audiences. Importantly, these documents should avoid focusing solely on protecting (the revenue body) from risk – in other words, only spelling out what’s forbidden – and, instead, strike a balance between empowerment

²² Snith & Wollan 2011: p. 60.

²³ Smith & Wollan 2011: 64.

²⁴ Smith & Wollan 2011: 228).

and accountability so that employees are encouraged to use social media in the right way to promote (service delivery goals) ²⁵.

16. Further, targeted information is recommended in order to make the policies a helpful tool. Boudreaux recommends that.....

“Organizations separate their broad guidelines for the entire employee base (the social media policy for employees) from more operational guidelines for workers who use social media as part of their job. For example, if the company asks product managers to create Twitter accounts to interact with customer communities, the organization should establish a standard format for twitter IDs to ensure consistent branding. That is not the kind of guidance an organization needs to issue to everyone in the company. This document might also describe the expected response time for different audiences in social media. This document is likely to have been owned and maintained by different people from the ones who write the social media policy for employees, so separating the documents will simplify how they are updated.”

²⁶.

17. In their taxonomy of corporate social media policies, Accenture describes how policies can be seen to evolve through three progressive levels of maturity, or three distinct stages: 1) mitigation, 2) information; and 3) differentiation ²⁷:

1. **Mitigation-stage policies focus on generic guidelines and on protecting the organization.** This occurs when an organization suddenly realizes that it needs a policy quickly, without having anything at present. According to Boudreaux this type of social media policies often look the same, and typically “throw out catch phrases that apply to every employee at every company in the world”²⁸.
2. **Information-stage policies vary by organizations, and – while protecting the organization’s unique values – it helps employees protect themselves when engaging professionally in social media.** Having addressed the risk of social media, to really harvest the benefits of social media the organization must begin to use and tailor its social media in ways that support the goals, culture and business processes. This includes..... “mak(ing) it easy for employees to find information that will help them use social media successfully. Link the policy document to other relevant documents, such as the privacy policy or policies on protecting (revenue body or taxpayer) information, rather than re-creating that information in the social media policy.”²⁹
3. **Differentiation-stage policies focuses on optimizing SMT deployment and employees are seen as ambassadors for the goals of the organization on social media platforms.** This is the final level of maturity, and occurs when the organization is ready to craft more thoughtful guidelines that focus on employee empowerment, instead of conservatively limiting degrees of freedom while highlighting risks.

18. The higher the stage, the more helpful and empowering the policy can be and the less of a hindrance to achieve the desired goals while managing risks. As described in the previous section the majority of revenue bodies still have no corporate social media policy, and those who do can typically still be identified in the early stages of maturity with a strong focus on risk – and for understandable reasons,

²⁵ Smith & Wollan 2011: p. 274.

²⁶ Smith & Wollan 2011: p. 276.

²⁷ Smith & Wollan 2011: p. 280.

²⁸ Smith & Wollan 2011: p. 280.

²⁹ Smith & Wollan 2011: p. 281.

as the public sector faces more restrictions while being less nimble than typical private companies. Still, the taxonomy favors progression to the more advanced and empowering forms and the benefits can be expected to benefit tax administrations as well.

19. In light of the above, exercising a degree of trust is recommended when it comes to implementing SMT. Accenture cites Stephen M. R. Covey, author of *'The Speed of Trust'* who expresses the following viewpoint.....

"Today's marketplace puts a premium on true collaboration, teamwork, relationships and partnering, and all these interdependencies require trust.... partnerships based on trust outperform partnerships based on contracts. Compliance does not foster innovation, trust does", and further they explain how Covey in fact provides significant data to show that "high-trust organizations outperform low-trust organizations" ³⁰.

20. This should of course be balanced against the heightened needs for data security and similar special public sector requirements. On the other hand these risks are typically already addressed in existing channel strategy, and promoting an atmosphere of trust with (regular, fairly compliant) tax payers seems well in line with the FTA's strategic thoughts on compliance, and may help push early information and avoid later compliance issues arising from the lack thereof.

21. World leading computer chip-maker *Intel* has published a simple yet comprehensive social media policy with their *Intel Social Media Guidelines* ³¹ which is recommended inspirational reading. The introduction sums it up as follows:

"Emerging platforms for online collaboration are fundamentally changing the way we work, offering new ways to engage with customers, colleagues, and the world at large. It's a new model for interaction and we believe social computing can help you to build stronger, more successful business relationships. And it's a way for you to take part in global conversations related to the work we are doing at Intel and the things we care about.

If you participate in social media, please follow these guiding principles:

- *Stick to your area of expertise and provide unique, individual perspectives on what's going on at Intel and in the world.*
- *Post meaningful, respectful comments—in other words, no spam and no remarks that are off-topic or offensive.*
- *Always pause and think before posting. That said, reply to comments in a timely manner, when a response is appropriate.*
- *Respect proprietary information and content, and confidentiality.*
- *When disagreeing with others' opinions, keep it appropriate and polite.*
- *Know and follow the [Intel Code of Conduct](#) and the [Intel Privacy Policy](#)."*

Appropriate implementation of social media: Needs, advantages and risks

22. A final step towards successful deployment of a social media strategy lies in the right and purposeful implementation of the specific social media tools. This stresses the need to consider the characteristics and relevance of each SMT—is this specific tool appropriate? How do you get the most out of it? For instance, a number of tools are available when, say, addressing customers via a social network. On Facebook, these tools are *groups, beacons, social ads in newsfeed, banner ads, and applications*. Each set of tools have their advantages and risks which should be taken into account and dealt with already when forming the SMT strategy and further in the specific SMT business case. Drawing on private sector experience, there

³⁰ Smith & Wollan 2011: p. 284.

³¹ http://www.intel.com/sites/sitewide/en_us/social-media.htm .

appear to be four important “qualities” of SMT deployment that revenue bodies can consider. From the perspective of its clients, and in the context that a specific SMT implementation is expected to function, revenue bodies can consider whether their planned social media initiative is:

- **Understandable** – relevant and self-explaining.
- **Acceptable** – the appropriate form on the given SMT-platform.
- **Re-usable** - and optimised for going *viral*.
- **Collaborative** – social media holds the potential to engage taxpayers and other revenue body stakeholders.

Each of these qualities is explored further hereunder.

Understandable

23. From survey responses, it can be seen that some revenue bodies have already taken measures to ensure that initiatives are communicated in a clear and understandable manner:

- As described in the survey findings of this study, to ensure initiatives are “understandable” to the recipient taxpayers, the Australian Tax Office has deployed what they call a “Professional advisor and educator brand quality”, ensuring that initiatives are characterized by being “accessible, supportive, clear and direct, in pace and relevant”.
- Mexico describes how the social networks may contribute to tax administrations in two ways, allowing them to more clearly communicate and design social media initiatives: “1) Represent a thermometer to know which are the tax issues of greatest impact on citizens and taxpayers, which allows better communication strategies; and 2) We get feedback from efforts to achieve interactive assistance and guidance through videos, demos and pictures of the tax services that are developed”.
- Singapore’s Corporate Communications Branch (CCB) monitors the tweets on IRAS twitter, reads all @replies and direct messages and any emerging themes or helpful suggestions will be shared with the divisions concerned and incorporated into the publicity programmes.

24. More specifically on social media technologies, in her book ‘*How to get success on YouTube*’, web marketing and technologies expert Karine Joly³² gives the following advice³³:

- **Produce context-rich videos:** Unless your videos include the entire context necessary to understand and enjoy them, they won’t be shared or embedded by viewers. It is crucial to keep in mind that these videos should (and will) have a life of their own outside of your own YouTube channel. They can appear in search results on YouTube or Google. They can also be embedded in blogs or other websites. As a result, they should contain at least some element of branding, as well as the name of your institution and a link to your website in the end credits.

³² Karine Joly is the web editor behind www.collegewebeditor.com, a blog about higher ed web marketing, public relations, and technologies. She is also the founder of the professional development online community www.higheredexperts.com.

³³ Resources

CaptionTube, <http://captiontube.appspot.com>
Higher Ed TV (reviews, tips, and more about online videos), <http://higheredtv.com>
"The Science of Watchmen" video, <http://tinyurl.com/b5sptq>
UQAM lipdub video, <http://tinyurl.com/qo9clr>
YouTube, <http://youtube.com>
YouTube Duke News channel, <http://youtube.com/user/dukeuniversitynews>
YouTube EDU, <http://www.youtube.com/edu>
YouTube EDU most-viewed videos, <http://tinyurl.com/ygez6hx>

- **Add closed-captioning:** Closed-captioning is the right thing to do. By offering synched transcripts of video dialogs or voice-over comments, you make your YouTube videos accessible to viewers with hearing disabilities. This also provides convenience to people who need to turn off the audio on their computers or who aren't totally fluent in English. Last, it can increase the findability of your videos by attaching a keyword-rich text to them.

Depending on the topics of your videos and your strategic goals, you might have your captions translated into different languages to give even more international mileage to the institution's YouTube videos. Captioning YouTube videos is easy and free to do with CaptionTube. Other software or services can also be used. There is really no reason for any institution to bypass closed-captioning.

25. On his blog *'Convince and convert'*, SMT expert and strategist Jay Baer gives advice on how to use Twitter successfully³⁴. The following tips are based on his findings. Of notice here is that the advice assumes that "re-tweeting" (RT)– twitter response by followers - is desirable as it increases visibility of the tweet (as it now becomes visible to those followers of the person who respond, who are not followers of your revenue body) and ultimately can make the message go viral (the epitome of social media success).

- **Identify your influential Twitter-followers:** Some Twitter-followers are more visible to their environment than others. Analytics such as twitalyzer.com can be used to identify the most influential followers in your network. Alternatively, free versions of Cotweet or Hootsuite can be deployed to scan or filter your public Twitter stream by so called Klout score (here a score over 30 is fairly influential). On this basis a Twitter list of influential followers can be made. With this point of departure visibility of Twitter-presence can be enhanced in cases where debate or two-way communication on a tax matter is desirable or relevant.
- **Attention to Language and Tweet Structure:** Jay Baer points to how social media analytics tools can be useful in evaluating which type of Tweets are successful, the metrics being re-tweets. He suggests that the tools Twitalyzer³⁵ or bit.ly³⁶ data be deployed to see what sort of patterns emerge: Are longer tweets, shorter tweets or those with links most successful? According to Baer on his blog: "It has (been) found that tweets with links are RT'd substantially more than tweets without links. Tweets asking for help? Know what's worked for you in the past, and try to model your future tweeting to mimic it (within reason).
- **Repeat your Tweets:** Jay Baer states on his blog³⁷..... "Yes, it's unpopular with the social media purists, but (since) 94% of tweets are RT'd within the first hour you need to tap into multiple Twitter audiences throughout the day. I tweet my blog posts 3 times daily, with a different headline each time. This becomes even more important if you have followers in many time zones" as some revenue bodies do.

Acceptable

26. While social media technology can be seen as a casual form of communication, it is important to follow the social code in the given context.

27. For instance on Facebook, *Groups* are a quite approachable tool to deploy. It is free, but would seem to need a very clever strategy to obtain effectiveness for a public administration, given the context. For instance, one might imagine "the revenue body's fan group". However, this would run into a number challenges: 1) The number of fans is likely to be small (!). 2) What is the exact purpose of the fan group in

³⁴ See www.convinceandconvert.com/campaign-testing-and-optimization/six-timely-tips-for-twitter-success/#

³⁵ For more on Twitalyzer see <http://www.wikihow.com/Understand-Your-Twitalyzer-Analysis> .

³⁶ For more on bit.ly see <http://en.wikipedia.org/wiki/Bit.ly> .

relation to a revenue body's service delivery? Therefore a specific purpose is needed such as "The tax return is difficult" or "VAT first aid". The two examples imply different, specific purposes. On the one hand, this targets different specific groups, and on the other hand, the relevance – information - this brings to market makes the Facebook-groups attractive to join for the target group and the content can be defined accordingly (information, instructions, links to relevant sources). Further, *Beacons*, *social ads in newsfeed* and *banner ads* are three different kinds of ads that have to be used carefully because their use might be perceived as intruding the customers' privacy.

28. New Zealand targets information based on Facebook profiles, while Australia gathers intelligence from feedback and posts (e.g. Twitter) and uses it to gauge community attitudes to ATO initiatives and policies.

Reusable

29. In her book '*How to get success on YouTube*', web marketing and technologies expert Karine Joly³⁸ gives the following advice³⁹:

- *"Make videos that are easy to share:* Leave "embedding" turned on for your videos so external sites may embed them. YouTube blockbusters get watched within the website itself, but they don't get all their eyeballs from there. Most of the time, a successful video is going to start (or continue) its road to success on blogs that invite their readers to watch the video right there.
- *Choose keyword-rich titles, descriptions, and tags for the videos:* Like the web itself, YouTube is a world based on searching, sharing, and a bit of serendipity. Only a small set of viewers will come right to your channel to check out your latest videos. Even fewer will subscribe to receive notifications of your latest productions. But the majority of prospective viewers will either watch videos recommended by their friends (or by YouTube in the "related videos" box) or listed in the search results for keywords of interest. That's the reason why it's important to put some thought into the writing of video titles, descriptions, and tags.

30. Australia reported that its use of Facebook in 2008 to promote its e-filing (e-tax product for self-preparers) among the youth population had been very successful.....

"Since its implementation, Facebook has gained the interest of a broad demographic so we are able to target a much wider audience. Benefits realised: 1) Provides a low cost online channel to communicate with target audience; 2) Viral effect (pull strategy) - allows users to forward the page onto others, and publishes stories (interaction) into News Feed on both users and friend's homepages."

³⁸ Karine Joly is the web editor behind www.collegewebeditor.com, a blog about higher ed web marketing, public relations, and technologies. She is also the founder of the professional development online community www.higheredexperts.com.

³⁹ Resources

CaptionTube, <http://captiontube.appspot.com>
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"The Science of Watchmen" video, <http://tinyurl.com/b5sptq>
UQAM lipdub video, <http://tinyurl.com/qo9clr>
YouTube, <http://youtube.com>
YouTube Duke News channel, <http://youtube.com/user/dukeuniversitynews>
YouTube EDU, <http://www.youtube.com/edu>
YouTube EDU most-viewed videos, <http://tinyurl.com/ygez6hx>

Collaborative

31. Ideally, SMT deployment should be collaborative. As an example of this, Denmark reported to the survey.....

*“The main focus for our profile on **Twitter** is customer service and user involvement. Innovative thoughts or ideas on optimized procedures aired on Twitter by followers are discussed by our business developers afterwards or forwarded to the relevant division or authority, while attained knowledge of taxpayer attitude is used for segmentation purposes and sometimes even for on-the-spot user test recruitment.”*

32. Across social media platforms, it is possible to further collaborative efforts. A few suggestions on how this may be done:

- **Blogs:** The design phase of specific tax services can be enhanced using Blogs in a controlled way. In 2010, the Mexican revenue and customs body used Blogs during the design process of an high impact electronic service (mandatory) with excellent results
- **Facebook:** Good *applications* might involve and inspire the users and possibly lead the users to help each other in the given context.
- **YouTube:** If you decide to leave the comments open (this is the default setting), be cautious in your replies, as you would on blogs or Facebook pages. Just don't ignore the feedback from your community. Correct facts, be helpful, and don't antagonize viewers with your own comments. Also, be sure that comment voting is enabled, so the community can police itself by voting down the worst (and in favor of the best) comments. Most institutions rarely interact with viewers who leave comments, even when they include direct questions.
- **Wikis and open source:** In a tax administration context, wikis on simple, general tax matters may be helpful as a supplement to the basic advice offered, at great cost, by revenue body call centres (in one-way communication, basic advice cases) and walk in contact centres. Further regarding open source, some countries – Germany being one example – already offer private software developers the possibility to develop and sell software programs to assist in tax returns (in addition to what is offered as standard by the revenue body). Here, open source development might add a free user/taxpayer generated alternative, thus enabling more service with no additional costs to the revenue body or the taxpayer.
- **Co-creation:** The involvement of citizens in co-creation activities can be orchestrated through the use of SMT. The Danish tax authority has recruited participants for user studies and user involvement for specific projects via their Twitter profile.

33. GovDex and SME Tax Forum, two initiatives from the Australian Tax Office, offer a possibility for user involvement through a secure online, collaborative space, where registered users can access and interact with each other. An open forum on a tax administration home page might also be able to generate basic advice on tax matters from one taxpayer to another. These examples show that innovation can be performed in tax administrations with the assistance of the public. Perhaps these examples also points to a necessary circumstance for this: that anonymity for the participants might be difficult to constitute.

Further reading

34. When implementing SMT, further reading on social media policy guidelines, risks, benefits and strategy is strongly recommended, be it the sources of this section as listed below or similar qualified literature from other industry experts:

- Bason, Christian: *Leading public sector innovation*. The Policy Press 2010, University of Bristol, UK.
- Bernoff, Josh and Chadler, Ted: *Empowered. Unleash your employees. Energize your customers. Transform your business*. Forrester Research 2010, Harvard Business Review Press, Boston.
- Li, Charlene and Bernoff, Josh: *Groundswell. Winning in a world transformed by social technologies*. Forrester Research 2008, Harvard Business Review Press, Boston.
- Smith, Nick and Wollan, Robert: *The Social Media Management Handbook. Everything you need to know to get social media working in your business*. Accenture 2011, Wiley & Sons, New Jersey.

35. As the field of SMTs is evolving very quickly, one can expect to see considerably more literature on relevant initiatives and experiences. For those revenue bodies interested in the topic, particularly where SMTs are yet to be deployed, it would seem appropriate to keep a close watch on developments.

V. Social media tools and an organisation's channel strategy

1. This section examines the various groupings of SMT's, as defined in Section II, and their relationship to a revenue body's channel strategy. Section VI provides some preliminary ideas on a maturity model for SMTs.

Incorporating social media technologies into the channel strategy

2. The essence of an organisation's channel strategy is typically *to deliver the most effective service to an organisation's customers using as few resources as possible while providing a high degree of satisfaction for its customers*. Such a perspective, which applies equally to a revenue body, raises a number of issues when considering how to incorporate SMT's into a revenue body's channel strategy.

3. In order to deliver the most effective services it is not enough for a revenue body to focus solely on each channel of service delivery as such. It must also focus on its customers and the nature of the various forms (or channels) for contact. The essential considerations are cost/ efficiency and effectiveness (including quality and usability).

4. From a cost/efficiency viewpoint, channels for customer contact can be priced by an *'average cost per contact'* using each channel, and in this way a hierarchy among the channels can be defined and thus can be a consideration in designing a channel strategy. The strategy typically implies directing customers from the most costly to the cheapest channels – which more or less can be interpreted as the channels with the most advanced level of automation. Such an approach is depicted in Diagram 1, a high level representation of the Danish revenue body (SKAT's) channel strategy philosophy.

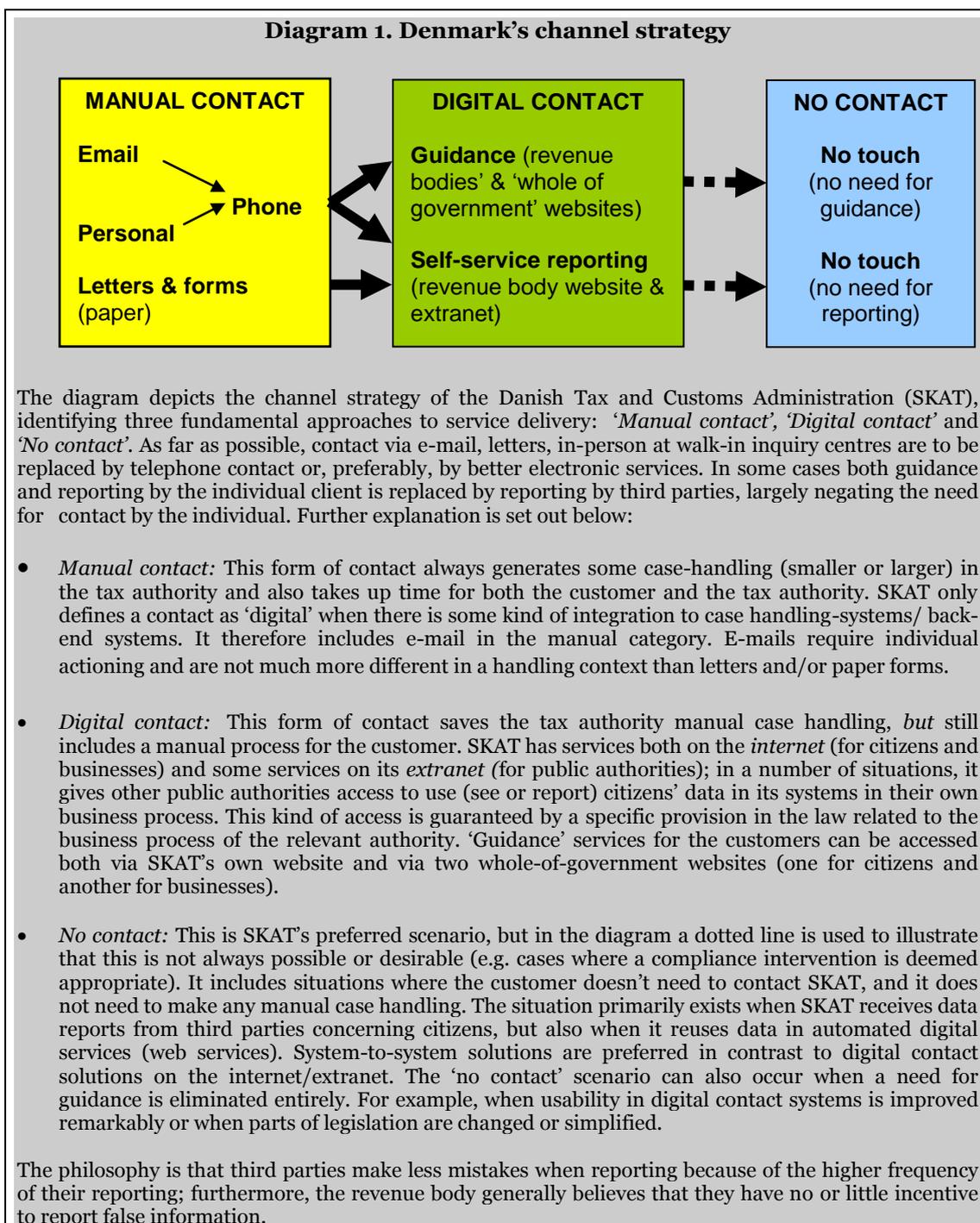
5. In addition to relative cost/efficiency considerations, there is the question of effectiveness. For example, is it likely that one-to-one channels are the most appropriate for a given service requirement in order to achieve a high degree of effectiveness? As observed by the Estonian revenue body..... *"such channels have a high need for extra manpower, which especially can be an issue for smaller organizations."* On the other hand, this form of customer contact may lead to better and more effective communication and audience engagement, creating value for the organization.....*"Every time we learn from users and make appropriate changes, we receive fewer calls to our call centre, thus reducing man-hours spent on the phones"* (Danish revenue body).

6. A further consideration concerns the higher quality (or "ease of use") of certain channels in terms of the level of skills and understanding required of customers to use them. In traditional channel strategy examples of rising the quality/ expanding the number of manpower used in one-to-one channels with the clear purpose of educating the taxpayers so they are able to handle their own tax affairs by self-service systems in the future. An example of this is the practice of *'floor-walking'* used in walk-in inquiry centres. Such initiatives might be regarded as costly viewed in isolation, but may be considered effective in addressing the needs of an organisation's customers.

7. Another way of considering the role of SMTs and the channel strategy concerns the following questions—

– *Can these technologies replace the traditional channels used in the channel strategy?*

– *Can all purposes or types of services included in the interface between customer and revenue body be performed via or included in SMT?*



8. If one looks at the methodology of the total customer/ tax administration interface, customer contact can be categorized according to whether confidentiality needs to be established. Including also a procedural categorization, we have chosen to distinguish between three kinds of contact with the customers, inspired by the Australian Taxation Office:

- Information - One-way information flow (e.g. general education and publications);
- Interaction - Two-way information exchange that does not alter account status (e.g. general enquiry, account enquiry, and debt and lodgment activities); and.

- Transaction - Two-way information exchange that alters account status (e.g. lodgment, payment, registration and compliance activities).

9. It is worth noting that *information* relates to non-taxpayer specific information (not the provision (or exchange) of confidential/ personal taxpayer data. An instruction or a guidance based on exchange of confidential data is considered an *interaction*. The distinction between interaction and transaction isn't totally precise, but generally speaking a formal form has to be used (manually or digital) to perform a transaction, and the input in this form is most often numerical data.

10. SMTs are clearly not appropriate when performing *transactions*. As a public institution which has to be careful with private, personalized data – even *interaction* activities are problematic by SMTs. Customers themselves might reveal as much private information as they like on their Facebook profiles, but a revenue body is typically not allowed to participate in such revelations.

11. SMTs will also not be the most effective channel in a competition with the channels *Homepage*, *Self-service with personalized data* and *System-to-system*. These two channels are necessary for updating of data and delivery of data to and from it-systems. The most effective way of updating large quantities of personalized data is performed by very regulated it-systems with security measures and automated procedures.

12. If one defines each of the services in the channel strategy (see Table 6). *Channel/services matrix*, a picture emerges of which channels cannot be replaced by SMT. This helps to better understand the limitations of SMT in a channel strategy context as well as the requirements for incorporating SMTs into a revenue body's channel strategy.

13. SMTs are very useful as a tool or channel for marketing and education. Possibly replacing other tools, therefore it can be directly rational to implement SMTs in this context. SMTs might also very useful as a *supplement to*, not as a replacement for, the very traditional channels: Walk-in inquiry centres and Call centres (by telephone and standard e-mail) and even chat functionality. The SMT tools can perform perfectly for handling information activities instead of these traditional channels.

Table 6: Channel/services matrix
(developed by the Danish revenue body (SKAT))

Channels	Service Type /1	Type of inbound contact	Type of service/ outbound contact
Walk-in inquiry centre	I, A, T	Face-to-face/ personal contact	Face-to-face service, Floor walking, Printed material
Written mail	I, A, T	Letters, fax	Mail, Printed material e-mail, Telephone
E-mail	I	Standard e-mails	Standard e-mail, Telephone
	A, T	Secure e-mail	Secure e-mail
Telephone (call center)	I	Telephone call	Telephone
	A	Telephone call	Written mail Secure e-mail
Telephone self-service (voice response)	A, T	Digital telephone choices	Voice response machine
SMS	I, A, T	SMS text message	SMS, Personalized online material, Printed material
Internet , Information search	I	Computer browsing Smartphone browsing	FAQ, Online material, Chat
Internet, Self-service with personalized data	A, T	Use of online functionality by computer or smartphone	Personalized online material, Co-browsing, e-mail, SMS, Printed material
Chat robot	I	Use of online chat functionality by computer	Chat
System-to-system	A, T	Web-services or other technologies	Web-services or other technologies
Marketing initiatives	I	N/A	Push material: Printed or online material plus personal performance
Education initiatives	I	Personal attendance	Printed, manufactured or online material plus personal performance
Social Media Technologies (one-to-many)	I	N/A	Audiocasts, Videocasts, RSS-feeds
Social Media Technologies (one-to-many, with comments)	I	Computer browsing Smartphone browsing	Videos, Photos, Tweets, Status updates, Online material e-mail, SMS
Social Media Technologies (one-to-one)	I, A	Use of online functionality by computer or smart-phone	Chat, Tweets
Social Media Technologies (many-to-many)	I, A	Use of online functionality, chat functionality by computer or smart-phone. Blog and debate updates.	Chat, blog updates, debate updates (where collaboration is sought)

Notes: /1. Legend— Information (I), Interaction (A), Transaction (T)

14. In thinking further on channel strategy development and SMTs it is worth bearing in mind aspects of each type of service that might be used. Some considerations are set out in Table 7.

Table 7. Considerations in channel strategy development and SMTs

Approach	Description/explanation	Examples and their use
<i>One way information with one-to-many communication</i>	Ordinary marketing is a traditional tool for revenue bodies to communicate effectively with taxpayers in order to inform them about changes in tax law, procedures in the tax process etc. To use digital media in the marketing function will most likely not be considered a revolution, or an inappropriate measure. On the contrary, marketing will embrace those tools that seem to be effective, and as a vast part of the population in many countries are using SMT, marketing will embrace these technologies.	Examples of SMT marketing are Facebook ads, banners, news feeds and Beacon as well as video and audiocasts. The tools can be used for issuing of reminders, important information, new press releases, and information on the income declaration process. Also used in some campaigns, and advertising at specific groups of taxpayers
<i>One-way information (possibility for comments)</i>	When considering implementing SMT in the revenue body you will already at this stage of the travel through the maturity model be facing essential new values. You can include YouTube videos and Flickr photos as part of your marketing strategy. Even though you might choose not to respond on comments on the videos, you cannot avoid the possibility of the taxpayers making comments. And as this functionality exists, the technology is out of your control. Are you ready to let customers make comments to your advertisements for other taxpayers to read? This option is new to the traditional channel strategy, and constitutes a requirement that you will have to consider.	Examples of SMT one-way information with comments: YouTube videos and Twitter (Tweets acting only as push information), and webinars. The tool can be used for providing information on how to file tax returns or information on the budget changes to the public.
<i>Two-way information with one-to-one communication</i>	It is uncertain at this time if the use of tools like Twitter and Facebook in a tax environment can meet the expectations of taxpayers who may have high expectations from their social media use in their personal experiences with the private sector: <ul style="list-style-type: none"> • <i>Have embraced SMT, but there is still a reluctance to open two-way communication channels.</i> • <i>We do not respond directly to taxpayers who post either positive or negative comments as this serves only to provide yet another engagement channel which requires management.</i> • <i>We would rather taxpayers used the current channels of call centre, branches and direct written communication (letter, fax, email).</i> At this point, it is important to explore the binding and legal impact of the responses.	Examples of two-way interaction: Twitter (with response), Chat (live chat, chat robot) and forums.
<i>Two-ways interaction & use of collective knowledge with many-to-many communication</i>	Experience has shown that this category of social media platforms that embraces user participation/co-working demands a different way of communicating than public officials are used to when addressing big public forums. The tool can be used for influencing taxpayer behavior and for educating taxpayers and for participation in the innovation of new/ better services. To promote administrations homepage as the primary source of information and thereby encourage self-service.	Examples of two-way interaction: Facebook groups, Twitter, blogs, debate forums. A wider perspective on this group of SMT can be found when addressing the studies of innovation 1). Government agencies can use co-working or “co-creation” to overcome

	<p>Provides a low cost online channel to communicate with target audiences. It also provides an opportunity for capitalising on customer knowledge and engagement.</p> <ul style="list-style-type: none"> • <i>Every time we learn from users and make appropriate changes, we receive fewer calls to our call centre, thus reducing man hours spent on the phones (Denmark).</i> • <i>To seek new product feedback, shorten product development time and target valuable marketing resources (Australia).</i> • <i>Channel alignment with product (e-tax) and other marketing activities.</i> • <i>Intelligence gained from feedback and posts at Twitter are useful to gauge community attitudes to ATO initiatives and policies (Australia).</i> • <i>SMT offers a means of engaging personally with key individual stakeholders. Engagement online with key external stakeholders, and with public opinion, can support better policy formulation (UK).</i> 	<p>barriers and deliver more value, at lower cost, to citizens and businesses. Co-creation of new solutions in a process with citizens holds a potential for a more radical range of innovation in the public sector. Co-creation is in the area of tension between user-driven and design-driven (top-down) innovation. In the public sector co-creation focuses on creating new solutions <i>with</i> the citizens, not <i>for</i> the citizens. /1</p>
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Note: /1. According to Christian Bason, organizations like TACSI in Australia, ThinkPublic, Participle and LiveWork in the UK, la 27e Region in France, and Mindlab in Denmark are all working with co-creation for the purpose of developing better public services (*Leading public sector innovation: Co-creating for a better society*, Christian Bason, Policy Press ISBN 9781847426338).

The costs, benefits and risks of social media technologies

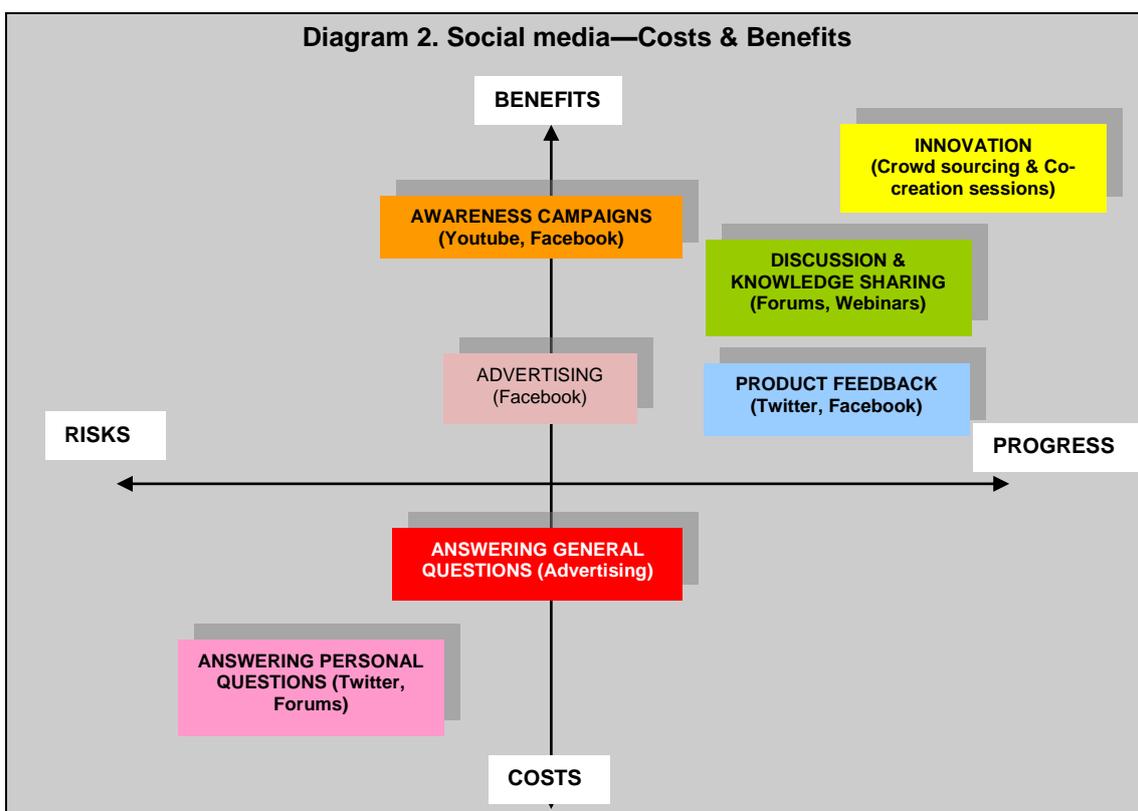
15. In Diagram 2 below, an attempt is made to draw a cohesive view of the major characteristics describing the process of implementing and using social media technologies. The diagram presents a cost-benefit analysis relative to perspectives of business development and constraints. The analysis lays out four characteristics relative to each other:

- Costs, consisting of the amount of manual manpower needed in the process of serving customers.
- Benefits, which includes the theoretical or possible outcomes of the use of social media technologies.
- Business quality or progress, which is a relative component: When regarding the actual status of your business, this can perform more or less effectively.
- Constraints or risks, are the amount of difficulties or problems that might occur when involving social media technologies in serving the customers of the tax administrations.

14. Diagram 2 below aims to depict the consolidated headlines of how the SMTs are used, or might be used by revenue bodies, and in brackets below, those technologies that are used for those specific purposes. Specifically, it aims to convey the following proposals:

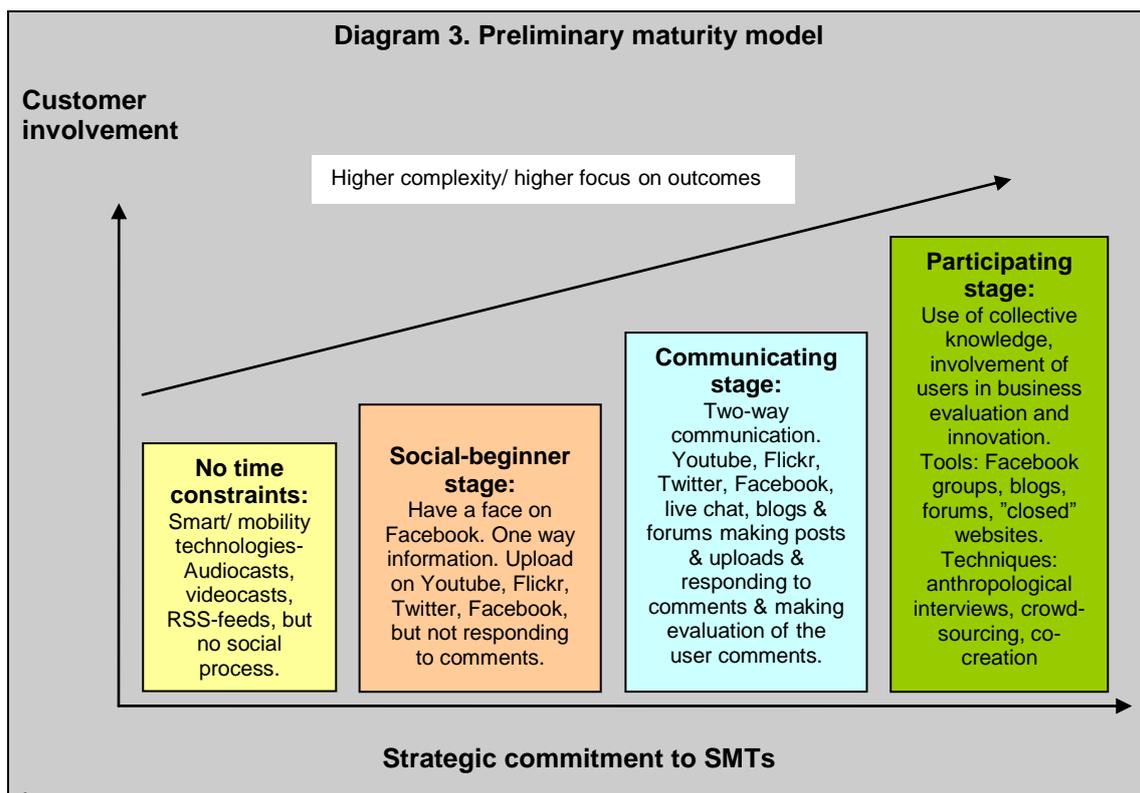
- There are many qualities to be harvested by using SMT—Higher awareness among the customers towards their obligations and concerning the use of your digital services, feedback and discussions around the quality of your products, services and processes, and it might even include involvement in the innovation processes in your administration.

- On the other hand, it implies that SMTs are relatively poor instruments involving high costs and even business problems or risks regarding the handling of questions from the public, specifically questions of a personal nature regarding personal data etc. Twitter, Facebook and the like are not practical tools for these issues, and in relation to a revenue body’s channel strategy, these tools are outperformed by traditional call centers and case handling.
- The SMT have a versatile character and can be used in various ways. Given the innovative nature of the concept in the tax administrations today exists a difficulty in establishing valid and appropriate metrics to measure the effect of SMT, therefore the diagram can have many different variations depending on the degree of maturity in the implementation of the SMT. This diagram can be more accurate or stronger founded in a second version of the study of SMT & tax administrations, depending of the evolution and maturity of the strategies implemented by participating countries,



VI. Preliminary Maturity Model

1. With the development and use of SMTs at a very early stage it is useful to reflect briefly on how they are maturing/evolving—the stages of their maturity—and the likely directions for the future. Diagram 3 below attempts to visualize the implementation of social medias as communication tools in organizations like tax administrations. The diagram shows a maturity model which lays out an interpretation of the term “social”: The more social – the more mature the technology. From left to right the tools are more customer involving and more complex and demands a higher strategic involvement from the tax administration. From left to right the costs and considerations of managing the tools and the possible benefits of the tools are growing.



How do we want to relate to our customers?

2. If the customers are considered a useful resource for the development of our business (i.e. our processes, services and products), it is worth considering implementing the higher maturity levels of the SMTs. We have defined the stages in the model as a staircase where the steps are building on top of the former steps. The more steps you take you will need to commit yourself strategically more to the SMTs. This will implicate a higher complexity in the tools and a higher possible outcome, and by doing this you will be involving the customers to a higher degree.

VII. Key findings and recommendations

1. This note has provided a fairly concise description of emerging SMTs, a brief account of their deployment by the private sector and related experiences, and an overview of how these technologies are starting to be used by revenue bodies in their day-to-day operations. Clearly it is early days but there are some emerging directions, both in a general sense and drawing on the experience of revenue bodies and others.

2. The key findings and recommendations arising from this work are as follows:

- As noted at the outset, SMTs are the new and personalized face of the Internet and their arrival and ongoing development brings promises of stratified personal contact with potentially a large and growing number of tax system stakeholders; in this context, revenue bodies have an important decision to make—will they sit back and in a passive way attempt to learn from others or, alternately, will they take steps to get involved/ participate as early as possible, experimenting and learning with others along the way, and quickly building new products in line with their stakeholders' expectations? From the information gathered for this study, there are signs that this latter approach is starting to deliver benefits:

“From our experience, it is key to start using “new” social media platforms as soon as possible, whilst everyone is in the same position. That way you are making the same mistakes that everyone else is. If you get into the space late, and make beginners’ mistakes, the community will not be as forgiving. Start small, monitor and evaluate.” (Australian Taxation Office).

“Three tips we would pass onto other revenue bodies: 1) Just do it – bottom up/viral strategy works; 2) You lose out by not participating; people are talking about you anyhow, so you might as well participate; and 3) Be prepared to venture down the road of more openness and less closed government”. (Danish Tax and Customs Administration)

“We are taking an incremental approach to social media, starting with corporate news, and moving potentially towards social customer relationship management, in which we capture the benefits and lessons at each stage.” (UK HMRC)

“Three tips we would pass onto other revenue bodies: 1) Engage in social media in order to reach new audiences; 2) Use social media to direct audiences to your traditional channels; 3) Establish your official presence before others establish it on your behalf.” (US Internal Revenue Service)

- While the breadth of revenue body experience with SMTs to date and described in this note is relatively limited, it appears overwhelmingly positive:
 - Offers virtually free online word-of-mouth marketing
 - Enables positive attention for engaging in dialogue;
 - Facilitates the recruitment of users for product testing/ innovation;
 - Contributes to revenue administration image building.
- Like any new technology, there are challenges and risks to be managed (e.g. breaches of security and provision of misleading information); as reported by revenue bodies, these all appear manageable by adopting a properly considered and co-ordinated strategy built on the philosophy of..... *start small, monitor, evaluate and build on from there in a similar manner.*
- The business case for SMT deployment for the moment largely rests on the potential benefits envisaged from using SMTs to advertise revenue body news, products and developments and/ or conducting dialogue for a range of purposes (e.g. product testing, consultation on proposals) relevant to conducting day-to-day tax administration while the up-front investments required are, for the most part, relatively limited and contained.

- The incidence of negative experiences with SMTs reported to date by revenue bodies has, for the most part, been minimal and of relatively little consequence; much of what has been experienced can be linked to weaknesses in setups, challenges in resource availability, and negative feedback (some of which relates to tax policy itself, rather than SMTs per se).
- As for any technology deployment, there should be a sound business case for SMTs; however, the newness of SMTs and the incremental and exploratory nature of their deployment suggests that such a business case should be viewed more as a medium term objective for revenue bodies, given the need to learn and gain experience around how such technologies can best be utilised for day-to-day administration.
- Successful deployment of a social media strategy lies in the right and purposeful implementation of the specific social media tools; this stresses the need to consider the characteristics and relevance of each SMT— Is this specific tool appropriate? — How do you get the most out of it? In this respect, the report offers a useful framework of qualitative factors to help decide whether a social media initiative is understandable, acceptable, re-usable and collaborative (see pages 33-37).
- As a means of enabling direct (and indirect) communication with their stakeholders, SMTs constitute part of the suite of channels revenue bodies have at their disposal for carrying out their service delivery (and related) responsibilities; it therefore follows that overall development and management of a revenue body’s channel strategy for service delivery should pay regard to the actual and potential role of SMTs, in particular how they can support and possibly replace/ reduce demand for the more traditional channels.

Recommendations

- Revenue bodies are strongly encouraged to study the contents of this note to learn more about SMTs in general and the approaches and experiences of revenue bodies already using these technologies.
- Revenue bodies already using SMTs are encouraged to continue their efforts and share knowledge of their experiences, both positive and negative, with the Forum.
- Revenue bodies still contemplating the potential value of SMTs are strongly encouraged to study the experiences of other revenue bodies and to consider adopting an exploratory/ experimental strategy for SMT deployment relevant to their context.
- The design and definition of the strategies for implementing and use of SMT should be compatible with general strategies of the revenue body.

Examples of social media technologies reported by revenue bodies

1) Australia

GovDex: Is an Australian government initiative that supports collaboration across portfolios and administrative jurisdictions to deliver better services to citizens and firms. It is a secure online, collaborative space for government agencies and their stakeholders. It offers closed communities where registered members can access and interact with each other. Because it is independent of the ATO, it is readily accessible to all stakeholders – 24/7 (you could access it via your iPhone on a bus...) – and it adds value to stakeholder engagement by enabling easy, one-stop, one-to-many or many-to-one communication and information exchange for papers, discussions and feedback.

GovDex is currently used by federal, state and territory agencies within Australia. It is hosted and made available, free of charge by AGIMO (Australian Government Information Management Office) and the Department of Finance and Deregulation. The system is currently classified to handle “In-Confidence” information.

GovDex is not a social media tool like Twitter or Facebook. Nor is it a substitute for existing communication channels, but it can supplement what’s already in place and offer real-time, wide-audience interactivity.

SME Tax Forum: The SME Tax Forum is an interactive online closed community which uses social media to engage directly with small and medium enterprises (SME) businesses and enables them to engage with the ATO. Members are business owners and decision makers (Chief Financial Officers, Finance Managers and Accountants) who represent a diverse range of industries within the SME market. The Forum enables the ATO to better understand the SME market and provides an excellent conduit between the ATO and SMEs. It provides a new way for SMEs to talk with the ATO and for us to work together with them to identify opportunities to make it easier to meet their obligations and reduce compliance costs.

Members participate in a variety of activities including online discussions, online surveys, user-testing, webinars as well as Live Chats with senior ATO staff. These activities cover a wide range of business and tax issues such as compliance costs, debt, GFC, FBT, risk profiling, CGT and SBR. Members' feedback, suggestions and ideas are presented to the relevant areas of the ATO and used to increase the ATO's awareness and understanding of the issues SMEs face when managing their tax affairs

2) USA

IRS2Go: IRS has also recently launched IRS2Go, a mobile app that lets users track the status of the refund, subscribe to e-mail updates, follow us on Twitter and use the click-to-call feature to reach one of our help-lines. The application is available on apple and android platforms and has been downloaded well over 100,000 times. The app is also responsible for increases to our subscription numbers, video views and Twitter followers. More info: <http://www.irs.gov/efile/article/0.,id=234412.00.html>