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Awareness Campaign for the New Tax Law

Communication Strategy



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Executive Summary

1. Introduction

1.1 Fiscal Reform II Project

The Fiscal Reform II Project is a USAID-funded project working to strengthen and modernize Jordan's tax administration system as part of an overall effort to enhance the tax system's capacity to enforce the law, treat taxpayers with dignity and operate with lower compliance costs. The modernization of Jordan's tax administration effort is part of an ongoing process, which has involved various capacity building initiatives including the merging of the Income and Sales Tax into one Department and organization along functional lines. These initiatives are supporting Jordan in its commitment to establish a modern tax administration system in line with international standards.

1.2 Scope of Work

FRP II and ISTD are seeking to implement a **Public Awareness/Behavior Change Communication (BCC) Campaign**, as part of FRP's current technical assistance to ISTD under the 'Tax Revenue Mobilization Component'. The goal of the proposed Campaign is to raise awareness towards the new Tax Law, increase voluntary compliance and minimize tax evasion. The Campaign seeks to achieve the latter objectives by changing **Jordanians' current perceptions, attitudes and beliefs towards taxes** with the overall aim of encouraging voluntary tax compliance, which will provide a direct benefit to them and to society at large. The recent enactment of the New Tax Law is recognized as an opportunity to raise awareness and change current behaviors towards taxes, which is what the proposed Awareness Campaign, will strive to achieve. The Campaign's general objectives are outlined below:

- Enhance awareness towards the new Tax Law
- Build support and consensus towards the new Tax Law.
- Transform current attitudes of tax evasion to tax compliance.
- Raise awareness about the obligations and consequences for non-filers and stop-filers.
- Raise awareness about financial installment solutions offered for non-filers and stop-filers.
- Establish a new understanding towards a modernized ISTD including new e-services.

Upon completing the Campaign, Jordanians, namely taxpayers, should know and understand their responsibilities and obligations under the new Tax Law and should choose to comply voluntarily. The number of registered taxpayers is hoped to increase so is the number of businesses registered with the tax administration. Overall tax evasion and fraud incidents are also expected to drop.

FRP II and ISTD are seeking to implement a Public Awareness/Behavior Change Communication (BCC) Campaign to increase voluntary tax compliance amongst Jordanians by changing their current perceptions, attitudes and beliefs towards taxes.

2. Social Marketing Framework

2.1 Overview

As mentioned above the proposed Public Awareness/BCC Campaign seeks to raise awareness about the New Tax Law and encourage voluntary tax compliance among Jordanians including current and potential taxpayers. To achieve this, we need to identify the current barriers that may be preventing the target audience from adopting the desired behavior of tax compliance. These often relate to the audience's current attitudes, beliefs and perceptions towards taxes and the tax department. We also need to highlight the direct benefits of tax compliance to the target audience so that they 'buy into' it. The benefits in this context relate to the provision of government services which benefit all Jordanians and so the role of taxes in financing key government programs and services aimed at improving life for all Jordanians needs to be emphasized. Finally, we need to identify the competition and highlight the costs associated with it. In other words, we need to make the exchange worthwhile in the eyes of the audience. The competition in this context is non-compliance and tax evasion. The audience may be tempted to avoid paying taxes and our goal is to reverse this practice and encourage them to comply for compliance represents a direct benefit to them and to society at large.

Accordingly, we will develop the Campaign and the following communication strategy using the principles of **Social Marketing and Behavior Change Communication (BCC)**¹. The latter are widely used to raise awareness, change perceptions and encourage people to adopt positive behaviors to improve their personal welfare and that of society at large. As mentioned above, the benefit in this context relates to improved government programs and services such as education, health services, basic infrastructure, security, etc which in turn translates into improved standards of living for all Jordanians. If the public believes in the benefits of the taxes they pay they are more likely to comply. Conversely, if the public does not believe that they are directly benefiting from the taxes they pay they are less likely to comply. Accordingly, our communication strategy will use social marketing and BCC tools and methodologies to highlight the benefits of voluntary tax compliance and the costs of non-compliance making the exchange worthwhile in the eyes of the public. Unlike commercial marketing which is product oriented, social marketing focuses on people and their behavior and uses audience research to learn how to motivate an audience into changing their attitudes, perceptions and eventually their behaviors. Social marketing presents the new behavior one is trying to promote in a positive manner so that the audience 'buys' into it. For the audience's main concern relates to what he or she will get in exchange for giving up or acquiring a new behavior. In fact, in social marketing the exchange process is very important and focuses primarily on selling a behavior to people by promoting the benefits of adopting that new behavior. This is what we will try to do in this communication strategy using the audience research that was conducted earlier to unravel these key issues mentioned above.

BCC is one of the main tools used to understand the audience and determine where they are at the so-called 'stage of behavior change' and develop our communication strategy. This will be discussed in subsequent chapters; however the idea is that in order to change behaviors and achieve voluntary tax compliance, we need to find out what people know and feel, and how they currently behave with respect to taxes. **BCC will enable us to understand the dynamics of behavior change and the factors that motivate people into changing the way they think and hence the way they act.** The latter are usually influenced by the audience's attitudes, perceptions, beliefs, values and feelings and may very well constitute some of the barriers that

Unlike commercial marketing which is product oriented, social marketing focuses on people and their behavior and uses audience research to learn how to motivate an audience into changing their attitudes, perceptions and eventually their behaviors. For the audience's main concern relates to what he or she will get in exchange for giving up or acquiring a new behavior.

(1) Social marketing involves the application of commercial marketing tools to the analysis, planning, execution and evaluation of programs designed to influence the voluntary behaviors of target audiences while BCC involves the strategic use of communication to promote positive behavioral change by motivating people to adopt and sustain positive behaviors and lifestyles.

may be perpetuating the behavior we are trying to change. Social marketing and BCC tools and methodologies will thus be used to unravel these issues and provide much needed insight into our audience, enabling us to identify the factors that can bring about positive behavioral changes reflected in higher tax compliance rates.

It is worth noting that social marketing is an all encompassing process and is not confined to public awareness campaigns. Social marketing is systematic in its approach and typically addresses structural and institutional changes that need to be in place to create an enabling environment to facilitate the desired behavior change. Social marketing thus involves ‘upstream work’ comprising policy formation, regulation and enforcement in the form of public relations and advocacy work. **This communication strategy however, focuses on the public awareness campaign part of this project and does not discuss the structural changes that need to be in place within the tax system to enable or facilitate voluntary tax compliance. Having said that, much of these structural changes are addressed in the new Tax Law, which will be discussed in this strategy as will be shown presently.**

2.2 Technical Approach

The development of the proposed Public Awareness/BCC Campaign incorporates the following 5 steps. These are based on the principles of Social Marketing and Behavior Change Communication (BCC):

Step	Status
Step 1: Research & Analysis This step involves conducting primary qualitative research to assess the public's current perceptions towards taxes and provide insight into the current internal and external factors that may be inhibiting and/or facilitating desired behavior change of tax compliance	Done
Step 2: Strategy Development This step involves developing the communication strategy for the Public Awareness/BCC Campaign based on the shared vision developed earlier. The strategy will include the audience segmentation, the communication goals & objectives, the marketing mix, the communication messages, the suggested strategic approach for the campaign and the media mix. The outcome is a comprehensive communication strategy that will guide the development of the campaign.	Done (current document)
Step 3: Creative Development This step involves developing and pre-testing the Campaign's concepts, messages and materials in terms of clarity, comprehension, persuasion, relevance and acceptance and revising them based on pre-test findings.	Upcoming
Step 4: Production & Implementation This step involves producing all the campaign's deliverables (e.g. TVC, radio spots, press ads, etc) and implementing the Public Awareness/BCC Campaign.	Upcoming
Step 5: Monitoring & Evaluation This step involves developing the monitoring and evaluation mechanism to evaluate the effectiveness and impact of the campaign in terms of recall and behavior change.	Upcoming

Social marketing is systematic in its approach and typically addresses structural and institutional changes that need to be in place to create an enabling environment to facilitate the desired behavior change. It involves ‘upstream work’ comprising policy formation, regulation and enforcement in the form of public relations and advocacy work.

3. Communication Strategy

3.1 Overview

The following document represents the communication strategy for the upcoming Public Awareness/BCC Campaign. The strategy, as mentioned earlier, is developed using the principles of social marketing and behavior change communication and will be used to guide the development of the Public Awareness/BCC Campaign. The strategy is the second step in the social marketing process and uses the research that was conducted in step 1 to segment and understand the target audience and determine their stage of behavior change. Segmentation is key in social marketing and BCC campaigns as it enables us to understand the audience's needs and develop communication plans accordingly. In fact, by putting the audience at the center of the communication plan, the needs of that constituency are more likely to be met, information is more likely to be conveyed and behavior change is more likely to take place. Accordingly, the following strategy will use the audience research conducted earlier to understand the audience in terms of their needs, desires, beliefs, attitudes, perceptions and behavior patterns. This information will enable us to determine the barriers that may be preventing the audience from adopting the proposed behavior change which we can then address in our communication effort. Once we understand, segment and determine the audience's stage of behavior change we can develop an effective marketing mix and develop the Campaign's goals, objectives and messages accordingly. Subsequently, we can develop the strategic approach.

This communication strategy is divided into 4 main parts as outlined below:

Part I: Understanding the Target Audience

- Identifying and segmenting the target audience
- Determining the audience's stage of behavior change
- Identifying the barriers & benefits of the proposed behavior change
- Developing the audience profile(s)

Part II: Marketing Mix

- Developing the 'Positioning Statement'
- Identifying the 4Ps (Price, Product, Place & Promotion)

Part III: Goals, Objectives & Messages

- Identifying the communication goal(s)
- Identifying specific communication objectives
- Developing key messages

Part IV: Strategic Approach

- Developing the strategic approach
- Developing the media mix

3.2 Formative Audience Research

As mentioned above the following communication strategy is based on the formative audience research study that was conducted in step 1. The study comprised qualitative research, namely focus group discussions and in-depth interviews with primary and secondary audiences². The latter, comprised potential taxpayers and key stakeholders as shown below:

(2) The full Qualitative Research Report is available upon request.

Target Segments	Target Group	Gender	Quantity
Primary Target Audience - General Public & Potential Taxpayers (<i>Focus Groups</i>)	Employees in SMEs	Males & Females	2
	Professionals - Blue Collar	Males & Females	2
	Professionals - White Collar	Males & Females	2
	Owners of SMEs	Males & Females	2
Secondary Target Audience - Key Stakeholders (<i>In-Depth Interviews</i>)	Decision makers and policy makers	Males + Females	4

The study aimed to understand the audience's attitudes, beliefs, perceptions and practices towards taxes in general. Specifically, the research aimed to provide insight into how the audience currently feels about taxes and identify the current barriers that may be preventing the audience from adopting the desired behavior change of voluntary tax compliance. The study also explored the audience's current perceptions and attitudes towards the Income and Sales Tax Department (ISTD) and the new Tax Law. Perceptions towards ISTD influence the way people behave towards taxes and so any communication effort that aims to encourage voluntary tax compliance cannot ignore how people feel towards ISTD. Their feelings may very well constitute important barriers that we may need to look at in our communication strategy. **Similarly, assessing current awareness levels and understanding perceptions towards the new Tax Law is very important since our Campaign also aims to raise awareness about the new Tax Law and build needed consensus.**

The study revealed an exceptionally high degree of homogeneity between the different target segments regarding their perceptions, attitudes and beliefs towards taxes and ISTD. Below are some of key findings of the study which will be used to develop the current communication strategy³:

A. Perceptions towards taxes and ISTD

- There seems to be deep-rooted concerns over where tax revenues go. There is consensus that the taxes people pay are not matched by quality public services and that a big portion is going towards paying civil servant salaries and subsidizing the luxurious lifestyles of high state officials. In addition, awareness levels on where tax revenues actually go are relatively low confirming the need for more government accountability and transparency.
- Tax rates are perceived to be too high and too many to the point where the government is accused of bankrupting its citizens. The fact that taxes are imposed on both basic necessities and luxury items is perceived to be unjust as it rewards rich people and punishes the poor disenfranchised citizens who can barely make ends meet.
- The current flat rate tax system is also perceived to be unjust and unconstitutional and should be replaced by a more progressive which basis tax rates according to income.
- Tax compliance is very much viewed as something that is mandatory rather than voluntary. In fact, it is argued that most Jordanians would evade taxes if they had a chance to and the only reason they comply is because they have no other choice but to.

(3) It is worth noting that study findings reflect perceptions that participants have about taxes, ISTD and the new Tax Law. These are perceptions that may or may not reflect the reality on the ground. However, they are important insofar as they shed light into what people think and believe which will provide valuable insight for the upcoming communication effort.

Perceptions towards ISTD influence the way people behave towards taxes and so any communication effort that aims to encourage voluntary tax compliance cannot ignore how people feel towards ISTD. Their feelings may very well constitute important barriers that we may need to look at in our communication strategy.

- There is a feeling that the government is discriminating between rich and poor taxpayers. In fact, the government is accused of being lenient and flexible with big influential and powerful taxpayers who are the primary tax evaders while being strict and petty with small and powerless taxpayers.
- While the need to pay taxes is well recognized, the situation in Jordan is viewed with more skepticism due to the lack of trust in the system, brought about by the factors discussed above.
- Most participants expressed feelings of fear and deep-rooted resentment towards taxes, which stem largely from the non-trusting and aggressive approach used arbitrarily by tax auditors in the field.
- Tax auditors seem to be notorious for applying the 'guilty until proven innocent' rule invariably with all citizens irrespective of their tax practices. They are also heavily criticized for using aggressive tactics; overestimating taxes and; encouraging the use of '*wastas*'.
- Such actions are believed to be seriously undermining the system's credibility and people's trust in ISTD.

B. Perceptions towards the new Tax Law

- There are mixed feelings towards the new Tax Law in Jordan, some believe it has brought about positive changes while others believe the opposite.
- A significant number of people believe that the new Tax Law does not challenge the status quo. It misleads citizens into believing that it is good for them when in fact it is just a different way of doing the same thing.
- A significant minority of participants did not hear about the new Tax Law or were simply unfamiliar with any of its clauses and were thus unable to comment about it.
- The most common change that participants were familiar with had to do with the new income tax exemptions and these were generally perceived to be a positive change in favor of poor and middle income groups.
- There is a sense that the new Tax Law was drafted overnight without proper research or consultation with citizens and stakeholders.
- There is a general feeling that the new Tax Law supports big corporations like banks and real estate companies in contrast to SMEs which were seen to have been completely ignored.

4. Understanding the Target Audience

4.1 Identifying & Segmenting the Target Audience

Potential taxpayers encompass a broad group of individuals from different socio-economic backgrounds, different ages, different professions both males and females. Our communication effort needs to cater to the specific needs of the different segments within this group as these needs are unlikely to be the same. For instance, tax behaviors differ between high income and low income groups. In fact, under the new Tax Law, low income individuals are not required to pay income taxes and they may be more concerned about the sales tax. Conversely, high income groups are required to pay taxes and they may be more concerned about their income tax than the current sales tax which does not represent a heavy burden on them. These are the kinds of differences that we need to account for in our communication effort. We cannot speak to all potential taxpayers in the same way.

Accordingly, we need to break the audience into sub-segments based on common characteristics and attributes linked to their behavior such as values, knowledge, culture, beliefs, sources of information, etc. Different audiences will have different information needs and segmentation allows us to account for such differences in our communication effort. Overall we need to segment our audience into Demographics (sex, age, income, education, geographic location, access to media, media habits and Psychographics (behaviors, values, lifestyles, needs, etc). The target audience as identified by ISTD includes the following:

A. Primary Audience

- Potential taxpayers (medium and large)
- General Public

B. Secondary Audience

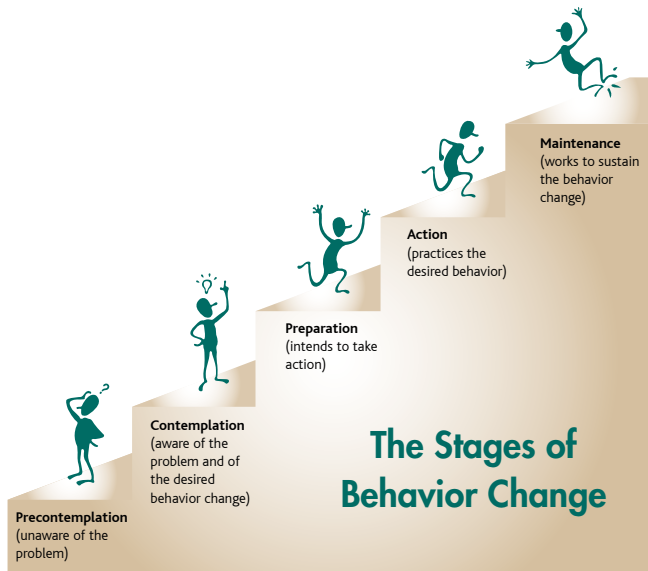
- Investors
- Professional Associations
- Chambers of Industry and Commerce
- NGOs
- Tax agents and consultants (attorneys, accountants)
- Policy makers
- Educational institutes
- Media

We will segment the audience in the strategic approach below when we discuss the different campaigns that we will be doing as part of this communication effort. For the time being, we will provide an overall analysis of the primary target audience, namely potential taxpayers from the general public based on findings from the audience research that was conducted earlier.

Our communication effort needs to cater to the specific needs of the different segments within this group as these needs are unlikely to be the same.

4.2 Audience Stage of Behavior Change

The ultimate aim of our Public Awareness/BCC Campaign is to change our audience's behavior. It is therefore important to understand where the audience currently stands in the stage of behavior change as shown below:



JHCP (2008) Communication for Better Health, Population Report

The above diagram shows the stages that people go through before they change their behavior. These are outlined below:

‘Pre-contemplation’ Stage: In the ‘pre-contemplation’ stage, people are either unaware of the problem or are denying its existence. In either case, they have no intention of changing their behavior. Messages at this stage need to focus on raising awareness about the problem and highlighting its negative implications.

‘Contemplation’ Stage: In the ‘contemplation’ stage however, people are aware of the problem and its implications and are seriously considering solving it although they have not taken any steps to do so yet. They may have concerns or reservations that need to be addressed first. Accordingly, messages at this stage need to focus on promoting the benefits of the desired behavior and minimizing the perceived costs which are people's concerns.

‘Preparation’ Stage: In the ‘preparation’ stage, people are aware of the problem and intend to take action. In other words, they acknowledge both the problem and benefits of the desired behavior and therefore they are prepared to take some action. Therefore, messages at this stage need to focus on encouraging the audience to take action as their willingness to change is there.

‘Action’ Stage: In the ‘action’ stage, people practice the desired behavior. However, this behavior may not have become a habit yet. Therefore, messages at this stage need to focus on sustaining the new behavior and ensuring people do not revert back to the old behavior, which is a likely possibility.

‘Maintenance’ Stage: In the ‘maintenance’ stage, people need to work on sustaining the new behavior to prevent lapses and relapses. Messages therefore need to focus on reinforcing the benefits of the new behavior.

It is worth noting that while the stage of behavior change appears to be a linear process, in reality most people alternate between the different stages before they maintain their new stage of behavior change. In other words, they tend to slip at some point before they renew their effort and so they experience what is known as a spiral of change. This is an important consideration for it reasserts the need for a continuous and sustained communication effort that can ensure a

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sustainable behavior change.

As can be seen from the above discussion, knowing where our audience stands enables us to find out where we are, where we need to be and what we need to focus on in our communication effort. It also allows us to set realistic objectives. Our Public Awareness/BCC Campaign aims to raise awareness towards the new Tax Law, increase voluntary tax compliance and minimize tax evasion amongst potential taxpayers. We will use the audience research that was conducted in step 1 mentioned above, to determine where we are at the stage of behavior change and identify the factors that are hindering voluntary tax compliance. This will enable us to develop messages that focus on eliminating these factors allowing us to move the audience from their current stage of behavior to the next.

It would be safe to suggest that the current target audience is currently between 3 stages of behavior change: ‘contemplation’, ‘preparation’ and ‘action’. Some people are already complying and paying their taxes as requested, while others are either considering complying or simply have no intention to comply because of some concerns and/or reservations associated with compliance. Perhaps a small minority of people are in the ‘pre-contemplation’ stage where they may not be aware of their tax obligations and are hence taking no action to comply. In social marketing, we usually start with the audiences that are most ready for action to increase the chances of success. These are typically audiences that want or need the proposed behavior that we are promoting; have sufficient knowledge and information regarding the benefits of the desired behavior and the cost of alternative behaviors; have the belief that they can actually perform the behavior and experience important benefits and finally; are engaged in the desired behavior but not on a regular basis. In other words they have experienced initial benefits.

Our communication effort will focus on three audience segments: those in the ‘pre-contemplation’, ‘contemplation’ and ‘preparation’ stages as these are essentially the tax evaders, which this communication effort is targeting. We need to move tax evaders towards compliance. In other words, we need to move them up towards the ‘action’ stage and eventually the ‘maintenance’ stage. We will also focus on maintaining those in the ‘action’ stage to ensure they continue to pay their taxes voluntarily without relapsing to the ‘preparation’ or ‘contemplation’ stages.

The audience research study conducted earlier provided us with good insight into some of the barriers that might be preventing the audience from adopting voluntary tax compliance. **The study revealed that while Jordanians recognize the benefits of paying taxes in general, they are slightly skeptical about the situation in Jordan.** This skepticism stems from a number of concerns regarding the tax system in general and ISTD. By and large, feelings of resentment, fear and mistrust predominated in all the focus groups that were conducted, which are undermining the relationship between the tax department and Jordanian citizens. Such findings emphasize the need to bridge the current gap that exists between the tax department and citizens as will be discussed presently. Below are some of the **key barriers that are undermining citizens’** trust in the tax system and discouraging them from adopting the desired behavior of voluntary tax compliance. The barriers are presented in the form of quotes summarizing the most commonly concerns that were voiced during the sessions:

A. Key Barriers Undermining Voluntary Tax Compliance - Tax System

‘Why should I pay taxes?’

- ‘We are not directly benefiting from the taxes we pay’.
- ‘We do not know where our tax money goes’.
- ‘The taxes we pay are not matched by quality public services’.
- ‘The taxes we pay go towards paying pensions and civil servant salaries’.
- ‘The taxes we pay go towards subsidizing the luxurious lifestyles of high level officials’.

Our Public Awareness/BCC Campaign aims to raise awareness towards the new Tax Law, increase voluntary tax compliance and minimize tax evasion amongst potential tax payers. It would be safe to suggest that the current target audience is currently between 3 stages of behavior change: ‘contemplation’, ‘preparation’ and ‘action’.

- 'We pay far too many taxes. Soon we'll be paying taxes on the air we breathe'.
- 'Tax rates in Jordan are unjustifiably high'.
- 'The government is simply bankrupting its citizens & exploiting them'.
- 'The current flat rate taxation system is unjust, unconstitutional and burdensome on the poor'.
- 'We pay taxes on basic commodities where is the fairness in this?'.
- 'Jordanians lack a sense of citizenship. This is the main problem'.
- 'The government is turning a blind eye to the actions of big powerful tax evaders and turning to us, poor and powerless individuals (SMEs) to secure its tax revenues'.

B. Key Barriers Undermining Voluntary Tax Compliance - ISTD

- 'The average Jordanian is frightened from the word taxes'.
- 'Tax auditors interrogate us and treat us as criminals'.
- 'Tax auditors are notorious for applying the guilty until proven innocent approach invariably'.
- 'There is a feeling of frustration and mistrust between ISTD and citizens'.
- 'Tax auditors use *'wastas'* and tax estimates are negotiable based on who you know'.
- 'They never believe the estimates we provide'.
- 'They always suspect that we are hiding something'.
- 'Tax auditors overestimate the taxes we pay without providing a solid justification for this'.
- 'Tax auditors work on a commission basis & have a vested interest in overestimating our taxes'.
- 'The government is letting the big fish off the hook and they happen to be the primary tax evaders and giving us the small fish a hard time. We are paying the price of the government's incompetence and lack of interest in catching the big evaders'.

C. Key Barriers - New Tax Law

- 'I have not heard much about the new Tax Law and cannot really comment'.
- 'The new Tax Law was drafted overnight with little or no understanding of citizens' concerns'.
- 'The new Tax Law favors large corporations (banks & real estate companies) at the expense of smaller ones'.
- 'The new Tax Law is status quo & is misleading citizens into thinking new changes are taking place'.
- 'The New Tax Law is an optical illusion'.
- 'The new Tax Law is a pain as it requires us to visit different departments to complete our tax transactions'.
- 'The new Tax Law is not promoting small productive enterprises by offering them concessions'.

The above perceptions and attitudes towards taxes, the ISTD and the new Tax Law represent key barriers that are undermining citizens' trust in the system, which in turn is undermining their interest in adopting voluntary tax compliance. **It is important to note that citizens recognize that compliance in Jordan is typically mandatory and not voluntary and that people who comply do so because they fear taxes and fear the consequences of tax evasion and not because they believe in the direct benefits of paying taxes as was seen above.** In fact, citizens are questioning the benefits of taxes and many have concerns over the lack of transparency and feel that the taxes they pay are simply not matched by quality services that they can really benefit from. This is an important issue to consider for the aim of this communication effort is to encourage voluntary tax compliance. Ultimately, the goal is to try and change the current culture of 'mandatory' tax compliance to one of 'voluntary' tax compliance where citizens start viewing taxes as a civic duty which everyone should do to improve their personal welfare and that of society. At the end of the day, the taxes people pay enable the government to do its job of providing needed social services. **So in many ways everyone has a vested interest in paying taxes because everyone benefits in the end. The idea is not to coerce citizens into paying their taxes but rather to persuade them to pay because they believe in the**

Ultimately, the goal is to try and change the current culture of 'mandatory' tax compliance to one of 'voluntary' tax compliance where citizens start viewing taxes as a civic duty which everyone should do to improve their personal welfare and that of society. At the end of the day, the taxes people pay enable the government to do its job of providing needed social services.

direct benefits of doing so. This is precisely why we will focus on the consequences of non-compliance towards the end of the Campaign as will be discussed in the strategic approach below. It is worth noting that the benefits rely on a collective effort and this is something that we will focus on in our campaign.

People in general do not like to make behavioral changes and prefer sticking to their habits. Behavior change is part of a long process of social transformation that takes time to materialize. Bringing about significant behavior change necessitates a continuous and sustained communication effort that focuses on reducing the barriers to change and providing motivations to encourage people to change. In order to make people change their behavior, they need to **choose** to change, which again has to do with positioning and exchange: what will make people change their behavior? The challenge is to find out what will motivate people to change and then position the campaign in a way that highlights these motivating factors. Often, people will not change their mindset, lifestyle or behavior unless they are given compelling reasons to do so. We will therefore try as much as possible to unveil these motivating factors and determinants. We simply need to highlight the benefits of voluntary compliance to the target audience and highlight the costs of the competing behavior which in this case is tax evasion. This is explored in more details in the BCC matrix below.

By and large, people's behaviors are influenced by internal and external determinants. These are listed below. We will try to address these determinants and integrate them into our communication strategy:

A. External Determinants	B. Internal Determinants
<p>Skills: necessary skills and abilities to perform the behavior. i.e. register and comply.</p> <p>Access: existence of services/programs, availability and ease of access to ISTD.</p> <p>Policy: laws and regulations that affect behaviors, e.g. law enforcement and penalties for tax evasion.</p> <p>Culture: set of customs, lifestyles, values and practices of citizens, e.g. a culture of compliance or evasion?</p> <p>Actual consequences: what actually happens after citizens take action and comply.</p>	<p>Attitudes: what taxpayers think or feel towards taxes.</p> <p>Perceived consequences: the perceived benefits of tax compliance.</p> <p>Self-efficacy: do taxpayers feel they can and should pay taxes.</p> <p>Intention: do potential taxpayers intend to pay taxes.</p> <p>Perceived risk: potential taxpayers' perception of how vulnerable they feel or misconceptions about the disadvantages of non-compliance.</p> <p>Social pressure: potential taxpayers' perception of what other important people such as their friends and peers think that they should do. <i>This is very important for eventually the aim is for tax evaders to be shunned by society and seen as criminals who are abusing the system to serve their own personal interests at the expense of other law abiding citizens.</i></p> <p>Self-image: behavior suits how citizens see themselves.</p>

The above determinants will be incorporated into our communication messages.

4.3 Matrix of Barriers and Benefits

This is a BCC tool that we will be using in our methodology to help us come up with the strategic approach and communication messages. The perceived benefits, barriers and competing behaviors will all be based on our review of the research study conducted in step 1:

Benefits and Barriers	Desired Behavior	Competing Behavior 1
Perceived Benefits	<ul style="list-style-type: none"> • Voluntary tax compliance 	<ul style="list-style-type: none"> • Non-compliance/tax evasion.
Perceived Barriers	<ul style="list-style-type: none"> • Better standards of living → better government services (health, education, security, infrastructure). • Feeling a sense of citizenship and belonging and a sense of pride by being law abiding citizens committed to their civic duties along with their fellow citizens. 	<ul style="list-style-type: none"> • More disposable income → better standards of living. • I don't rely on government services. I prefer the private sector which is more equipped than the government and provides better quality services. I therefore prefer using the tax money I owe the government to pay for my own services and so I choose to evade taxes.
	<ul style="list-style-type: none"> • We don't know where our taxes go so why should we pay. • I don't feel that the taxes I pay are benefiting me in any way. • Our taxes go towards paying pensions and civil servant salaries and financing the luxurious lifestyles of high state officials. • We already pay so many taxes and we feel bankrupt as it is. • Tax rates are too high and I already have a lot of financial obligations. I simply cannot afford to pay them. • The taxes we pay are not matched by quality government services so why should we comply? • I don't trust the government. It has a huge deficit despite all the revenues it collects, so where is our money going? • Nobody is paying taxes so why should? • The government is letting the big fish off the hook and they happen to be the primary tax evaders and giving us the small fish a hard time. There is an imbalance in this equation. • Filing taxes takes too much time and requires us to go from one department to the other. • Tax auditors are known to overestimate taxes so I'd rather not risk that. • ISTD is notorious for treating us like criminals. I don't like them and I don't like dealing with them. • Estimates are left to the discretion of tax auditors and are often negotiable based on who you know there. I don't have any '<i>wastas</i>' or personal contacts so I'm scared to go and end up having to pay more than I need to. 	<ul style="list-style-type: none"> • Lower standards of living for all Jordanians. Taxes are a civic duty so if everyone evades taxes we all pay the price → poor education, poor health services, poor infrastructure, poor security etc. • Court cases • Penalties • Imprisonment • Being shunned by society for tax evasion (assuming that voluntary tax compliance eventually becomes/or is the norm).

The vertical axis distinguishes between the barriers and benefits of the behavior while the horizontal axis compares the desired behavior. Accordingly, we will work on:

- **A. Increasing the benefits of the desired behavior (voluntary tax compliance):** the benefits in this context relate to better public services offered to citizens (infrastructure, schools, health centers, employment opportunities, security etc), which in turn translate into better standards of living for citizens and for the country as a whole. In other words, the benefit is

improved welfare for individuals and for society at large. Another benefit is the good feeling that ones gets from being a law-abiding citizen who has a strong sense of citizenship and sense of belonging and who is committed to his/her civic duties along with his/her fellow citizens.

- **B. Decreasing the barriers of the desired behavior (voluntary tax compliance):** the barriers of the desired behavior in this context are many as seen from the audience research. Most of the barriers relate to the lack of trust and credibility in the government and its services and the widespread belief that the taxes citizens pay are not matched by quality services and are going towards serving vested government interests. There are also feelings of discontentment which have to do with the way ISTD deals with citizens and a general feeling that the tax system needs to be revisited.

Citizens also feel that if no one is paying taxes then why should they. This is something that we will need to address in the Campaign. We need to demonstrate that citizens are paying their taxes and that the benefits of taxes will only be realized if we all pay our fair share. As mentioned earlier, the benefits depend on this collective effort, which is somewhat missing in Jordanian society as pointed out by one of the participants: ‘There is no real sense of citizenship in Jordan’. It can be argued that if citizens feel that the government and the tax system is treating all citizens equally and that everyone is paying their fair share without any preferential treatment then they are more likely to register and comply. ⁴

Having said that however, when it comes to taxes people recognize the effectiveness of a collective effort but have very little faith that it exists or can exist. In other words, they have little faith in their fellow citizens doing their part. They therefore see their own actions as small and have little or no impact and this pushes them not to act and to be complaisant. It is worth noting, that this could also be just a pretext used by citizens to justify tax evasion. Whether it is a genuine concern or just a pretext it is an important issue that needs be addressed in the Campaign. We need to somehow create the perception that citizens are not alone in adopting the new behavior that we are promoting. They need to feel that they are part of a larger circle of tax compliers so that they start believing that their individual actions are in fact making a difference and benefiting them directly. Al Gore talks about this in the context of Global Warming. Although not related to taxes it sheds light on the very same issues just discussed. Below is an excerpt from ‘*An Unconventional Truth*’ ⁵:

‘When considering a problem like global warming, it’s easy to feel overwhelmed and powerless – skeptical that individual efforts can actually have an impact. But we need to resist that response, because this crisis will get resolved only if we individuals take responsibility for it. By educating ourselves and others, by doing our part to minimize our use and waste of resources, by becoming more politically active and demanding change – in these ways and many others, each of us can make a difference’.

We need to somehow create the perception that citizens are not alone in adopting the new behavior that we are promoting. They need to feel that they are part of a larger circle of tax compliers so that they start believing that their individual actions are in fact making a difference and benefiting them directly.

(4) It is worth noting that the current political climate in Jordan is likely to undermine the effectiveness of the Campaign. There is a general lack of trust in the government. Citizens seem to be fed up and their general skepticism and doubt will make it doubly difficult for us to build trust and credibility. It might be wise to reconsider the timing of the Campaign for implementing it now may even be counterproductive especially if citizens become cynical and interpret it as image lifting campaign.

(5) Gore, A (2006). *An Unconventional Truth* (p. 305). New York: Rodale.

We need to also demonstrate to citizens that the government is enforcing the law equally and fairly. This will enhance the feeling of collectiveness discussed above and will enhance citizens' willingness to comply. Feelings of inequity affect perceptions and behaviors. Once citizens feel that they are equal in front of the law they are more likely to trust the government and pay their fair share. At the moment, this is not so much the case. In fact, citizens have complained that the government is lenient with big powerful taxpayers and strict with small powerless taxpayers despite the fact that the biggest tax evaders belong to the former group. So in a way small taxpayers are becoming the government's main source of tax revenues. This reflects an 'upstream' issue and necessitates structural changes that need to be addressed at ISTD which are beyond the scope of this strategy.

- **C. Decreasing the benefits of the competing behavior(s) (tax evasion, non-compliance):** the benefits of the competing behavior in this context relate to the perceived benefits of non-compliance. These are related to perceptions that tax rates are disproportionately high and are imposed on almost everything including basic commodities leaving citizens with little disposable income. A lot of citizens feel that they are being bankrupt by their own government and will thus do all that is in their power to evade taxes to increase their disposable income and live a decent life.
- **D. Increasing the barriers of the competing behavior (tax evasion, non-compliance):** the barriers of the competing behavior in this context relate to the disadvantages of non-compliance. The barriers are related to the financial and emotional costs of non-compliance. As seen from the matrix, these are related to lower standards of living which are a likely outcome of collective tax evasion. If we all evade taxes then we all pay the price because this will leave the government with no money to run the country and this will in turn results in lower standards of living for everyone (poor education, poor health services, poor infrastructure, high crime, etc). The other cost can be related to penalties, imprisonment and going to court. **Once voluntary tax compliance becomes more of a norm, the barriers to evasion will be the price of being shunned by society for evasion.** In other words, we hope to reach a point where citizens look down on tax evaders and see them as criminals. Their actions are affecting all citizens. They are abusing the system to service their own personal interests at the expense of society and all the other law-abiding citizens. This kind of social pressure is very effective and can bring about significant positive changes in behavior.

Positioning the ISTD and improving its image are key issues that we will be addressing as these also influence the audience's perceptions and ultimately the decisions they make with regards to tax registration and compliance.

4.4 Audience Profiles

Now that we understood our audience and determine their stage of behavior change, we can develop clear audience profiles which will help us in developing the Campaign. An audience profile enables us to imagine our audience as a specific person rather than a collection of statistics and usually tells the story of a typical audience member. Common characteristics used in audience profiling include age, sex, marital status, place of residence, occupation, income level, years of schooling, family structure, beliefs and readiness to change. The profile also describes the person's attitude towards the behavior that the communication effort will be addressing. We have developed 4 different profiles to represent the different target segments that we are likely to address in our communication effort:

1) The Skeptic



Meet Omar. He is 35 years old. He is married with one child. He lives in Al Rabiah, Amman. He has a BA in computer science and runs a small computer programming company. He makes around 700 JDs a month.

Omar is a tax payer. He always pays his taxes on time. However, he has serious concerns with the tax system and with how it is being implemented. Omar recognizes that paying taxes is a civic duty, which everyone should do. However, Omar he is skeptical when it comes to Jordan. In Europe he argues, taxpayers have rights and their government is accountable to them. They have a fair and transparent tax system with no grey areas. In Jordan, the situation is different. Omar feels that the taxes he pays are being misused and mismanaged and is concerned about the lack of transparency. For instance, Omar does not understand how the government has such a huge budget deficit when it collects such high tax revenues from its citizens. Omar is cynical about the austerity measures introduced recently by the government and the removal of key subsidies to finance the government's deficit and is wondering where taxpayers' money is going? Omar has lost faith in his government and feels that the taxes he and his fellow citizens are paying are actually going towards paying pensions and civil servant salaries and financing the luxurious lifestyles of state officials. He is unhappy with the quality of government services and is convinced that this is a result of the government's serious mismanagement and misuse of tax revenues.

Omar is also against the current flat rate tax system implemented in Jordan, which he argues is completely unconstitutional and should be abolished. He believes Jordan should adopt a progressive tax system which is a lot more equitable than the current system as it would genuinely redistribute income from the rich elite to the poor and impoverished. Omar is unhappy with the new law because he believes it is an optical illusion. It misleads citizens into believing that real change is underway when in fact it is very much status quo. The reason Omar is paying his taxes is because he fears the consequences of non-compliance. He is aware of the penalties involved and would rather not go there. However, if given a chance to evade paying taxes without being caught, he will certainly do it. Omar spends most of his pastime with friends at coffee shops. He watches the news everyday and reads the daily newspaper. He also listens to the radio on his way to work every morning.

2) The Fearful



Meet Abu Mohammad. He is 60 years old. He is married with 4 children. He owns a small grocery store in Marka. His eldest son works with him in the shop. Abu Mohammad has a tawjihi diploma.

Abu Mohammad does not pay taxes. He fears tax officials who are notorious for bullying citizens and overestimating their tax returns. He simply does not want to subject himself to this kind of humiliation and unfair treatment. He knows too well how tax auditors use the 'guilty until proven innocent approach' invariably with citizens and has heard far too many stories of how tax officials incriminate ordinary citizens and accuse them of hiding or withholding information to reduce their tax returns. Abu Mohammad is petrified when he hears the word taxes and will do all that is in his power to avoid having to deal with any tax representative. Abu Mohammad's neighbor owns a small sweet shop and told him the story of how tax officials stormed into his sweet shop and interrogated him just like they would a criminal. They completely over-estimated his tax returns basing them on his sales that day. This is completely inaccurate because his work is seasonal and that day happened to be a holiday which is when his sales boom. Abu Mohammad's relative has a similar story. He works in a salon and tax officials walked in disguised as potential clients and then revealed their identity once they got all the information they needed. Abu Mohammad does not approve of such behavior and thinks it is highly unprofessional and is reinforcing the lack of trust between citizens and the government and is creating unnecessary tension, hostility and fear.

Abu Mohammad sometimes visits friends but spends most evenings at home with his family. He watches the 8:00 pm local news every night and enjoys different TV programs on different Arab satellite channels.

3) The Unaware



Salma is 27 years old. She is single and works as a secretary/receptionist in a law firm. She lives in Jabal Al Hussein and her job is around that area.

Salma pays taxes. She heard that there is a new tax law but does not know much about it. She read somewhere that the new law exempts people who earn more than 12,000 JDs a year from paying taxes. She is happy about this concession because it means she no longer has to pay any taxes. However, Salma is unhappy about the sales tax that she and her fellow citizens are paying and thinks that the income concession seems to be just a pretext used by the government to make it seem like they are relieving citizens from the burden of taxes when in reality citizens are paying the same amount of taxes through other indirect channels. Salma thinks the government should reconsider its sales tax on basic commodities and keep it on luxurious items.

4) The Evader



Abu Firas is a Doctor. He is 55 years old. He is married and has 2 children. His son is the eldest and is currently studying law at University while his daughter is in high school.

Abu Firas has a clinic in Jabal Amman. He is considered to be a successful doctor.

Abu Firas pays taxes however he does not declare his actual income and is constantly looking for loopholes in the tax system and seeking ways to hide his full income so as not to pay high taxes. Abu Firas does not keep any books, which has always made it easier for him to provide wrong estimates. Abu Firas is not very happy about the new Tax Law because it will make it more difficult for him to hide part of his income and it might mean that he will have to declare his full income for a change. At the same time, Abu Firas acknowledges that keeping books will control tax officials and limit their tendency to overestimate taxes. He is also happy about the new self-estimation option for the same reason. Having said that, Abu Firas is not very convinced that he should pay taxes because he doesn't think that he or his family are benefiting from the taxes they pay. His children went to private schools and he argues that they have not used any government services since they were born. Abu Firas also has serious doubts about the quality of government services in Jordan, which he compares to the West. Abu Firas maintains that if he was living in the West, he would pay his taxes willingly because, unlike Jordan, the quality of government services is high. Abu Firas does not recognize the fact that one of the main reasons for the high quality of government services in the West, has to do with the fact that citizens pay their fair share of taxes and that tax evasion is not tolerated and is treated as a serious criminal offense.

Note: these profiles were developed using the discussions that took place during the focus group discussions.

5. Marketing Mix

5.1 Positioning Statement

The positioning statement describes how we want our audience to see the behavior we want them to buy, relative to competing behaviors. The behavior we want the audience to 'buy' in this context is voluntary tax compliance. Branding is one strategy to help secure this desired position but so are other factors. Below are 3 positioning statements that we developed for the Campaign⁶. They are inspired by the audience research and analysis that were conducted earlier and takes their list of competitors, barriers and motivators into consideration:

A. Voluntary Tax Compliance

Tax compliance enables the government to fulfill its role of providing quality services to all its citizens in the areas of health, education, infrastructure and security which in turn improves the standards of living for all Jordanians. Knowing where taxes go and believing that money goes towards providing quality services will help eliminate citizens' doubts about this and bridge current information gaps. Tax evaders should be shunned by society. They need to be seen as criminals. Their actions affect us all and so we all have a vested interest in stopping them. In fact, tax evasion undermines the government's ability to finance government services, depriving the average citizen from his/her right to a decent life. In addition, turning a blind eye to tax evasion not only reinforces their behavior but also undermines the sense of citizenship and citizens' collective effort and commitment to fight evasion. It also encourages the attitude of 'no one is paying their taxes so why should I?', which is potentially catastrophic. It can be argued that the majority of people are honest taxpayers who should not allow the actions of a small minority of people jeopardize their sense of collectiveness. The positioning statement for voluntary tax compliance that we are suggesting is thus as follows:

Positioning Statement → Behavior Change

'We want (potential taxpayers) to see (voluntary tax compliance) as (a civic and noble duty that they and their fellow responsible citizens are collectively doing to improve their personal welfare and that of society at large by enabling their government to provide quality services in the areas of health, education, basic infrastructure, and security), and as more important and beneficial than (tax evasion which undermine government revenues, diminish resources and lower standards of living for everybody).'

B. ISTD

As mentioned earlier, citizens have deep-rooted concerns over ISTD especially tax officials who are notorious for abusing the system and abusing citizens. Such resentments towards ISTD are likely to be undermining citizens' trust in the system which in turn is likely to undermine their interest in adopting voluntary tax compliance. Unless citizens feel that they are dealing with a professional, transparent, efficient and fair organization, they are unlikely to change their attitudes and perceptions and hence their actions. Accordingly, we need to raise awareness about a new and reformed ISTD. The positioning statement for the ISTD is thus as follows:

Positioning Statement → Awareness

'We want (potential taxpayers) to see (ISTD as a professional, trust worthy, friendly, modern (up-to-date) and transparent government institution that is concerned about citizens and their needs, treats them equally and with dignity and is committed to maintaining a fair and efficient tax system by ensuring that everyone pays their share easily without too much hassle).'

(6) As will be seen presently, we have developed mini campaigns under the bigger Public Awareness/BCC Campaign to achieve the different objectives outlined in the scope of work. Accordingly, we have developed different positioning statement for each of these campaigns. This is discussed in more details in section 8.

The positioning statement describes how we want our audience to see the behavior we want them to buy, relative to competing behaviors.

C. New Tax Law

Not many people have heard about the new law and those who have, have mixed feelings about it. As was seen earlier, citizens are somewhat concerned that the law was drafted over night with little or not understanding of what citizens' needs are. Others have complained that the new law is misleading citizens into believing that changes have been made when in reality not much has changed and the government is collecting the same amount of revenue from citizens but using different techniques. Other concerns related to the perception that the new law ignores small enterprises and favors large corporations who in reality should be paying the most taxes since they make the most money. The positioning statement for the new Tax Law is this as follows:

Positioning Statement → Awareness

'We want (the general public and corporations) to (learn about all the new changes that have been incorporated in the new law that respond to their needs and priorities and benefit them directly. We also want them to be fully aware of all the advantages and concessions that have been made to relieve them from the tax burden and demonstrate to them how the new law is an improved version of the old law).'

5.2 4Ps Analysis

We are now in a position to develop the marketing mix (4Ps) for our communication. The marketing mix describes the product, price, place and promotional strategies for our Campaign. This analysis will give us a good picture of where we are, where we want to be and how we are going to get there:

Product: The Product in social marketing is divided into 3 levels: the core, actual and augmented Product. The 'core' Product refers to the benefits of the desired behavior change. The 'actual' Product refers to the behavior we want the audience to adopt and sustain while the 'augmented' Product refers to any additional tangible objects and/or services that we will promote to the target audience to support and facilitate the audience's behavior change:



Three levels of the social marketing Product from 'Social Marketing: Influencing Behaviors for Good' 2008

The 'core' Product refers to the benefits of the desired behavior change. **The 'actual' Product** refers to the behavior we want the audience to adopt and sustain. **The 'augmented' Product** refers to any additional tangible objects and/or services that we will promote to the target audience to support and facilitate the audience's behavior change.

- **Core Product:** The 'core' Product in this context refers to the benefits of voluntary tax compliance which is improvements in citizens' personal welfare and that of society at large through better government services (education, health, infrastructure, security etc). The good feeling of being a law-abiding citizen is also a 'core' Product that we will indirectly highlight in the Campaign to help create the sense of collectiveness, the idea of everyone paying their fair share so that everyone benefits in the end.
- **Actual Product:** The 'actual' Product in this context refers to voluntary tax compliance.
- **Augmented Product:** The 'augmented' Product in this context refers to ISTD's e-services offered to facilitate registration and compliance and the new 'self-estimation' introduced under the new Tax Law which enable citizens to file their own taxes, which will encourage compliance amongst citizens who fear tax officials' tendency to overestimate and exaggerate taxes unjustifiably. It is imperative to assure citizens that the estimates they submit will be accepted by ISTD and will not be subject to scrutiny. The provision of installments, also introduced under the new Tax Law is an 'augmented' Product insofar as it facilitates compliance amongst those who cannot afford paying their taxes at once. In fact, all the new concessions provided by the new law to facilitate compliance can be seen as an 'augmented' Product which we will be highlighting in our Campaign.

It is worth noting that the Product relates directly to the ISTD and its commitment to facilitate tax compliance and foster a good relationship with its citizens. We as communicators have no control over this although we can advise ISTD on what it needs to do to encourage compliance. Its failure to adopt and sustain effective reforms will be counterproductive to our communication effort and may very well deem it as ineffective.

Price: The Price in social marketing is the cost entailed in adopting the new behavior. In our Campaign, the Price includes all the barriers discussed above that are discouraging the audience from adopting voluntary tax compliance. The Price typically includes financial, emotional and psychological barriers as was seen earlier. What we will try to do in the communication effort is minimize these costs/barriers and maximize the benefits of tax compliance discussed BCC matrix and the 'core' Product.

Place: The Place in social marketing is where the behavior change takes place. In our Campaign, the place is both the work place where employers keep their tax files as well as the ISTD which is where citizens register and pay their tax dues. The place can also be the ISTD website which allows citizens to conduct a lot of tax related transactions.

Promotion: The Promotion in social marketing is where and how we communicate and includes the messages, materials, channels and activities that we will be doing to effectively reach our audience. As will be seen presently, we will be using a mix of media channels to ensure maximum outreach. These will be determined by the communication goal and objectives as well as our audience's media habits.

6. Communication Goals & Objectives

6.1 Communication Goals

The communication goal describes the desired future result of the communication effort, i.e. what it hopes to achieve. The communication goal for our Campaign is as follows:

‘Creating and sustaining a culture of voluntary tax compliance’

6.2 Communication Objectives

The communication objectives state exactly what needs to be done to achieve the goal and by when it should be achieved. Communication objectives need to be SMART as shown below⁷:

Specific: indicate who or what is the focus, of the effort and what type of change is intended.

Measurable: indicate a quantity such as the percentage change expected.

Appropriate: be sensitive to audience needs and preferences and to social norms and expectations.

Realistic: identify what can be achieved reasonable under existing conditions with available resources.

Time-bound: state clearly the time period for achieving the behavior change.

The objectives of our Campaign is to change the audience's current perceptions, attitudes, beliefs and practices towards taxes, ISTD and the new Tax Law to encourage voluntary tax compliance and minimize tax evasion. To do so we will **address the barriers mentioned earlier in an effort to build trust between citizens and the government/ISTD**. This will be achieved by:

- Raising awareness about the role of taxes in improving the standards of living for all Jordanians.
- Highlighting the benefits of paying taxes in terms of gains in personal and collective welfare.
- Demonstrating the power of collective tax compliance in enhancing the sense of citizenship & belonging.
- Improving the image of ISTD: modern, professional, friendly, efficient, transparent and up-to-date government department.
- Highlighting the new e-services that aim to facilitate transactions.
- Highlighting the benefits of the new Tax Law: filing one's own taxes, financial installments, etc.
- Positioning tax compliance as the social norm & tax evaders as a small minority whose actions affect us all.
- Raising awareness about the consequences of non-filers and stop filers.⁸

Note: These are general objectives. More specific ones will be developed for each of the mini campaigns as will be shown in the strategic approach below.

(7) We will attempt to develop SMART objectives where possible. However, it should be noted that we do not have a baseline or sufficient data to enable us to indicate a quantity or percentage changes. To do so, we need data on current compliance rates, which is currently not available.

(8) This objective will be highlighted towards the end of the Campaign for the primary objective is for people to file their taxes voluntarily without being coerced into it. Penalties are a tool used more as a deterrent to tax evasion.

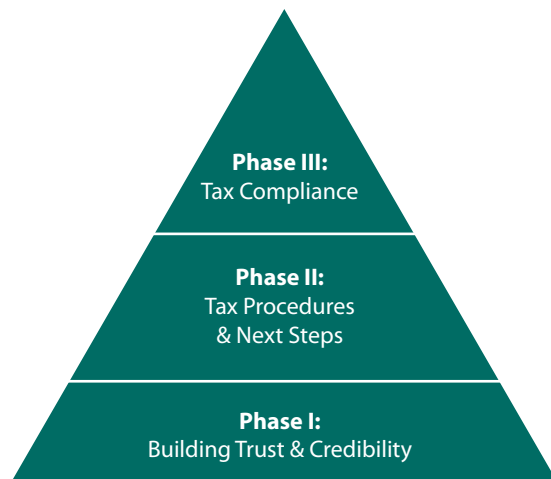
7. Strategic Approach

7.1 Overview

As mentioned in the BCC matrix, the communication effort will focus on:

- 1) Increasing the perceived benefits of voluntary tax compliance;
- 2) Decreasing the perceived barriers of voluntary tax compliance;
- 3) Decreasing the perceived benefits of tax evasion and non-compliance; and
- 4) Increasing the perceived barriers of tax evasion and non-compliance.

The audience research conducted earlier and the different objectives outlined above indicate a need to implement the Public Awareness/BCC Campaign in phases. To increase voluntary compliance, citizens need to believe in the benefits of paying taxes and more importantly, they need to trust the system and the people who run it. Citizens also need to feel that their government is treating them with respect and dignity. These are important requisites to achieving voluntary compliance. Accordingly, we will conduct the Campaign in **3 Phases over a 1 year period** as illustrated in the pyramid below:



As can be seen from the above pyramid, Phase I will focus on building trust and credibility, Phase II will focus on providing information to citizens on what they need to do in order to comply while Phase III will focus on encouraging compliance. In order to convince citizens to comply, they need to trust the system and have faith that the taxes they pay are benefiting them directly. In other words, we need to make the exchange process worthwhile in the eyes of the audience and to do so we need to demonstrate that to citizens that the taxes they pay are improving their personal welfare and that of society at large. We also need to provide assurances that citizens will be treated equally, fairly and respectfully irrespective of who they are and who they know. Accordingly, in Phase I we will highlight the direct benefits and position ISTD as a modern, professional, transparent and friendly government department. In Phase II, we will give the audience clear instructions on what they need to do to comply to help facilitate the desired behavior change. We need to make compliance as easy and as straightforward as possible so as to overcome any associated costs such as the inconvenience cost which can significantly undermine compliance even amongst citizens who have already decided to comply. In Phase III, we will focus our effort on encouraging and sustaining compliance and discouraging non-compliance by highlighting the costs of non-compliance.

Our messages will be designed to motivate people towards adopting voluntary tax compliance

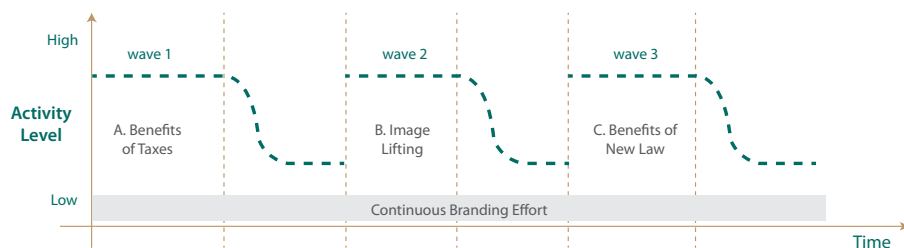
by demonstrating how this will improve their personal well-being and that of society at large. Our research indicated a number of barriers related to the lack of information, lack of trust, the mistreatment of tax officials, amongst others. We will therefore address all these barriers, giving the audience compelling reasons to comply. Specifically, we will focus on the benefits of voluntary tax compliance and give people practical information on where and how to register.

7.2 Phase I: 'Building Together' – Building Trust & Credibility in Taxes & ISTD

Awareness Building

Expected Duration: 6 months

In order to make people change their behavior towards tax compliance, they need to **choose** to change voluntarily. We know from our audience research that citizens are skeptical. They fear taxes and tax officials and are unhappy with the way tax officials treat or rather mistreat ordinary citizens. This, they argue is seriously undermining the relationship between the government and its citizens and reinforcing the lack of trust. Citizens agree that tax officials need to become more civil and professional in their approach. **Their tendency to bully, incriminate and disrespect citizens and overestimate their taxes deliberately as part of an undeclared policy needs to be addressed.** Citizens also have serious concerns over where their tax money is going and many feel that the taxes they pay are simply not matched by quality government services. Accordingly, in this Phase we will focus on reversing these barriers by building needed trust and credibility. Specifically, we need to demonstrate 3 key issues: 1) that the taxes citizens pay are benefiting them directly; 2) that the current tax system is fair and transparent, run by a professional and credible government department; and 3) that the new Tax Law is a better version of the old one and aims to alleviate the tax burden on citizens and facilitate their tax transactions. To achieve the latter key objectives we will adopt the so-called 'waves' approach as shown below:



A. Wave I Benefits of Taxes

Overview:

This wave will focus on providing facts and figures on **key and diverse** government services that have been largely financed by tax revenues to demonstrate to citizens that the taxes they pay are benefiting them directly by improving their welfare and that of society at large. We will reveal to the audience the **'what's in it for them?'** when they choose to comply. We will focus on key social sectors that are financed by the taxes that citizens pay. We will include key facts and figures to highlight achievements made in the areas health, education, infrastructure, security etc and link these to improved standards of living for all Jordanians. Once the audience understands and believes in the benefits of paying taxes, they are more likely to comply. Accordingly, this phase will address the following barriers/perceptions:

Barriers:

- 'We don't know where are our taxes go so why should we pay'.
- 'I don't feel that the taxes I pay are benefiting me in any way'.
- 'The government is mismanaging and misusing tax revenues'.
- 'Our taxes go towards paying pensions & financing the luxurious lifestyles of high state officials'.
- 'The taxes we pay are not matched by quality services'.
- 'I don't trust the government. It has a huge deficit despite all the revenues it collects from us'.
- 'Nobody is paying taxes so why should I?'.

Objectives:

- Raise awareness on where tax revenues go and create more transparency.
- Highlight key achievements that have been made to create quality government services.
- Highlight the direct benefits of paying taxes by demonstrating improvements in citizens' welfare.
- Demonstrate that the benefits of paying taxes relies on the collective effort of citizens and how its in every citizens' interest to ensure that citizens pay their fair share because the outcome improves welfare for all.

Messages⁹:

- Tax revenues finance key & diverse public programs & services (health, education, infrastructure, security, etc) which benefit individual citizens and society at large (*include facts & figures to substantiate this*).
- Tax revenues improve citizens' standards of living through better education, health, security etc.
- Tax rates are lower on certain basic commodities like medicines etc (*to be discussed with ISTD*).
- The majority of citizens/corporations are paying their taxes and tax evaders represent a small minority of individuals who are ruining things for everyone and need to be ostracized' (*need to verify percentages with ISTD*).
- Tax compliers are part of a large group of individuals who are law abiding citizens whose actions are benefiting them directly and society at large.
- The benefits of tax compliance rely on the collective effort of every citizen.

B. Wave II Image Lifting

Overview:

This wave will focus on improving the image of ISTD by **repositioning it as a modern, up-dated, progressive, efficient, responsive, transparent and professional government department. The new e-services that aim to facilitate tax transactions for citizens will also be highlighted.** This wave will also focus on **repositioning the image of tax officials** given that the latter have played a big role in undermining citizens' trust in the government and creating unnecessary tension and hostility between the two due to their tendency to: over-estimating tax returns; bullying and incriminating citizens by using the 'guilty until proven innocent' approach invariably; encouraging the use of '*wastas*' and preferential treatment and; basing tax estimates on arbitrary measures that make no sense. This last point is very important for a lot of citizens have expressed serious concerns over the fact that estimates are ultimately left to the discretion of tax officials who choose to be strict or lenient depending on their mood that day or on their personal contacts. The problem is that ISTD does not oversee this process to ensure that citizens are treated fairly and equally and so one's fate is ultimately tied to the actions of one tax official. This issue has more to do with the tax system itself and has been addressed under the new Tax Law which allows citizens to file their own taxes as will be discussed in Wave III below. **Needless to say we still need to work on the image of ISTD and tax officials and demonstrate to citizens that there is a new culture at ISTD which is very different to the old culture which they hate and fear.** Once citizens learn about the new reforms and the newly acquired attributes of ISTD and tax officials they are more likely to trust the Department and become more encouraged to comply. Accordingly, this phase will address the following barriers/perceptions:

(9) These messages will be communicated either directly or indirectly in the form of main messages or sub messages and some may be conveyed in the creative concept that we develop. Messages will be re-worded in the creative treatment so that they are short, simply and singular.

Barriers:

- *'ISTD staff are not helpful and transactions take for ever to do'.*
- *'I don't have time to do my tax returns'.*
- *'Tax officials are unprofessional, they bully citizens & force them to pay more than they owe for no reason'.*
- *'Tax officials treat citizens like criminals'.*
- *'Tax officials are notorious for using the guilty until proven innocent approach'.*
- *'Estimates are left to the discretion of one tax official and are often negotiable based on who you know there'.*
- *'Tax auditors are known to overestimate taxes so I'd rather not risk that'.*

Objectives:

- Highlight the new changes that have taken place at ISTD to make it more modern, up-to-date, professional, transparent, efficient, friendly, responsive, etc.
- Improve the overall image of tax officials by positioning them as a new caliber of civil servants.

Messages:

- ISTD has undergone significant structural changes and has become a modern, professional, friendly, transparent, responsive efficient government department.
- ISTD now offers new user friendly e-services to facilitate tax transactions for taxpayers.
- ISTD staff has undergone extensive training in customer relations.
- There is a new culture at ISTD that is friendly, cooperative and eager to help citizens etc.

C. Wave III Benefits of New Law**Overview:**

This wave will focus on the new Tax Law and will **highlight the benefits that were introduced in response to citizens' voiced concerns over the past years**. Specifically, this wave will focus on clauses that aim to **alleviate the tax burden on citizens** including but not limited to the new tax exemptions; the new self-estimation which enables citizens to estimate and submit their own tax returns without being questioned or interrogated by tax officials and; the new installment option introduced to facilitate tax payments.

Barriers:

- *'We pay too many taxes in this country, we simply feel bankrupt'*
- *'Soon we will be paying taxes on the air we breathe'*
- *'Tax officials always overestimate tax returns and they never trust the estimates we provide'*
- *'I'm scared to submit my tax returns because I know that they will make me pay more than what I owe'*
- *'The Tax Law is very complicated'*
- *'The new Tax Law was developed overnight without proper research'*
- *'The new Tax Law is very much status quo. It misleads us into believing that there are improving things for us when in reality they are taking the same amount of taxes from other sources'.*
- *'I can't afford to pay my taxes as a lump sum. I have so many financial obligations as is'.*
- *'The new Tax Law services the narrow interests of the rich elite'*
- *'The new Tax Law is supporting big unproductive sectors and ignoring small SMEs'.*
- *'The tax system favors the rich and powerful for we pay the same taxes on basic commodities and luxury items so where is the fairness in this?'.*

Objectives:

- Highlight the benefits of the new Tax Law for citizens and corporations & how it has responded to citizens' concerns.
- Reverse current misconceptions about the new Tax Law.

Messages:

- The new Tax Law has many new advantages and benefits aimed at alleviating the tax burden on citizens (*all key new benefits will be highlighted*).
- Income tax has been removed for the majority of citizens.
- Financial installment solutions have been introduced to facilitate tax payments.
- Self-estimation is now possible (*demonstrate that estimates will not be scrutinized by tax officials*).
- The new Tax Law is a simplified version of the old law. It is easy and straightforward.
- A total of 13 clauses have been canceled to encourage investors, to make compliance easier etc.
- Benefits for SMEs (*to be discussed with ISTD*).
- The new Tax Law requires that you keep your own books (demonstrate how this addresses fears of inaccurate estimates by tax officials).
- Some basic commodities are exempt from taxes/have reduced taxes (*to be discussed with ISTD*).

D. Branding Effort

An on going branding effort will be conducted throughout the 3 waves, which will aim to enhance the image of ISTD and support the repositioning effort.

E. Target Audience

- Potential Taxpayers
- General Public

F. Key Challenges

- **Structural changes:** For the communication effort to be effective, structural changes within the tax system and ISTD need to be in place. **The changes we promote need to be reflected on the ground; otherwise our communication effort will fail and the outcome will be very counterproductive.** As discussed earlier, effective social marketing is systematic in its approach and involves structural and institutional changes to facilitate and enable the desired behavior change. For instance, if tax officials continue to abuse their position, mistreat citizens and overestimate taxes then our communication effort will fail. Similarly, if we promote e-services and the services aren't working, our communication effort will fail and the outcome will be further mistrust in the government. Accordingly, **ISTD needs to also work internally on changing procedures and systems so that people feel that there is a new culture at ISTD which is very different from the old one.**
- **Present political climate:** The present political climate in Jordan is not conducive to implementing such a Campaign and it might be wise to delay the launch date. There is serious crisis between citizens and the government. Citizens are generally unhappy with the government's performance and are calling for more accountability, transparency and effective reforms. Implementing the Campaign at this time may very well be counterproductive and may be misconstrued as an attempt to polish the government's image during this difficult time which is likely to be received with further skepticism, mistrust and doubt.
- **Deep-rooted resentments:** Citizens have deep-rooted resentments towards tax auditors

which have developed over many years. It will thus take a lot of time and effort to reverse these resentments. A commitment by ISTD to continuously update and improve its services and respond to citizens' needs and concerns is paramount so is the need for continuous communication. In fact, trust and long-term relationships are built through open, honest and consistent communication and this is something that ISTD needs to adopt.

G. Internal Communication

The need for internal communication at ISTD cannot be overemphasized. Internal communication sets the organizational culture at any organization and as we saw earlier this is seriously lacking at ISTD. There is a need to create and disseminate a new culture reflecting the new attributes mentioned above, within the Department especially amongst tax collectors and auditors who seem to have the worse reputation. While this issue is beyond the scope of this strategy, it is important and must be addressed at ISTD prior to implementing the Campaign to ensure the changes promoted in the Campaign are reflected on the ground. Otherwise the communication effort is likely to fail. This is a continuous process of change and it will take time before this new culture becomes rooted within ISTD. However, there is no need to wait for this to happen before launching the Campaign as long as the change is underway.

7.3 Phase II: 'Paving the Way' - Tax Procedures & Next Steps

Behavior Change: Tax Procedures & Next Steps

Expected Duration: 4 months

This phase will focus on providing the audience with information on what they need to do in order to comply. The idea is that at this point, the audience is more likely to adopt voluntary compliance since they now have trust in the system and believe in the benefits of taxes. Specific messages about keeping books, estimating taxes, filing taxes, requesting invoices, etc will be provided. The idea is to make tax compliance easy and straightforward and eliminate any deterrents that may dissuade citizens who have decided to comply. Our communication will focus on the general public, small and medium size enterprises and VIP companies in the contemplation and preparation stages (*see BCC behavior change model above*). Specific messages will be developed for each target group separately.

Barriers:

- *'I'd like to register but I don't know what to do and where to go'.*
- *'I heard that registering is a very complicated process and I don't have time to do it'.*
- *'My actions will not influence the bigger picture so by not complying I will not threaten the treasury!'.*

Objectives:

- Provide clear and straightforward instructions for citizens interested in compliance.
- Demonstrate how easy it is to file taxes and highlight key e-services.

Messages:

- Register with ISTD before the (*provide deadline*).
- You can now estimate your own taxes (*demonstrate that estimates will not be scrutinized & doubted*).
- Keep your own accounting books of expenses, revenues and invoices.
- Ask for an invoice when you purchase anything (*this message is very important and aims to slowly create the collective attitude mentioned earlier, so that citizens understand that the benefits of tax compliance will only be realized if we all pay our fair share and it is our responsibility as citizens to ensure that everyone is doing their part*).

Target Audience:

- Potential Taxpayers (Contemplation & Preparation Phase)
- SMEs
- Big Corporations

Key Challenges:

- **Structural changes:** For the communication effort to be effective, structural changes within the tax system and ISTD need to be in place. For instance, if tax procedures need to be easy and straightforward otherwise citizens will simply not go. ISTD needs to make it easy for citizens to comply by facilitating things for them as much as possible so they no longer have any excuse.

7.4 Phase III: 'Time for Action' - *Voluntary Tax Compliance*

Behavior Change: 'Voluntary Tax Compliance'**Expected Duration: 3 months**

This Phase will focus on encouraging and sustaining tax compliance and discouraging tax evasion. Our target in this Phase is the general public, SMEs, VIP companies and potential or current tax evaders. The benefits of tax compliance will be emphasized to encourage voluntary compliance and the consequences of non-compliance will be highlighted to discourage evasion. However, this last point needs to be addressed carefully for we do not want to portray ISTD as the enemy who is out to get citizens for this erases all the effort we have done to bridge the relationship between citizens and ISTD and create more trust and credibility. At the same time, we want to discourage evasion and demonstrate to citizens that those who break the law will be brought to justice. This will prove to citizens that compliance is a civic duty that they are required to do, but more importantly it will demonstrate that there is a system in place to ensure that everyone pays their tax dues. This will encourage compliance especially amongst those with the 'no one pays their taxes so why should I' attitude. This Phase will also focus on **recognizing the notion of collectiveness to help create a sense of citizenship and a sense of belonging** so that citizens start believing in the importance of collective compliance. **Eventually, the aim is for evaders to be shunned by society because their actions are affecting all of us in a negative way.**

Barriers:

- *'There is a lack of citizenship in Jordan'.*
- *'No one is paying taxes so why should I?'.*
- *'The government is doing very little to prosecute tax evaders so why should we comply?'.*
- *'My actions will not influence the bigger picture so by not complying I will not threaten the treasury!'.*

Objectives:

- Demonstrate that the government is seriously enforcing the law with all citizens equally.
- Position tax compliance as a civic duty which is in our collective interest as citizens.
- Demonstrate that the actions of tax evaders harm us all and that it is in our interest to ensure that everyone pays their fair share.
- Highlight the consequences of non-compliance.

Messages:

- Tax compliance has direct benefits for individuals and society at large. (better standards of living, etc).
- Tax compliance is a civic duty and a right.
- Tax compliance depends on our collective effort.

- Tax evaders affect us all in a negative way (lower standards of living for all of us).
- Tax compliance is in our interest and we as citizens should stand united to ensure everyone pays his/her fair share.
- Tax evaders face penalties and/or imprisonment.

Target Audience

- Potential Taxpayers (Contemplation, Preparation and Action Phases) → **focus on those on Action Phase**
- SMEs
- Big Corporations
- Tax evaders

Key Challenges:

- **Sense of citizenship:** The sense of citizenship is under threat and a lot of citizens don't have much faith in their government and this will have a detrimental effect on our communication effort.
- **Collective effort:** The benefits of tax compliance can only be seen if there is a collective effort as in if all citizens pay their fair share. However, there is a feeling that not everyone is paying their taxes and that one's small actions will not change much so why pay. This was discussed earlier with the example of global warming.
- **Wasta Culture:** There is a feeling that 'wastas' are entrenched in government officials in all departments and ministries and this is making people lose faith in the government. There is a feeling amongst citizens that they are not all treated fairly and that preferential treatment still takes precedence. The fact that wastas are perceived to be present in ISTD is creating further hostility especially since this department is concerned with collecting tax revenues from citizens and should be the most accountable and transparent government department.

7.5 Media Mix

The media mix comprises the communication channels that we will be using to convey our messages. The latter include mass communication methods, community-based approaches, PR and advocacy. The media mix we choose will depend on the following:

- Audience's media habits
- Allocated budget for Campaign
- Availability of staff and volunteers
- Complexity of campaign messages
- Audience size and location

Overall, we will use mass media communication channels to maximize our outreach effort. Accordingly, we will use TV, radio, newspapers, magazines, billboards and the internet. We will also use community based approaches to cover smaller areas such as flyers, posters, brochures, etc. We also recommend conducting a number of public events, presentations and lectures to discuss the new law and reinforce the messages of our Campaign. We will therefore use a combination of mass media methods and community-based approaches to yield optimal results. Behavior change does not usually happen from surface level communication, so we will need to implement mass media with in-depth interpersonal communication to enhance the communication effort and help bring about attitude and behavior change.