



MARKETING IN THE TAX ADMINISTRATION IN ALBANIA

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Abstract

After the late 1970s the marketing discipline has known a considerable expansion and application not only in private sector but also in public or non-profit sector. Currently the debate is focused on how to better integrate the marketing concept and marketing function into the activities of government organizations as means of increasing the effectiveness of the delivery of public policy and citizens satisfaction. Public marketing is a new concept for the Albanian reality and very slowly is entering into the management approach. The aim of this paper is to evaluate how much is known and accepted the concept of marketing in the Albanian public sector and if this level of acceptance or rejection is reflected in the use of marketing strategies and tactics as instruments of public management.

After a critical review of the literature about the last trends and research in this issue, qualitative methods are used through a case study in General Directorate of Taxation in Albania. In depth semi-structured interviews with several senior directors and officers were conducted to see the level of perceptions and practices thorough the major departments of this Institution. From the analysis of data gathered resulted that marketing is mostly equated with public relations function and was considered unnecessary and as a significant consumer of public funds. A number of recommendations are given on how to build an efficient marketing model for the General Directorate of Taxation in order to help increasing efficiency and quality of service to citizens.

Keywords: public marketing, public sector, tax administration, citizen satisfaction

JEL Classification: M31

1. INTRODUCTION

Public Marketing as part of the marketing concept, has received a special attention especially after 70s, a period in which substantial changes took place in the structure and functioning of the developed western countries. This domain is experiencing a constant in-

crease conditioned by the fact that new management models emphasize the role and need for citizens orientation in the design and implementation of public policies in order to better meet their needs and interests. The aim of this study is to give a reflection of recent trends in public marketing, to make an assessment of the level of use and acceptance of marketing tools in Albanian public sector through a case study in tax administration in Albania. The Albanian public sector undoubtedly has its own peculiarity. After 90s in the wave of change that occurred in all areas of life in Albania, the public sector has experienced a galloping reform and is oriented versus successful models in the region or western developed countries.

For tax administrations, like most public sector organizations, the move towards adopting business-type processes is a relatively new one and is largely driven by a recognition that the people whom they serve are "customers", who now expect good and efficient "customer service".

The issues about public marketing, after conducting a review of literature on the field, are investigated on the basis of a qualitative study methodology. The exploratory nature of research required an explanatory methodology approach. The research context is framed by the Albanian tax administration focused on the General Directorate of Taxation. Data collection is mainly based on in depth semi - structured interviews with 10 senior directors and specialists. The paper is organized as follows; in the first section we make a review of last research and literature in the field of public marketing, then we describe characteristics of marketing in a tax administration and how should be oriented today. On the next section we give briefly the rapid transformation of Albanian tax administration after the 1990s until today and then we show some results of our in depth interviews with senior's directors and specialist in the General Directorate of Taxation in Albania (GDT). In the last section we conclude by summarizing the main findings and presenting few recommendations that could improve the performance of tax administration and taxpayer and citizen satisfaction.

2. A SHORT REVIEW OF PUBLIC MARKETING

Kotler and Levy in 1969, proposed that "traditional marketing concepts can be transferred to non-business organizations", arguing that all organizations regardless of their function have customers, whose needs can be met through marketing activities. The results of their work showed that application of the marketing concept, which is considered to be "an important aspect of all activities of the organization" is "a useful set of concepts for guiding all organizations" (Kotler 1969). Having embraced Kotler's concept of expanding the role of marketing into nontraditional areas, many authors have since written in support of marketing's application within the public sector. For example, O.Faircheallaigh et al 1991; Graham, 1993; 1994;1995; Crompton, 1986; Ryan 1990; Walsh, 1994; Smith, 1988; de Rijcke et al, 1977; Claxton et al, 1978). Walsh (1994:63) states that marketing, both as concept and metaphor, has attracted increasing attention from public sector managers and politicians.

In the early 90s, the public sector in various European countries started to see its clientele as customers and perceived the benefits of applying marketing tools and strategic marketing planning (Cousins, 1990), in order to "sell "policies" to citizens. If the marketing is generally more focused on identifying customer needs and then to trying to satisfy them, from the perspective of the public sector, public marketing can be seen as a management process that is responsible for identifying, anticipating and satisfying stakeholders require-

ments and in so doing serves to facilitate the achievement of organization's objectives (Proctor, 2007).

Due to the existence of differences between public and private sectors, it has always been difficult to apply marketing in the same manner and with the same techniques. As is known, public organizations are more involved in service delivery. This obviously leads to changes in treatment. Proctor argued that "services may require a special understanding and special marketing efforts. Service providers are as important as the service itself and the interaction between service providers and recipients has a great importance" (Proctor, 2007). From the point of view of public sector, Serrat (2010) defines Marketing as: "the activity, set of institutions and processes – always interconnected and interdependent – meant to identify, anticipate, create, communicate, deliver and exchange valuable offering that satisfy clients, audiences, partners and society at large". Kotler and Lee (2007) in continuance to their work in this field would state

"Marketing turns out to be the best planning platform for a public agency that wants to meet citizens' needs and deliver real value. Marketing's central concern is producing outcomes that the target market values. In the private sector, marketing mantra is customer value and satisfaction. In the public sector, marketing's mantra is citizen value and satisfaction".

According to Serrat (2010), U.S.A government spending from 1996 to 2006 accounted for 35% of GDP, while in the European Union countries accounted for 46% of GDP on average. As in every other important economic sector, public administration is confronted with the need for sustained marketing activities. Marketing can be seen as "a systematic search process that leads to knowledge of the market (Nedelea, 2006). Public organizations use four types of marketing, which differ from each other on established objectives. *First* "marketisation" implies that some aspects of public sector activities become akin to commercial marketing in the private sector by subjecting products or services to the competitive forces of the market. The goal is to decrease the level of price and quality standard as more aligned with customer requirements (Chapman and Cowdell, 1998). *Second*, all organizations use marketing to promote their interests. For example Burton (1999) suggests that organizations use marketing to public interest groups to ensure their continued existence through support from the market and society. *Third*, in the case of local authorities, marketing is used to promote the area under the responsibility of public organization, such as city marketing. Finally, marketing can be a tool to promote political objectives like basic understanding of social impacts.

According to Judith Madill, four major forms of public marketing exist:

1. Marketing of Products and Services. Many public sector organizations offer products and services free of charge or for a fee (either on a cost-recovery or for-profit basis to support core public good programs). Marketing in this context is not so dissimilar to that conducted in the private sector. However, many public sector organizations are much more familiar with promotion than with the other Ps of the marketing mix—such as product (or service), place, and price—because many have developed communications plans outside of a marketing framework. The negative image of marketing in the public domain may well owe to the fact that many managers there equate marketing with advertising. The understanding that all four elements of the marketing mix are aspects of a complete marketing strategy can be developed through marketing training.

2. Social Marketing. According to Philip Kotler and Gerald Zaltman, social marketing is the design, implementation, and control of programs calculated to influence the

acceptability of social ideas and involving considerations of product, planning, pricing, communication, distribution, and marketing research. It may involve campaigns to change attitudes and the behavior of target audiences.

3. Policy Marketing. This type of marketing entails campaigns to convince specific sectors of society to accept policies or new legislation.

4. Demarketing. “Don’t Use Our Programs” marketing calls for campaigns that are launched by public sector organizations to advise or persuade targeted groups not to use programs that have been available to them in the past.

2.1 Particular aspects of public marketing compared to private sector

Well-designed marketing that takes into account the characteristics of the public sector can greatly assist public sector organizations in serving their stakeholders. Failure to take into account of the differences in purposes, conditions and tasks that distinguish them from the private sector will likely lead to inappropriate and ill-conceived marketing programs

The public sector can be characterized as follows (compared to private sector):

- The public sector has to do with common interests than with the individual interests. The main objective is to ensure the common good.
- The public sector has a different relationship with "their customers" (citizens) governed particularly by equity and representation then by efficiency and profit.
- Decisions are taken collectively and usually have a greater impact
- Operates in an environment free of competition
- In the majority of cases, public organizations provide services rather than products, which mean that a different marketing strategy is needed.
- Public organizations are usually more transparent and open to public compared to private sector organizations
- Public organizations are subject to greater legal restrictions than private ones that benefit from a more favorable legal framework.
- Authority is distributed and fragmented throughout the whole system
- Public organizations are subject to surveillance and greater control of internal and external stakeholders (higher authorities, citizens, NGOs, media, special interest groups)

Kotler and Lee (2007) identified eight ways to apply marketing instruments in the public domain. Each of these ways tackle a marketing principle accepted by the private sector and shows how to apply it as part of the organization's marketing efforts. The principles are: Developing and enhancing popular products, programs and services; setting motivating pricing, incentives and disincentives; Optimizing distribution channels; Creating and maintaining a desired brand identity; Communicating effectively with key publics; Improving client service and satisfaction; Influencing positive public behaviors through social marketing, and forming strategic partnerships

3. MARKETING IN A TAX ADMINISTRATION

Tax administrations have a number of special features that do not apply to private companies. The services they offer are very often compulsory. Tax administration has a public mission to fulfill – safeguarding public funds – it is also a monopoly. Moreover its core business is not a very popular one: enforcing and collecting taxes. In doing this, it is serving both citizens and society, and that their interests are not necessarily opposite. Cus-

tomers have many interests: they know that society needs an income to insure that government, education, social security, etc. are well functioning. Amongst others they have a sense of civics that makes them compliant with reasonable rules. They also do not like to be punished for transgressing these rules.

When one of the directors at the taxpayer service section was asked what did marketing mean in tax administration, he answered: “making it easy to be a taxpayer – that’s what marketing is about. Taxpayers needs are in center of our service and we try to do the best to satisfy them”. Actually if we see the mission statement of tax administrations nowadays some of the main objectives are: expanding taxpayer’s knowledge and switching over from the enforced collection of taxes to voluntary payments. From this service point of view it is essential that a tax administration looks at its functions and customers as a set of relations with which it can produce value to its shareholders, taxpayers as members of the society. Building an image is a slow and persistent process; it cannot be built overnight.

All tax administrations see better performance in their core business as the main key to the customers’ heart. Main elements here are improved service and products (such as a tax return etc.) and well-trained personnel. The better the service perceived in customers’ mind, the more compliant they tend to be. The better the image of the tax administration, the more loyal they want to be as members of the society. Transparency plays a significant role in the tax administration image, as well. Trust in the society is built on equality between different customer groups, steadiness of tax administration procedures, understandable guidance and legislation etc. Public relations are an essential tool to build a better image by conveying all these elements to all the customers of a tax administration. Its key activity is to create publicity through press conferences, meetings, and other events that will draw attention to services. The aim is to help develop and maintain good relations and understanding between tax administration and the public. It is a long-term activity that involves the building of relationships with media and continuously seeking to find opportunities to enhance tax administration’s reputation in the public mind and to highlight improvements and successes.

3.1 Segmentation

Only a few tax administrations in Europe state to have a separate marketing strategy. However, almost all tax administrations aim their marketing activities at somewhat different target groups. Optimizing activities can only be done when entities are reasonable and comprehensible. It is quite impossible to improve organizational functions on a strictly general basis. Dividing customers according to functions is the first step. An organization looking for value added goes deeper in its research: it segments its customers according to their needs, prioritizes organizational drivers of change and then optimizes its path of actions on a win-win combination of the two sets of goals.

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

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

target groups is categorizing customers according to the products aimed for this certain group or other typical features of the target group. The following target groups businesses, SME's, upcoming businesses; International customers, immigrants, VAT taxpayers; travel agencies, housing associations; educative communities, university people etc.

3.2 Tools for marketing programs

The implementation of marketing policy requires a strategy, tools, budget and human resources. There are a lot of tools that help in improving compliance. These tools are available to the public and used to promote a tax campaign and generally good citizenship. Tax administration design annual tax campaigns about income tax return through different medias as radio, TV, press, conference, billboards, advertising letters, website magazine; meeting with taxpayers in training; active information on change of laws. This target is limited to specialists or professionals (intermediaries, accountants, notaries, trade unions). The communication is mainly done through conferences, seminars, users' committee; partnership with accountants, lawyers, notaries, etc; face to face or phone call to local office; walking-in receptions and remote reception facilities, face to face with appointment, phone call; contact or Call Centers (most of the tax administrations use and enforce this tool); Website delivers services online: download documents, send an email, pay online, and fill electronic tax return; SMS: information on deadlines, calculations, how to validate income tax returns, etc.

3.3 What administration is needed today?

On the basis of the attitude of the administration towards citizens, four types of administrations are defined (IOTA Report 2009, see figure 1): self-oriented; neutral; customer-oriented; proactive.

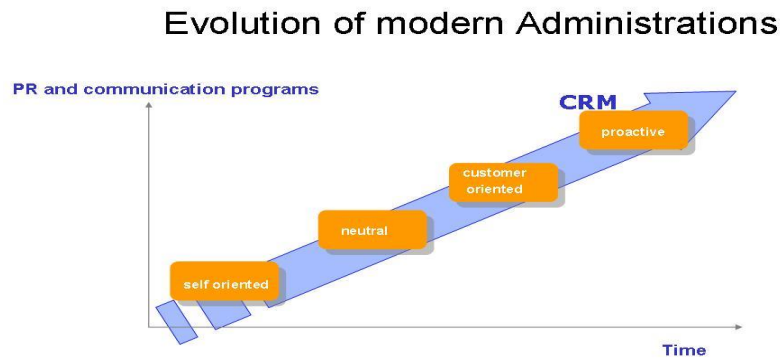


Figure no. 1 Evolution of modern Administrations

The “*self-oriented*” is an administration that is detached from society and from individuals, it merely expresses its will; it holds the power to manage, plan and realize in the collective interest. It is not in a relationship with the community but adopts mechanisms that are a reflection of the position of superiority which it maintains. This category of administrations, which have a passive attitude towards reforms and change, in most cases does not

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

The "neutral". The advent of new technologies and the development of mass communication have triggered a gradual change in the relationship between administration and citizens, made more aware of their rights. The pressure for reform, coming from the bottom, in many cases creates the need for a simplification in the administrative action, which becomes more transparent, equipped with tools to publicize its acts, its hierarchies, its responsibilities. It establishes a dialogue with taxpayers/citizens, no more subjects but interlocutors with rights as well as duties. Customer satisfaction activities are considered a regulatory compliance, are mostly "home-made", often discount the lack of specific knowledge and approach, and do not lead to improve criticalities. The administration, under obligation to communicate with citizens, establishes public relations offices to help citizens deal with the maze of bureaucracy. It issues "services charters", which constitute a promise of service, specifying its contents and taking firm commitments of time and results.

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

The knowledge of the activities of the administration with its laws and regulations, the simplification of its language, the offer of services that facilitate the performing of obligations, encourages voluntary compliance. In this administration, it is the development of technology that is the real difference, because it allows a better understanding of its "users" and so to become "customer-oriented", that is able to know the needs and offer differentiated services, to increase interaction between the administration and its public and simplify the citizen's life.

The development of databases allows the use of customer relationship management systems, which assist the administration in making its services responsive to requests and able to solve the problems of the citizen/taxpayer. The administration defined as 'customer-oriented' communicates bearing in mind one thing: simplicity. The online services and call centers enable citizens to obtain information and services without leaving home, and even if they must necessarily go to an office, access will be facilitated by cut-queue systems, by terminals connected to centralized information systems, etc. News releases, advertising campaigns to spread knowledge of new rules or new services, information material use a simple language, avoiding too bureaucratic or technical words. Websites become databases supplying services.

The "proactive". The proactive administration has a fundamental characteristic: its approach towards the citizen is "citizen centric". Its aims are to increase satisfaction of the citizens in their relationship with the administration, a key factor in voluntary compliance, while achieving greater operational efficiency, enabling a proper cost-benefit analysis, the enhancement of human resources, more revenue and less litigation. The proactive administration uses Customer Relationship Management (CRM) techniques that offer a set of methods for managing processes and activities: from the stage of detection and segmentation, to acquisition, customer retention, then to the development of a long-term lasting

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

In this context, customer satisfaction surveys work as strategic systems, which allow the administration to identify the requests of users and, on the basis of them, to identify the various processes needed to provide services responding to requests, triggering a virtuous process of request/change/satisfaction. The proactive administration communicates in a customized way, on the basis of the knowledge of its customers and maps of their needs. The proactive administration has interactive websites that allow the use of tools such as chat lines, forum, web TV, FAQ, WAP (Wireless Application Protocol) technologies, but does not neglect newsletters, personalized email, SMS as well as papers, press releases or advertising campaigns.

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

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

The communication is a fundamental element in building a relationship of trust between state and citizen and in the process of innovation involved when the administration agrees to open dialogue. When the relationship with the citizen is recognized as essential for the good functioning of public administration, then the communication itself becomes a tool for collecting information, and to activate appropriate responses.

4. CASE STUDY - PUBLIC MARKETING IN ALBANIAN TAX ADMINISTRATION

4.1 Tax Administration Reforms in Albania after 1990

In the early 90s, Albania switched to a market economy system and immediately was oriented towards economic integration within the European Union. The failure of the centralized socialist economy required important legal changes in order to get oriented to the free market economy. The main priorities were the privatization of the economy and restoration of the tax system. Serious efforts to prepare the tax system started in 1993: First, drafting tax legislation and second, creating a new tax administration, according to the experience of Western countries.

In 1993 a legislative package was drafted, which contained the first tax legislation and tax authorities dealing with tax administration in the Republic of Albania. This package built the foundation of the tax system, introducing two very important basic pillars, a) tax legislation b) the tax administration that would administer taxes and fees. During 1995, the Tax System in Albania began to apply the Value Added Tax (VAT), as an indirect tax substituting the turnover tax. Entry into force of the law on VAT brought a significant change in the structure of tax revenues and their growth. During 1997, the improvement of the tax system was halted due to poor economic situation created by the pyramid schemes, and the system was hit hard by the negative consequences and effects on the state budget and these consequences were more severe in terms of educating taxpayers to pay their taxes. During 1998, there was a process of recovery of the tax system in Albania through the help of World Bank and International Monetary Fund.

The Law no. 8438 "Personal Income Tax" was approved in 1998 and in 1999 was approved the Law no. 8560 "On Tax Procedures in the Republic of Albania", where for the first time was clearly defined the composition of the tax system, the legal basis of tax payments, the definition of taxes, the composition of the tax law, administrative rules and structure of tax administration. In 2002, another law (No.8976) was passed "On excises", which enabled the successful completion of tax legislation. This period can be summarized as the period of re-erecting, improving and reforming the tax system overall objectives in order to collect tax revenue and improve performance and taxpayer service.

During the years 2002 - 2006 a lot of improvements were made in the tax system. This process completed tax legislation and increased the number of taxes by adding collection and administration of health and social insurance contributions. In 2007 the Law no. 9723 was passed about NRC (National Registration Center) where any natural or legal business except NGOs must be registered and deregistered. In 2008 was passed the Law no. 9920, "On tax procedures in Republic of Albania" which brought a significant improvement of Albanian tax system. Table no.1 shows some data about the performance of tax administration for the last four years. This data show an increase in almost all the indicators, which proves that Albanian economy is really growing and the tax administration has been more efficient in realizing her mission. But this data don't show the role of marketing activities in improving performance or the level of taxpayer's satisfaction.

Table no. 1 Some statistics from General Directorate of Taxation

	2008	2009	2010	2011
Number of employees of the tax administration	1519	1537	1595	1605
Number of taxpayers	73,144	74,864	82,912	85,539
Revenues (in million EUR) total	1,186.4	1,148.2	1,115.3	1140.4
Direct taxes	463.9	446.8	452.2	473.2
Indirect taxes	356.7	348.1	313.5	300.0
Social funds	365.8	353.3	349.6	367.2

Source: [GDT Albania]

This data show an increase in almost all the indicators, which proves that Albanian economy is really growing and the tax administration has been more efficient in realizing her mission. But this data don't show the role of marketing activities in improving performance or the level of taxpayer's satisfaction.

4.2 Methodology

This is a qualitative study; we mainly used document analysis and personal in depth interviews with 10 directors and specialist at GDT Albania. The interviews lasted on average one hour. The purpose of study is to assess the level of knowledge, acceptance and use of marketing in Albanian public sector. The sample was chosen based on the judgment that the top executives are those who should know, plan and implement marketing mindset in strategic planning of organizations. Depending on their perceptions about marketing and its importance we got some insight about the way they see marketing function and how customer oriented they were and if their perceptions had any influence in the way marketing was applied to their organization.

A questionnaire with three sections was used. The first section provided demographics data on recipients, academic background data and their exposure to marketing in their professional development. The second section had a set of open ended questions that covered the existing marketing situation in the organization and, third section had a set of statements with which we tried to measure the marketing orientation of the organization using the Markor scale instrument. MARKOR is a survey instrument developed to measure the marketing orientation of the organizations (Kholi, Jaworski & Kumar, 1993) (8). On a scale from 1 to 7, where 1 is for strongly disagree and 7 is for strongly agree the respondents were asked to indicate the extent to which they agree with a set of statements.

4.3 Data analysis, results and discussion

On the first section of questions, 80% of respondents answered they had an economic background and 20% of them had science background. During their professional work they had some training in marketing. Only one of directors had an MBA in marketing and he showed sound expertise in the marketing field in general. When they were asked if there was a distinctive marketing section or department in their organization all answered yes and according to them it was called "Taxpayer registration and service directory". From the analysis that we made the organizational structure, this department had two sections: "PR & Education section" and "Registration and assistance section". This two section according to the respondents, made all the marketing work, especially the public relations functions" The chief of this section showed us all the services they offered to taxpayers to inform educate and assist them in everyday basis.

The website through the USAID assistance was very helpful, a number of important services were offered online like e-filing, laws library, downloadable forms etc. 50% of them answered that they didn't see any difference between marketing functions and public relations. The next questions was "If marketing is/isn't strategic, is it also tactical?" 70% of respondents answered that marketing function is mostly a tactical tool and only 30% of respondent said the marketing is strategic and tactic tool. When they were asked about the budget that goes for marketing, what was the sum and how was accorded they all answer that amount was decided by the Ministry of Finance. USAID had financed almost all the advertising spots relating to the informing, remembering and educating the taxpayers. Only 4 of respondents had heard about social marketing and its role. Relating to the question "How the political dimension affects the department's marketing function, most of the directors hesitated to answer, but they made it clear that political dimension influences on the settled objectives and marketing orientation of the organization.

Table no. 2 Attitudes toward marketing

Statement	Total sample (the average of answers from 1- 7)
Marketing is an essential planning tool	3.9
Support decision making	3.7
Only useful in commercial activities	5.1
Soaks up too many resources	5.7
Same as advertising	2.1
Same as public relations	4.9
Marketing is manipulative	5.9
Offers quick fix solutions	2.8

The results were consistently negative across all these statements suggesting that there is a strong bias about marketing. –Marketing is manipulative” is a statement that most of respondents think so and can be used better to the private sector. Also they think that marketing consumes a lot of public funds and is more useful in private sector than public one.

Table no. 3 Extent of involvement of marketing activities

Statement	Total sample
We do a lot of market research	2.3
We survey our customers at least once a year	1.9
Data on customer satisfaction are disseminated at all levels	2.9
A process is in place to measure marketing performance against stated objectives	1.7
Marketing budgets are sufficient from year to year to implement identified strategies and tools	2.7
Marketing managers and staff are encouraged to upgrade their skills	2.3
Client satisfaction is maintained at a high level	2.6
Work groups collaborate to serve clients	3.1

As it can be seen from table 3, the respondents think that marketing activities are not carried out to a satisfaction level. It doesn't really exist a process in order to measure the marketing performance compared with the stated objectives. Even the budget for marketing training and activities is not sufficient in order that marketing managers could improve their skills related to marketing activities and customer satisfaction. Marketing research is a very important tool in marketing and helps managers to improve marketing decisions, but unfortunately it is not carried out to the Albanian tax administration. The public leaders should know the importance of marketing activities and start applying these tools to achieve an important objective: taxpayers or customer satisfaction.

5. CONCLUSIONS AND RECOMMENDATIONS

As a conclusion, based on the information we gathered, public marketing is very little known in the Albanian tax administration. There is a lack of basic conditions necessary to implement marketing mindset. Marketing is mostly equated with public relations or advertising function and was considered unnecessary and as a significant consumer of public funds. Due to the lack of formal training in marketing by senior's managers, the role of marketing is seen limited in strategic planning and management

New technologies, especially the Internet, together with a change of mentality and growing insight on behalf of tax administrations and governments, have changed the situation in most western countries tax administration and should change it to the Albanian tax administration too. They are oriented to a proactive tax administration. As a part of marketing actions the role of public relations is irreplaceable in creating the good image of tax administrations.

In order that marketing approach to increase we suggest that basic conditions should be met: awareness of the leadership about the importance of marketing in strategic planning and creating or including a real marketing department in the organizational structure. The

proactive orientation of tax administration if implemented properly might bring an improved performance and customer satisfaction.

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