



HM Revenue
& Customs

Research report 569

Childcare Choices

Tax Free Childcare campaign evaluation

September 2019

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1. Executive Summary

HMRC commissioned GfK UK Social Research, now part of Ipsos MORI, to conduct research to evaluate the effectiveness of the Tax-Free Childcare campaign.

Tax-Free Childcare is an offer available to parents of 0-11s who are in work and earn between £125 and £1,900 per week in the UK to help support the costs of childcare. HMRC ran an advertising campaign from September 2018 to March 2019 targeting parents who are potentially eligible for Tax-Free Childcare, with the aim of encouraging them to visit the Childcare Choices website.

A pre- and post-campaign quantitative research design was employed to assess the performance of the campaign:

Pre-wave: 714 interviews to provide baseline measures of awareness of Tax-Free Childcare,

Post-wave: 694 interviews to provide a final measure of the effectiveness of the campaign.

Key Findings

- Levels of recall of Tax-Free Childcare advertising after the campaign ran were in line with the pre-wave, with over a third of parents (35%) having seen or heard any advertising; yet recall from channels that were used by the campaign increased from 2% at the pre-wave to 6% at the post-wave.
- Awareness of Childcare Choices (14%) and recall of Childcare Choices advertising (19%) were in line with the pre-wave.
- Almost three in ten (28%) recognised at least one Tax-Free Childcare ad they were shown or played in the interview. Most recognition came from radio ads (22% recognised a radio ad), though 11% recognised a digital ad and 9% recognised an online banner ad.
- The campaign was effective in communicating its messages: 65% said the message was that parents can get up to £2,000 per year per child, and 51% that the offer is available for children aged 0-11.
- Over three in five (62%) agreed that the radio ads clearly told them what to do, and 38% agreed the digital and online banner ads did the same.
- Half (50%) of parents who recognised the campaign said they had already taken action as a result; 20% said they visited the Childcare Choices website. The main reasons for not taking action were that the ads were not seen as relevant by some parents (39% of campaign recognisers who did not take action) and that they were unsure what they needed to do (21%).
- Since the pre-wave, there was a large increase in parents saying they would visit the Childcare Choices website if they wanted to find out more about the Tax-Free Childcare offer, from 11% before the campaign to 34% after the campaign.

2. Introduction

2.1 Background

In 2017, the Government introduced Childcare Choices, a single, unified proposition supported by all government departments responsible for delivering childcare support. Childcare Choices brings together information about a number of offers parents can use to help support childcare costs, including Tax-Free Childcare.

Unforeseen technical issues and a delay to the launch of the Childcare Choices campaign resulted in changes to the scope of communications and therefore, to the design of the research.

Before the scope of the campaign changed, GfK UK Social Research conducted two waves of face-to-face research among parents of 0-11s, and three waves of online research among the same target group. Because the scope and sample of the previous research was different, we are not reporting on those findings. In the remainder of the report, all findings refer to the revised research that is aimed at evaluating the Tax-Free Childcare campaign.

Starting in 2017, HMRC ran limited communications promoting the Childcare Choices website and the Tax-Free Childcare offer, mainly, but not solely, aimed at childcare providers and associated professional bodies. From September 2018 to March 2019, HMRC ran an advertising campaign targeted at parents eligible for Tax-Free Childcare, to compliment ongoing promotional work across HMRC.

The Tax-Free Childcare offer is available to parents if:

- They are in work, employed or self-employed (including on parental leave, sick leave or annual leave),
- They earn more than the National Minimum Wage or Living wage for 16h a week (£125 per week / £6,501 per year), up to £99,999 per year (£1,900 per week), and
- The child is aged 0-11, or 0-16 if the child has a disability or visual impairment (defined as receiving DLA or PIP).

In two-parent households, both parents must meet the eligibility criteria.

Through Tax-Free Childcare, for every £8 that parents pay into an online account, the government will pay £2 – up to a maximum annual contribution of £2,000 per child until the 1st September after the child turns 11. For children with a disability or visual impairment, the maximum contribution is £4,000 per child, until the child turns 17.

The Tax-Free Childcare campaign ran from September 2018 to March 2019. The campaign was targeted at parents eligible for Tax-Free Childcare, and included: radio ads, ads on radio apps and streaming sites, online advertising, advertising on mobile phones and on social media. The campaign creatives did not refer specifically to Tax-Free Childcare by name. The main objective of the campaign was to drive parents who are eligible for Tax-Free Childcare to the Childcare Choices website.

2.2 Research Aims

HMRC commissioned GfK UK Social Research, now part of Ipsos MORI, to conduct research to evaluate the effectiveness of the Tax-Free Childcare campaign.

The research measured the campaign's progress against a number of key performance indicators:

- Awareness of the campaign
- Recognition of the campaign
- Engagement with the campaign
- Message take-out
- Call to action, especially visiting the Childcare Choices website

2.3 Method

The research includes two waves of face-to-face interviews conducted in respondents' homes with parents of 0-11s, eligible for Tax-Free Childcare. Parents of 12 – 16s were also included if their child had a disability or visual impairment.

The sample was selected using random location sampling, a tightly controlled type quota sample. This approach produces high quality samples in a short fieldwork period, a key requirement for robust communications research. Respondents were interviewed in their homes, via Computer Assisted Personal Interviewing (CAPI). Quotas were set on gender of parent and minimum quotas on age of child, to ensure the sample is representative of parents of 0-11s who are eligible for Tax-Free Childcare. Eligibility was assessed based on respondents' self-declared income and age of children in household and was not verified against other data.

Boost samples were interviewed in Scotland and Wales to enable their separate analysis. Weights were applied to correct for regional imbalances and for any imbalances in the achieved samples. The weighted and unweighted sample profiles are shown in Appendix A.

The achieved number of interviews was 714 at the pre-wave and 694 at the post-wave.

Pre-wave fieldwork took place between 18 July and 13 August 2018, post-wave fieldwork between 12 March and 14 April 2019. Fieldwork was conducted by GfK UK. Analysis was provided by Ipsos MORI.

2.4 Reporting notes

Differences in response between groups and the total sample, or from wave to wave, have been tested using two-tailed tests at the 95% confidence level. Significant differences are noted in the commentary.

Throughout the report we use the following definitions:

Parents:	parents who are potentially eligible for Tax-Free Childcare, based on self-reported work status and earnings
Campaign recognisers:	respondents who, after being shown and played several Tax-Free Childcare campaign ads during the interview, recognised at least one
Campaign non-recognisers:	respondents who did not recognise any ad they were shown or played

3. Findings

3.1 Recall of the Tax Free Childcare campaign

All participants at both waves were shown a list of channels, including those used by the Tax-Free Childcare campaign, and asked whether they had seen or heard or read any advertising, publicity or information about Tax-Free Childcare in any of those places. At the post-wave, 35% of participants said that they were aware of publicity: in line with the level seen at the pre-wave of 31%.

Looking in more detail at the list of channels shown, before the campaign had started, 2% of parents said they had seen or heard advertising about the Tax-Free childcare offer from channels that would later be used by the campaign, and this proportion increased significantly to 6% at the post-wave. The increase was mainly because of increased levels of recall of some of the channels used by the Tax-Free Childcare campaign:

- Recall of radio ads increased from 1% at the pre-wave to 3% at the post-wave
- Recall of ads on social media also increased from 1% at the pre-wave to 3% at the post-wave
- Recall of ads through other channels remained unchanged over time

Parents were also asked whether they had heard about Childcare Choices, and were prompted with a short description and a logo. At the post-wave, 14% said they had heard of Childcare Choices, which is in line with the pre-wave when 12% said they had heard of it.

3.2 Tax-Free Childcare campaign recognition and diagnostics

3.2.1 Tax-Free Childcare campaign recognition

Participants in the post-wave research were shown/played a number of examples of campaign advertising: one of four radio ads, one of four digital Facebook ads, and a collage of static online banners. The order of presentation of the ads in the questionnaire was rotated to minimise order effect and ensure that all ads were seen/heard by similar numbers of parents.

Over a quarter of parents (28%) recognised at least one of the ads they were shown or played.

- 22% recognised the radio ad they were played (or a similar ad). Radio ads were recognised by 32% of participants who listen to the radio for at least 2 hours a day, which suggests that radio was an efficient channel for reaching this audience.
- 11% recognised a digital ad they were shown
- 9% recognised an online banner ad they were shown

Radio was the main driver of campaign recognition with the digital and online banner ads being used to increase frequency and generate response. Six per cent of participants recognised a digital or online banner ad, but not a radio ad.

3.2.2 Campaign performance

Participants were shown several messages (including a 'dummy' message) and asked which ones they thought the campaign was trying to communicate. Eight in ten (82%) identified at least one correct message. Two thirds of parents (65%) correctly thought the message was that parents can get up to £2,000 per year, per child, half (51%) that the offer is available for children aged 0-11 and 30% that the message was to go to the Childcare Choices website. However, one in ten (11%) incorrectly thought that the ads told them that only parents on low incomes can use the offer.

The questionnaire structure enabled us to compare message communication by channel, and there were some notable differences by channel:

- Parents asked about the radio ads were less likely than those asked about other channels to think that the ads told them that the offer is available for children aged 0-11 (34%, significantly lower than 51% saying this about the campaign as a whole).
- Parents asked about the digital and online banner ads were less likely to think that the ads told them that parents can get up to £2,000 per year per child (47% v 65% about the campaign as a whole), or that they should go to the Childcare Choices website (20% v 30% about the campaign as a whole).

However, it is notable that in the main parents were more likely to take key messages out of the campaign as a whole rather than individual channels, which suggests that the multi-channel strategy employed by the campaign was effective.

Over half (60%) of parents said the ads made them want to find out more about the offer, that they trust the information in the ads (58%), that the ads grabbed their attention (57%) and that the ads were relevant to them (56%). Responses to these statements were consistent, regardless of whether parents were answering about the campaign as a whole, the radio ads or the digital/online banner ads.

Parents answering about the radio ads were more likely than those answering about the digital/online banner ads to feel that the ads clearly told them what to do:

- 61% said the campaign as a whole clearly told them what to do
- 62% said the radio ads clearly told them what to do

- 38% said the digital/online banner ads clearly told them what to do

This is unsurprising as radio ads specifically mentioned the Childcare Choices website, whereas digital and online ads had no specific instruction.

Half of campaign recognisers (50%) said they had already taken any action as a result of seeing or hearing the campaign: 20% said they had visited the Childcare Choices website.

Two thirds of non-recognisers (65%) said they intended to take any future action as a result of seeing or hearing the ads, including 40% saying they intended to visit the Childcare Choices website. We would expect intended action among non-recognisers to be higher than recognisers, as many people do not follow through. The high proportion saying they intend to visit the Childcare Choices website indicates the ads were effective in communicating the need to visit the website at first exposure.

The main reason for not taking any action among both recognisers and non-recognisers was that they felt the ads were not relevant to them (39% of recognisers who did not take action gave this reason, and 38% of non-recognisers who would not take action). Parents of 5-11s were more likely than average to say they did/would not take action because the ads were not relevant to them (43% of all parents of 5-11s who did not or would not take action). In addition, over half (53%) of parents with a household income of £45,000 and over who are potentially eligible for Tax-Free Childcare said they did/would not take action because they had assumed they would not be eligible for the offer.

Around a fifth of those who would not take action said this is because they weren't sure what they needed to do (21% of recognisers who did not take action, 14% of non-recognisers who do not intend to take action).

3.3 Awareness of childcare offers and schemes to help support childcare costs

3.3.1 Awareness of offers

The campaign did not specifically mention Tax-Free Childcare by name, but did refer to the Childcare Choices website where parents could read more about it and other offers. In this section we investigate whether the campaign had any impact on awareness of the offer.

One quarter of parents (24%) were aware of the Tax-Free Childcare offer at the post-wave, in line with the pre-wave. Unsurprisingly, other more well established offers had higher levels of awareness, including 15h free childcare (55%), 30h free childcare (51%), and childcare vouchers (47%).

Parents who use formal childcare were more likely than average to be aware of all offers, including Tax-Free Childcare (30% at the post-wave, similar to the pre-wave when it was 26%). Awareness was also higher than average among social grade ABC1 (35%, up from

24% at the pre-wave), parents in the South of England (30%, up from 21%) and among white British/Irish parents (27% at the post-wave, in line with the pre-wave, 24%).

Awareness of Tax-Free Childcare was also higher amongst campaign recognisers (35%), suggesting that the campaign had had some impact in raising awareness.

3.3.2 Sources of information

The Gov.uk website continued to be the most preferred source of information about Tax-Free Childcare (41% post wave, in line with 44% at the pre-wave). A third of parents (34% at the post-wave) said they would go to the Childcare Choices website to find out more about Tax-Free Childcare, a substantial increase from the pre-wave when 11% said they would go to the website.

If parents wanted to find out information about childcare options available locally, word of mouth sources continued to be the most common sources mentioned at the post-wave: friends and family (35%), school (25%), childcare provider (13%), and the Gov.uk website (16%). There were no significant changes in response since the pre-wave.

3.4 Usage of childcare offers and schemes to support costs

Parents were asked questions about their use of childcare offers and schemes to enable us to better understand their responses to the campaign. The Childcare Choices tracking survey did not aim to provide robust measures of childcare use, and we did not expect to see any changes in use of childcare, or of different types of childcare, as a result of the campaign.

Only responses from the post-wave are shown below.

Half of all parents said they used any formal childcare in a usual week during the school term (53%), 22% that they only used informal childcare, and 25% did not use any childcare at all. Perhaps unsurprisingly parents of 0-4s were the most likely to say they used formal childcare (62%, v 49% of parents of 5-11s). Parents of 5-11s were more likely to say they didn't use any childcare (29% v 19% parents of 0-4s).

Within the formal childcare category, a quarter of parents (25%) said they used nursery schools or classes or a day nursery, one in five (21%) that they used breakfast clubs or after school clubs and one in ten (9%) that they used playgroups or pre-schools. Parents of 0-4s were more likely than average to say they used nursery schools or classes or a day nursery (41%) and playgroups or pre-school (14%), while parents of 5-11s were more likely to say they used breakfast clubs or after school clubs (29%).

Among parents who use formal childcare, 51% said they used any offer to help support costs of childcare, and 10% said they make use of Tax-Free Childcare: this is equivalent to 5% of all parents. Parent of 0-4s were more likely than average to say they used any offer (41%), but were no more likely than average to say they used Tax-Free Childcare (8%).

4. Appendix A: Sample profile

The table below shows the weighted and unweighted sample profiles.

		Weighted		Unweighted	
		Pre-wave	Post-wave	Pre-wave	Post-wave
Age of children	0 - 4 year old	53%	55%	54%	55%
	4 - 11 year old	69%	67%	70%	68%
	12 - 16 year old	20%	21%	20%	18%
	12 – 16 year old who receive DLA, PIP or are blind/have a severe visual impairment	3%	3%	3%	2%
Region	North England	37%	37%	27%	28%
	South England	47%	48%	34%	34%
	Scotland	8%	9%	18%	18%
	Wales	2%	3%	18%	18%
	Northern Ireland	3%	3%	4%	3%
Parent gender	Male	30%	30%	30%	32%
	Female	70%	70%	70%	68%
Parent age	Under 25	9%	9%	5%	7%
	25-34	34%	34%	42%	43%
	35-44	42%	42%	44%	39%
	45 +	15%	15%	11%	10%