

# Evasion Publicity Campaign

Pre- and Post-Campaign  
Tracking 2012/2013: Report  
on findings among Small and  
Medium Enterprises



HM Revenue and Customs Research Report 277



TNS BMRB



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# 1. Glossary and notes

## 1.1 Glossary of terms

For the purpose of this research report the definitions below have been used.

Table 1.1. Glossary

Campaign recognisers/non-recognisers	These are the terms used to differentiate between those who claimed to have seen at least one element of the campaign in question when prompted with campaign stimulus and those who said they had not seen any element of the campaign in question when prompted with campaign stimulus.
Compliance Perceptions Survey	This is a survey which has been commissioned by HMRC since 2008. The Compliance Perceptions Survey (CPS) measures perceptions of tax compliance among Small and Medium Sized Enterprises (SMEs) and individuals. The 2011 report can be found at: <a href="http://www.hmrc.gov.uk/research/report195.pdf">http://www.hmrc.gov.uk/research/report195.pdf</a>
Coverage	This is the proportion of the target audience who are estimated to see or hear a campaign through a particular medium.
Cut through	This term is used here to refer to the extent to which a campaign 'cuts through' or is seen or heard above the other activity that is taking place in relation to a specific topic.
Decay	This word is used to describe the decline in campaign awareness or recognition over time after the campaign (or one element of it) comes off air.
Frequency (of media contact)	The number of times the audience will potentially see or hear a campaign message across all, or specific, media channels.
GOR	<p>This stands for Government Office Region. In England, the region is the highest tier of sub-national division used by central government. GORs are: North East, North West, Yorkshire and The Humber, East Midlands, West Midlands, East of England, London, South East and South West.</p> <p>For the purposes of this research, GOR plus Scotland, Wales and Northern Ireland have been used as regions for sampling and analysis purposes.</p>
Opportunities to hear (OTH)	This is the number of times someone has the opportunity to hear a radio advert.
Opportunities to see (OTS)	This is the number of times someone potentially has the opportunity to see an advert.
Prompted advertising recognition	This refers to instances where respondents report an awareness of advertising after being shown or played campaign media such as a television advert

SIC (2007)	<p>SIC stands for Standard Industrial Classification – a system that is intended to help classify businesses according to the type of their economic activity. The latest version used in the UK is the 2007 SIC system. The main sections used are the following:</p> <ul style="list-style-type: none"> <li>A) Agriculture, Forestry and Fishing</li> <li>B) Mining and quarrying</li> <li>C) Manufacturing</li> <li>D) Electricity, Gas, Steam and air conditioning</li> <li>E) Water supply, sewerage, waste management and remediation activities</li> <li>F) Construction</li> <li>G) Wholesale and retail trade; repair of motor vehicles and motorcycles</li> <li>H) Transport and storage</li> <li>I) Accommodation and food service activities</li> <li>J) Information and communication</li> <li>K) Financial and insurance activities</li> <li>L) Real estate activities</li> <li>M) Professional, scientific and technical activities</li> <li>N) Administrative and support service activities</li> <li>O) Public administration and defence; compulsory social security</li> <li>P) Education</li> <li>Q) Human health and social work activities</li> <li>R) Arts, entertainment and recreation</li> <li>S) Other service activities</li> <li>T) Activities of households as employers, undifferentiated goods and service producing activities of households for own use</li> <li>U) Activities of extraterritorial organisations and bodies</li> </ul>
Self-employed	This refers to any individual who runs their own business and takes responsibility for its success or failure. Self-employed individuals are responsible for their own tax and National Insurance contributions.
Small and medium sized businesses (SMEs)	<p>According to EU legislation, this is a business with fewer than 250 employees, and a turnover of €50 million or less or a balance sheet total of €43 million or less.</p> <p>For the purposes of this research, businesses qualified as SMEs provided that they had no more than 249 employees and a claimed annual sales turnover under £40 million.</p>
Spontaneous recall	This is where respondents report an awareness of advertising without being prompted with a list of possible responses or campaign material.
Take out	The messages that are being understood from a particular advert or campaign.
Tax avoidance	Tax avoidance is bending the rules of the tax system to gain a tax advantage that Parliament never intended. It often involves contrived, artificial transactions that serve little or no commercial purpose other than to produce a tax

	advantage. It involves operating within the letter but not the spirit of the law.
Tax evasion	Tax evasion is illegal activity, where registered individuals or businesses deliberately omit, conceal or misrepresent information in order to reduce their tax liabilities. Evasion is the deliberate understatement of a declared source of income whereas the hidden economy is the non-declaration of an entire source of hidden income.
Verified advertising recall	This is where respondents indicate whether they had seen any advertising or publicity on tax evasion and after then being shown examples of the actual campaign material used, they confirmed this was the campaign they were referring to.

## 1.2 Reporting notes

To ensure that the profile of the survey sample accurately matched the target audience profile, weighting was used at the analysis stage to address both design effect (over / under representation by business size) and variable levels of non-response among companies from different size and turnover bands, regions and industry sectors. Figures within this report are weighted unless otherwise stated. Base sizes are unweighted.

Where percentages shown in bar charts do not sum to exactly 100 per cent (or where they do not exactly sum to a summary figure given, such as total agreement), this will be due to rounding to the nearest whole number.

Within the charts and the report text, '-' denotes a percentage of 0, while '\*' denotes a percentage greater than 0 but less than 0.5.

Only significant differences of at least a 95 per cent confidence level from wave to wave or between sub-groups have been reported.

The HMRC SME segmentation has been used for analysis purposes. Respondents were allocated to the HMRC segments via an algorithm using answers given to a series of segmentation questions on the pre- and post-wave questionnaires.

The attitudinal segments used in this report are described in more detail in: HM Revenue and Customs (2012) SME Usage and Attitudes - SME Customer Segmentation. Report no. 205. Available at:  
<http://www.hmrc.gov.uk/research/report205.pdf>

## 2. Executive summary

### 2.1 Introduction

There are a number of strands to HMRC's strategy to tackle tax evasion and avoidance. An Evasion Publicity campaign was launched by HMRC in November 2012, which compliments HMRC Campaigns and Taskforces<sup>1</sup> that have run over the last few years. The aims of this campaign are to help reduce tax evasion, reassure the compliant that HMRC is acting against the non-compliant and ultimately to increase voluntary compliance among the non-compliant. An assessment of whether the campaign has generated a financial benefit will be undertaken using this tracking research and HMRC taxpayer data.

The campaign targets tax evaders and ran nationally, apart from in a control area which was retained for the purposes of evaluation. The control area consisted of the Granada, Tyne Tees and Yorkshire TV regions, giving around 72 per cent coverage of the UK in the test area. The campaign media included radio advertising, outdoor posters/ billboards, a variety of ambient media (beer mats, ATMs, ad vans and posters on trains) and digital display advertising and search activity. The main activity ran from 12 November 2012 to the end of February 2013, with different media running at different points across this period. A webpage, SORTMYTAX, was also set up to provide further information / reassurance for the compliant and an option for voluntary disclosure for the non-compliant.

Research was commissioned to evaluate the Evasion Publicity campaign among small to medium sized enterprises (SMEs), with the over-arching objective of assessing changes in attitudes and self-reported behaviour over time, particularly among the attitudinally non-compliant (Rule Breaker and Potential Rule Breaker) HMRC segments. Further specific evaluation objectives included:

- determining awareness of the campaign and the campaign messaging;
- measuring the effects of the different campaign media; and
- understanding the extent to which the campaign is currently considered credible.

A separate report is available<sup>2</sup> on the research that was carried out in parallel with this survey, among individuals.

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<sup>1</sup> For further details, including HMRC's strategy, see: [Tax compliance PDF on the National Archives site](#)

<sup>2</sup> Research Report 278 <http://www.hmrc.gov.uk/research/report278.pdf>



## 2.2 Methodology

The survey was conducted using CATI (Computer Assisted Telephone Interviewing) with a random probability sample of SMEs. The sample included the self-employed, but excluded financial agents<sup>3</sup>. Interviews were conducted with the key financial decision maker in the business<sup>4</sup>.

A pre-wave survey was carried out in October-November 2012, prior to the start of the campaign. A further survey, the post-wave, was then conducted among a separate sample in February - April 2013, after the end of the campaign. The sample, at both the pre- and post-waves, was drawn from two broad areas: the test area covering those regions across the UK where the campaign ran, and the control area, covering all other regions. There were 894 interviews carried out in the test area at the pre-wave, and 963 at the post-wave. The corresponding figures for the control area were 615 and 1,003 respectively.

This design allows comparison of views before and after the campaign as well as between test and control areas and therefore provides an assessment of the campaign's possible impact on views and attitudes relating to tax evasion.

Further details on the survey methodology can be found in chapter four.

## 2.3 Campaign awareness and recognition

- There were significant increases in claimed awareness of advertising or publicity about tax evasion between the pre- and post-waves, especially in the test area (29% pre and 50% post) but also in the control area (24% pre and 36% post), reflecting the introduction of the Evasion Publicity campaign.
- Among those who claimed to have seen or heard advertising or publicity about tax evasion, the proportion that could remember seeing / hearing it from a source used for the campaign doubled in the test area from pre- to post-campaign (17% pre to 34% post) whereas no such increase was recorded in the control area (18% pre and 16% post).
- When prompted with examples of adverts from the campaign, total prompted recognition of any campaign media among all SME was 46 per cent in the test area and significantly higher than the 26 per cent recognition figure for the control area.
- Overall campaign recognition was largely driven by the radio advertising, with 37 per cent recognising this in the test area and 19 per cent in the control area.

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<sup>3</sup> Financial agents were not considered a primary audience of the campaign.

<sup>4</sup> See screener section in questionnaire, Appendix D, for further information.

- Posters / billboards were recognised by 14 per cent in the test area and 8 per cent in the control area.
- Ambient sources had been seen by 13 per cent in the test area and 6 per cent in the control area.
- The online advertising was recognised by only 3 per cent in the test and 2 per cent in the control area (difference is not statistically significant).
- Recognition of posters / billboards and ambient sources was highest in London (24% and 21% respectively) with the latter driven mainly by awareness of posters on trains, which were only used in London and the South East.
- It must be noted that the poster/billboard activity ran for two weeks immediately following campaign launch, i.e. several weeks before post-campaign fieldwork, which possibly explains the low recognition of that medium.

## 2.4 Reactions to campaign

- The messages of the campaign came through clearly with the main spontaneous references from SMEs focusing on 'watching you', 'you will be caught' or 'coming to get you' in particular (47% in the test area and 45% in the control area), as well as 'pay your tax' (36% test, 39% control), 'declare your tax/income, sort your tax out' (27% test, 26% control) and 'don't cheat / evade tax' (26% in both areas).
- Almost seven in ten in the test and control areas (67% and 69% respectively) agreed that the campaign strengthened their belief that HMRC will catch evaders. Similar proportions (69% test, and 67% control) agreed that the campaign was credible.
- The majority agreed that the advertising was threatening (61% test and 57% control).
- It was also important to check the campaign was not causing unnecessary worry and in fact, for the compliant majority there was low agreement that the campaign caused worry about taxes (only 17% agreed overall in the test area and 13% overall in the control area).
- Just over one in ten of those who recognised the Evasion Publicity campaign (14% and 13% in test and control areas respectively) claimed to have done something<sup>5</sup> as a result of seeing/hearing it.
- Campaign recognisers in the test area were significantly more likely than non recognisers to have taken action in the last four months, for example 51 per cent compared to 42 per cent respectively said they had made more effort to do their tax returns accurately and on time.
- There were good levels of awareness of the SORTMYTAX webpage, at 33 per cent and 26 per cent in the test and control areas respectively.

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<sup>5</sup> See figure 6.9, Chapter 6 for details.

- Among those who recognised the campaign in the test area, it was markedly higher at 46 per cent.
- Far fewer in the sample overall, five per cent in the test and six per cent in the control area, claimed to have visited the webpage.
- The Rule Breakers' reaction to the campaign was similar to the other attitudinal segments, with the exception of their awareness of the SORTMYTAX webpage, and the proportions who agreed the advertising made them worry about their taxes and who strongly agreed the advertising was credible, which were lower.

## 2.5 Attitudes to compliance

- While a few changes in attitude between pre- and post-waves were observed, the differences between the test and control areas in the direction of the shifts<sup>6</sup>, makes them hard to explain. It is not unreasonable to consider that the heavy media coverage around corporate tax avoidance over the course of the campaign period is likely to have had some influence.
- In both the test and control areas there was a decline in strong agreement, pre- to post-campaign, that HMRC is better at catching people than ever before (from 24% to 16% test, from 24% to 17% control) and that HMRC will capture evaders (from 28% to 17% test, from 27% to 21% control).
- Fear of being caught as a reason for stopping cheating on taxes dropped in the test area pre- to post-campaign (from 80% overall agreement to 73% overall agreement) whereas there was no significant change in the control area.<sup>7</sup>
- Those agreeing that there is a greater likelihood of SMEs being caught compared to a few years ago fell at the post-wave in the control area (from 72% to 64%), whereas agreement levels have remained consistent in the test area (67% at pre and 68% at post).
- On statements relating to tax evasion more generally, attitudes remained similar although in the test area unacceptability of tax evasion increased significantly (from 87% to 91%).
- Those who recognised the campaign in the test area were more likely to respond positively (than non-recognisers) to several of the attitude statements. While in the case of statements relating to likelihood of detection for under-declaration of tax and fear of getting caught by HMRC, those who had seen or heard two or more of the campaign media were more likely to respond positively than those who only recognised one.

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<sup>6</sup> See summary box at the end of section 8.1

<sup>7</sup> Recognisers who had seen or heard two or more media recorded significantly higher agreement, compared to those who only recognised one (see section 8.1 for further detail). Therefore we cannot assume this shift in attitude is necessarily due to a negative campaign effect.

## 2.6 Conclusions

The radio advertising played the dominant role in achieving good campaign recognition in the test area. The key campaign messages were understood, with the majority considering them credible. The campaign is generating some worry about taxes, but not to a concerning degree. While there is limited evidence of self-reported behaviour change from the survey research, higher levels of claimed action<sup>8</sup> have been recorded among those aware of the campaign suggesting that there is potential to generate more action from the campaign over time.

The advertising does appear to positively underpin many of the attitudes that are being monitored – with, for example, higher levels of agreement that HMRC wants those with undeclared income to come forward, and that HMRC is better at catching people than before among those who recognised the campaign than among those who did not. However in terms of evaluating the overall impact of the campaign on attitudes, the picture is potentially muddied by the media coverage of corporate tax avoidance, with some of the negative changes in attitudes seen in both control and test areas possibly due to this.

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<sup>8</sup> For example in making more effort to do tax returns accurately/ on time. See Chapter 7 for details.

# 3. Introduction

## 3.1 Background

HM Revenue and Customs (HMRC) plays a pivotal role in UK society as the tax administration and collection body. The Department safeguards the collection of revenue for the Exchequer to help reduce the deficit, to fund public services and to help families and individuals with targeted financial support. HMRC's goal is to reduce the tax gap and to ensure that its customers feel that they are provided with a professional and efficient service<sup>9</sup>.

A key strand of the current HMRC business plan is to use its understanding of customers to target resources to the areas of greatest risk, investing £917m up to 2014-15 to tackle avoidance and evasion attacks by organised criminals and to improve debt collection capacity. This will bring in an estimated £7bn a year in additional revenues by 2014/15.

HMRC estimated the tax gap for 2010-11 at £32bn<sup>10</sup>. This represents 6.7 per cent of tax liabilities. Nearly half of the 2010-11 tax gap can be attributed to small and medium-sized businesses, with around one quarter from large businesses. Evasion accounts for around 14 per cent of the tax gap.

There are a number of strands to HMRC's strategy to tackle tax evasion including Campaigns and Taskforces, which involve bursts of activity targeted at specific sectors and/ or locations where there is evidence of high risk of tax evasion.

In November 2012 HMRC launched an Evasion Publicity advertising campaign. The aims of this campaign were to tackle tax evasion, reassure the compliant that HMRC is acting against the non-compliant and ultimately to increase tax yield among the non-compliant. The campaign is primarily aimed at tax evaders and findings of the campaign tracking research among SMEs are discussed in this report.

The campaign ran nationally, apart from in a control area set up for the purposes of evaluation which consisted of Granada, Tyne Tees and Yorkshire TV regions. Taking into account the campaign control area, this equates to around 72 per cent potential coverage of the UK. The campaign media mix included the following:

- two radio executions;
- six versions of outdoor posters;

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<sup>9</sup> <http://www.hmrc.gov.uk/about/business-plan-2012.pdf>

<sup>10</sup> <http://www.hmrc.gov.uk/statistics/tax-gaps/mtg-2012.pdf>

- a variety of ambient media;
  - beer mats
  - ATMs
  - ad vans
  - posters on trains (in London and the South East only)
- digital display advertising and search activity.

Examples of the campaign publicity materials are provided in Appendix A. The media schedule is shown in figure 3.1.

**Figure 3.1: Media schedule**

Channel	Quantity	October				Nov				Dec				Jan				Feb				Mar				April									
		8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	4	11	18	25	1	8	15	22					
<b>Outdoor</b>																																			
Roadside - 6 sheets	3500																																		
Roadside - 48 sheets	775																																		
StreetTalk	1955																																		
Train cards	5600																																		
Ad vans - 3&4 Dec	12																																		
<b>Radio</b>	N/A																																		
Phase 1 5/12 - 19/12																																			
Phase 2																																			
<b>ATM's</b>	1972																																		
<b>Digital display</b>	N/A																																		
<b>Beermats</b>	1,250,000																																		
<b>Digital search</b>	N/A																																		
<b>TNS fieldwork</b>																																			

Train cards were used in London and South East only; other than that all media were used across the whole test area. Radio was bought against people aged 15 or over, with 62 per cent coverage at 13 opportunities to hear (OTH) during the campaign period. There was overall out of home (ATM's, posters and beer mats) coverage of 58 per cent approximately, with an opportunity to see (OTS) of 18 during the campaign period (but weighted considerably to London) <sup>11</sup>.

A webpage, SORTMYTAX, was also set up to provide a route for further information, reassurance for the compliant and an option for voluntary disclosure for the non-compliant.

### 3.2 Research aims and objectives

TNS BMRB was commissioned to conduct research to evaluate the Evasion Publicity campaign among SMEs, with the over-arching objective of measuring changes in attitudes and self-reported behaviour over time.

<sup>11</sup> Definitions of these terms have been provided in the glossary.

More specifically there was a requirement to:

- determine awareness of the campaign and the campaign messaging;
- measure the effects of the different campaign media;
- assess the influence of the campaign on perceived likelihood of being caught and the acceptability of non-compliance;
- understand the extent to which the campaign is currently considered credible, worrying, threatening, and how this should be developed going forward to optimise effects over the longer term; and
- to provide reassurance that the campaign has not created concern among the compliant majority.

Additionally the research sought to evaluate the campaign according to HMRC attitudinal segments, in order to establish its impact on those in the attitudinally non-compliant groups: Rule Breakers and Potential Rule Breakers.

Separate research has evaluated the campaign among individuals, and both the SME and Individuals research will be used to optimise and improve the campaign over time.

# 4. Method and sample

## 4.1 Survey and sample design

The survey was conducted using CATI (Computer Assisted Telephone Interviewing) with a random probability sample of SMEs. Interviews were conducted with the key financial decision maker in the business.

A sample of SMEs, selected at enterprise level, was purchased from Experian for this research. The sample included the self-employed, and all industry sectors were included apart from financial agents: Standard Industrial Classification (SIC) 2007 - code 7412 – Accounting, Book-keeping and auditing activities, Tax Consultancy.

The sample was drawn in two lots – one for the control area (Granada, Tyne Tees and Yorkshire TV regions) and one for the test area (the rest of the UK).

At the pre-wave the sample for each area was initially stratified by number of employees and within this by turnover. To ensure a better spread across the size bands than would have been the case had each band been sampled in its correct proportions, sole traders/ 1 employee sized businesses were under-sampled. Medium-sized SMEs (those with 50-249 employees) and to a lesser extent, smaller businesses (those with 2-9 and 10-49 employees) were over-sampled.

Additionally at the pre-wave, businesses with a turnover of £50,000-£77,000 according to the Experian database were over-sampled with the aim of maximising the number of businesses just under the VAT threshold. This strategy was not successful due to unreliability of the Experian turnover data which meant that the correct SMEs for this exercise were not identified, and therefore this strategy was not repeated at the post-wave.

At the post-wave, the sample for both the test and control areas was stratified by number of employees, and within business size, by GOR (Government Office Region) and SIC 2007 code (4 broad categories). Stratification by GOR and SIC should have taken place at the pre-wave but due to an internal oversight by TNS BMRB this did not occur. The post-wave sample was drawn to reflect the profile of the target population by region and SIC code in each of the test and control areas, with the same over-sampling of medium and small businesses used at the pre-wave.



Appendix E shows the proportions in which the sample was selected, to reflect the profile of the target population and to over-represent the larger businesses.

Fieldwork dates, sample sizes and response rates are summarised in table 4.1.

**Table 4.1: Summary of fieldwork**

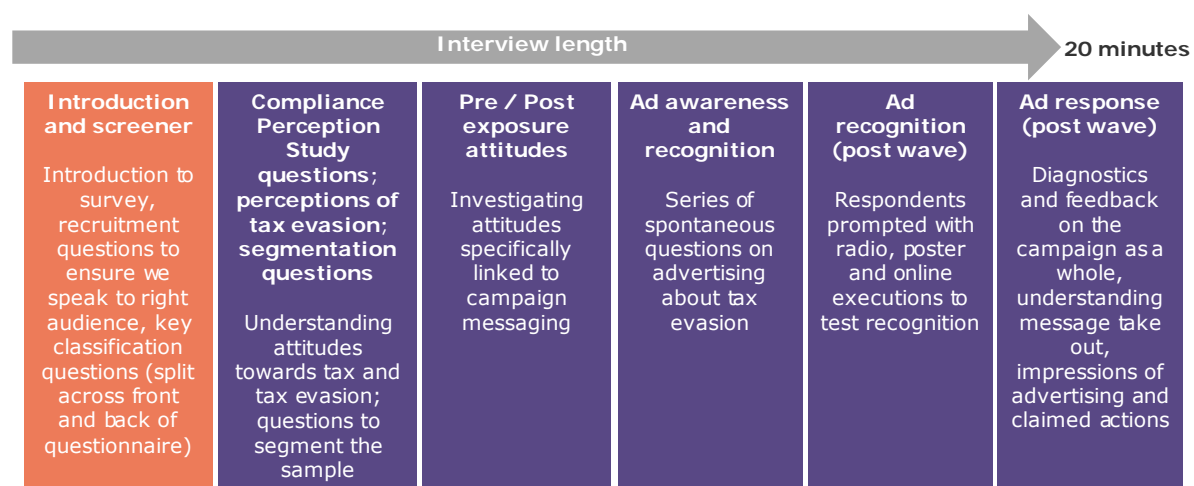
	Pre-wave	Post-wave
Fieldwork dates	15 October – 9 November 2012	18 February – 11 April 2013
<b>Sample size</b>		
- Control	615	1,003
- Test	894	963
Response rate	24%	38%

As shown in the table 4.1, the response rate achieved for the pre-wave survey was 24 per cent and for the post-wave survey was 38 per cent, with the pre-wave response rate limited by the amount of time available for fieldwork before the campaign launched. A detailed response analysis can be found in Appendix B.

Also owing to time constraints, an advance letter from HMRC was only sent out for the post-wave of fieldwork. This could be one contributing factor to the lower response rate for the pre-wave research.

Figure 4.1 shows the structure of the questionnaire used, while Appendix C contains a copy of the questionnaire used at each wave.

**Figure 4.1: Structure of questionnaire**



## 4.2 Weighting

Weighting on employee size, turnover, SIC and GOR was used at the analysis stage to address both design effect (over / under representation by business size) and non-response.

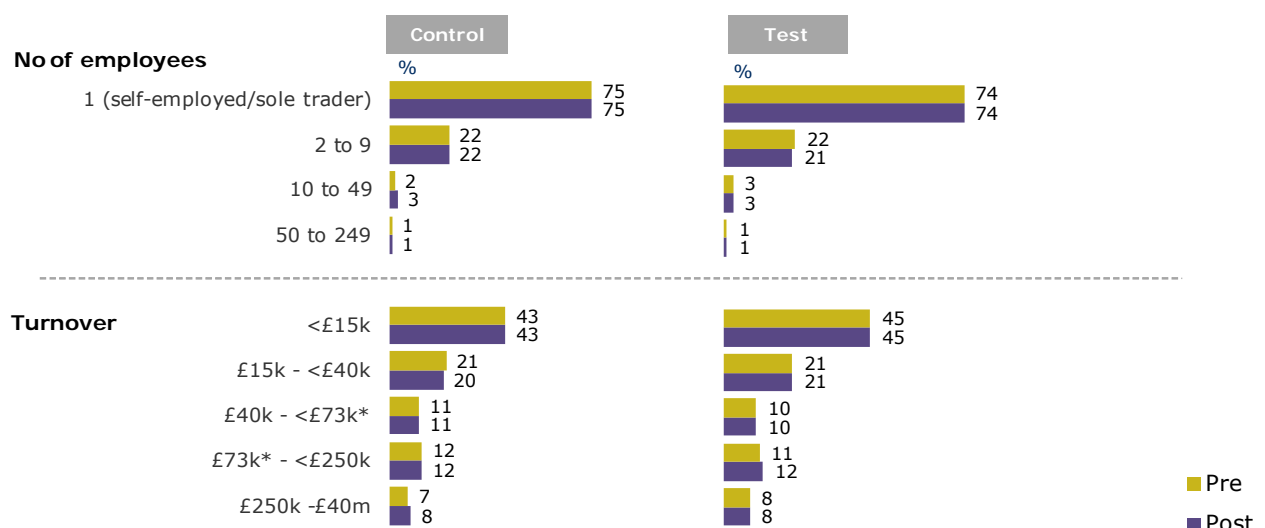
The unweighted and weighted profiles for the test and control areas are contained in Appendix D, as are details of the weighting applied, which was calculated from information provided by HMRC.

## 4.3 Sample profiles (weighted)

The figures below show the weighted profiles of the samples which reflect the profiles of the universe of SMEs (including the self-employed).

**Figure 4.2 Number of employees and turnover<sup>12</sup> (weighted)**

Base: All respondents - Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



\* £77k used at pre wave

As figure 4.2 shows, around three-quarters (74-75%) of the weighted sample were self-employed or sole traders, with slightly under a quarter (21-22%) in the 2-9 employee band and the remainder at the larger end of the spectrum (2-3% with 10-49 employees and 1% with 50-249 employees).

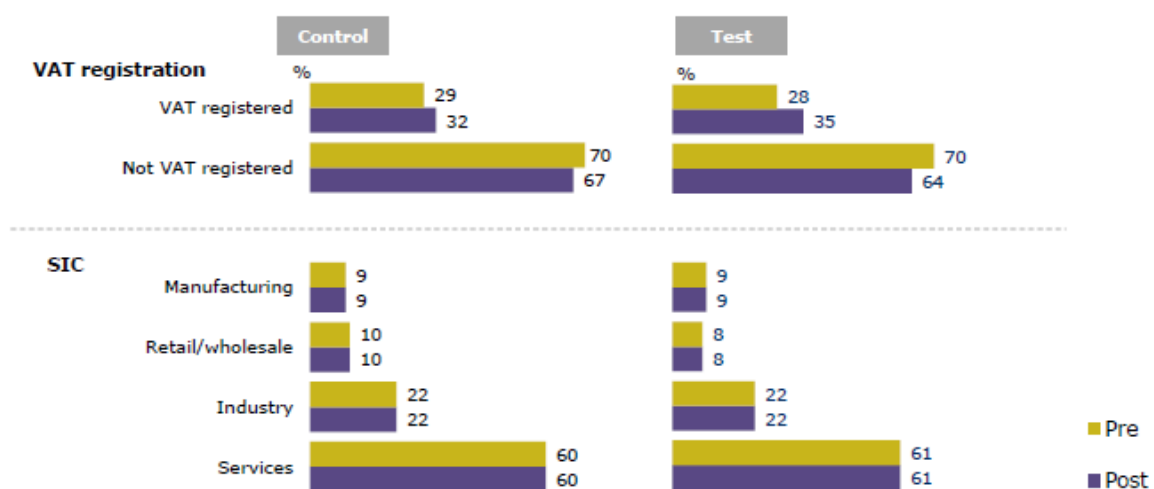
<sup>12</sup> Due to time constraints at the pre-wave, there was insufficient time for piloting or testing of the questionnaire before fieldwork started. This was done afterwards, resulting in a few minor changes being made to the post-wave version of the questionnaire. This included changing the turnover question to refer to a more specific time period and therefore also changing one of the bands to £50k - £73k from £50k to 77k to reflect the VAT threshold for the time period in question.

In terms of turnover, around two fifths (43-45%) claimed to have a turnover of under £15,000. A further fifth (20-21%) claimed to have a turnover between £15,000 and £40,000; around 10 per cent were near to the VAT threshold, that is with a turnover from £40,000 up to £77,000 / £73,000 with the remaining 20 per cent or so above this level of turnover, but under £40 million.

Figure 4.3 shows the profile in terms of VAT registration and SIC (2007).

**Figure 4.3: VAT registration and SIC (2007) (weighted)**

Base: All respondents - Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



Around a third (28-35%) claimed to be VAT registered at each wave.

In terms of SIC profile, around one in ten (8-10%) were in each of the Manufacturing<sup>13</sup> and Retail/Wholesale SICs, two in ten (22%) were in the Industry SICs<sup>4</sup> and around six in ten (60-61%) in the vast range of Services SIC codes.

<sup>13</sup> Manufacturing SICs = Agriculture, Forestry and Fishing; Mining and Quarrying; Manufacturing  
 Industry SICs = Electricity, Gas and Air; Sewerage etc; Construction.

# 5. Campaign awareness and recognition

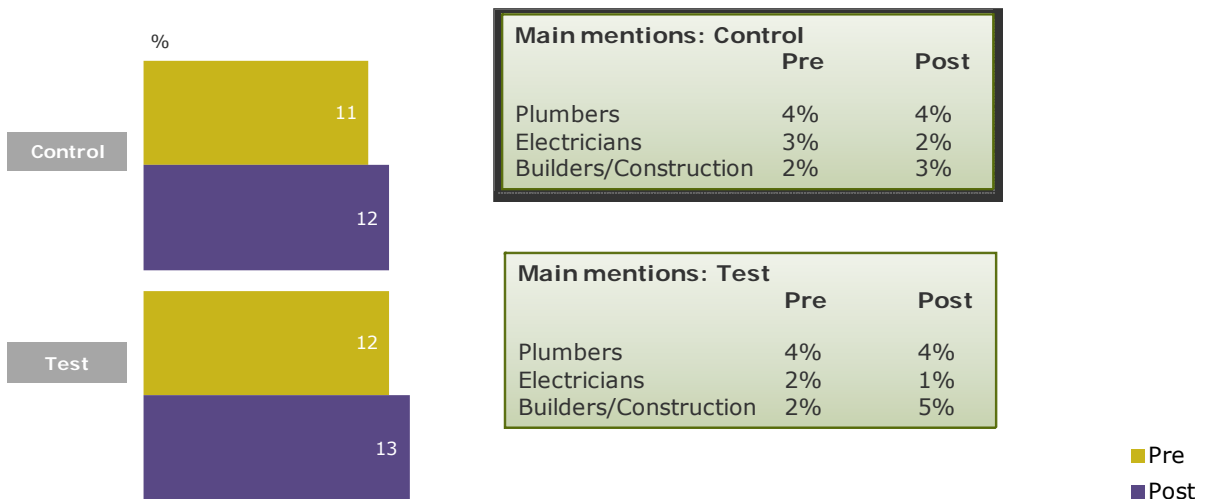
This chapter examines awareness and recognition of the Evasion Publicity campaign among SMEs.

## 5.1 Campaign awareness

At the start of the section on advertising awareness and recognition, respondents were asked whether they had seen or heard any advertising or publicity from HMRC aimed at particular trade sectors or occupations, and if so, at which trade sectors or occupations it was aimed. Doing this would then help respondents to focus on the Evasion Publicity campaign at the subsequent questions. As shown in figure 5.1, the proportion saying they had seen or heard something aimed at particular sectors or occupations was very similar in both the test and control areas, both before and after the Evasion Publicity campaign had run. The main trades/occupations mentioned are shown in the boxes on figure 5.1.

**Figure 5.1: Spontaneous awareness of sector/trade/occupation specific advertising**

Base: All respondents - Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963

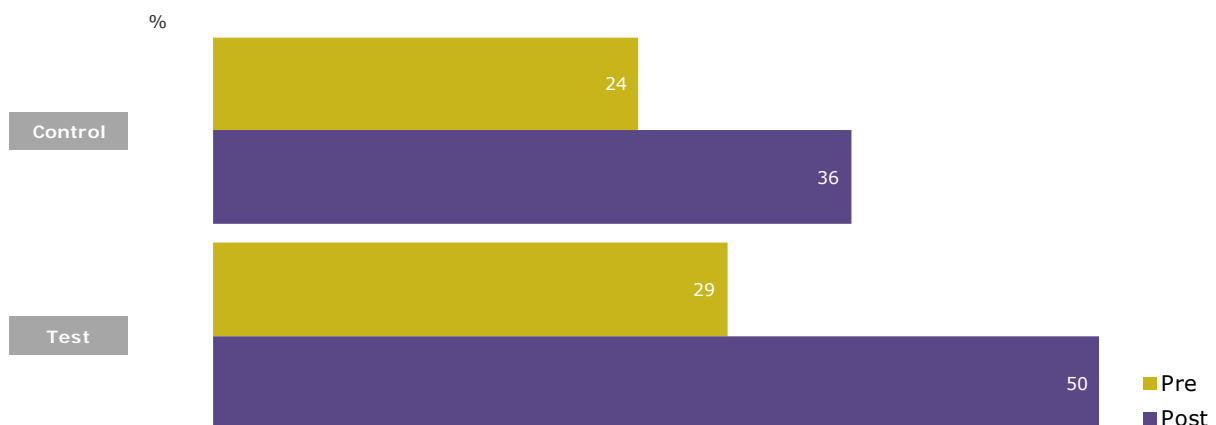


The questions which followed went on to ask respondents whether they had seen or heard any advertising or publicity on tax evasion apart from that aimed at certain trades or occupations, and if so, where they had seen it and what they recalled about it.

Prior to the launch of the Evasion Publicity campaign, around one in four claimed to be aware of any advertising or publicity about tax evasion<sup>14</sup> – with 24 per cent spontaneous awareness in the control area and 29 per cent in the test area. After the campaign, spontaneous awareness rose significantly in both the test and control areas, with the greatest increase to 50 per cent seen in the test area, compared to an increase to 36 per cent in the control area.

**Figure 5.2: Spontaneous awareness of advertising on tax evasion/under declaring your income**

Base: All respondents - Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



While the increase in spontaneous awareness was significantly higher in the test area, suggesting that this is a result of the Evasion Publicity campaign, these figures do also show a significant increase in the control area. Although the campaign did not run in the control area, there is likely to have been some contamination into this area, whether due to respondents in the control area travelling into the test area or to radio stations broadcasting beyond the boundaries of the TV regions, as is often the case. As shown by levels at the pre-wave, respondents were also thinking about other advertising and publicity at this question and the increase in the control area may also reflect an increase in this.

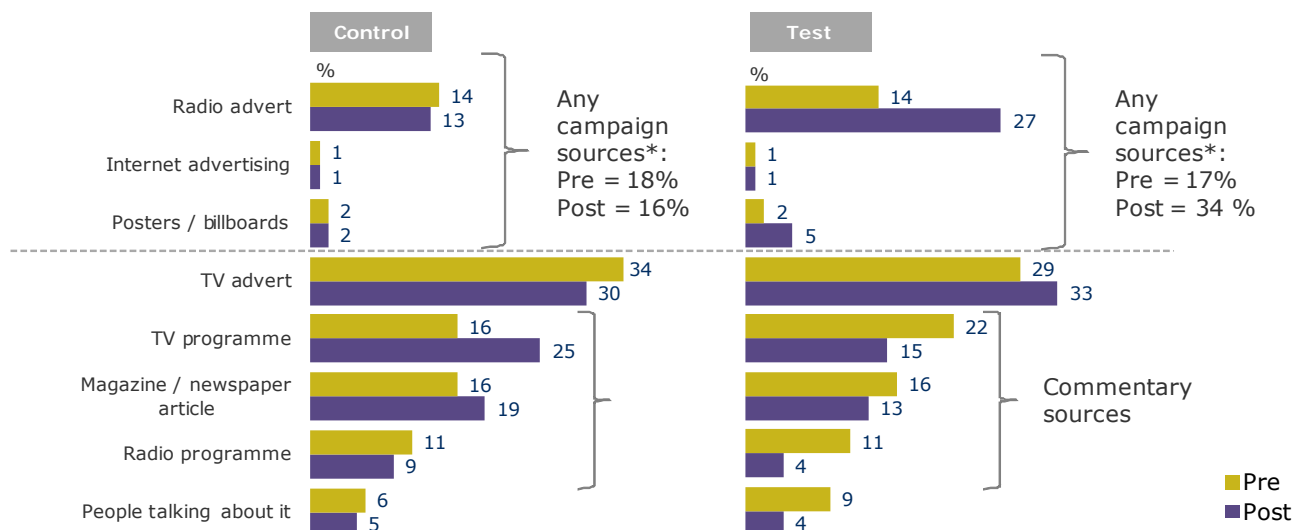
By examining in more detail where respondents claimed to have seen the tax evasion advertising, it is possible to identify which media sources are responsible for the increased awareness in the test and control areas. Figure 5.3 shows spontaneous mentions of sources, with those relating to the Evasion Publicity campaign grouped together to give a total for campaign source mentions. It must be noted, that mentions of these sources do not mean that the campaign

<sup>14</sup> Awareness of HMRC advertising targeting specific trades and occupations was asked in a separate question.

has definitely been seen, simply that respondents believe they have seen or heard advertising or publicity about tax evasion through one of these sources.

**Figure 5.3: Where seen / heard advertising or publicity (unprompted)**

Base: All who said they had seen / heard advertising or publicity about tax evasion (Control: Pre: 170; Post: 364 / Test: Pre: 269; Post: 478)



\* Only main mentions shown but all relevant codes included in percentage figure for "any campaign sources"

In the control area, among those who said they had seen or heard advertising or publicity about tax evasion, the proportion of SMEs who spontaneously mentioned campaign specific sources<sup>15</sup> remained steady, with no significant change (18 per cent mentioning any of these sources at the pre-wave and 16 per cent at the post-wave). However, the same measure rose significantly in the test area: from 17 per cent at the pre-wave to 34 per cent at the post-wave. This increase was mainly driven by mentions of radio advertising, with spontaneous awareness of this almost doubling (rising significantly to 27 per cent at the post-wave from 14 per cent at the pre-wave).

At both pre- and post-waves, in the test and control areas, there has been some misattribution to TV advertising. This is fairly common in the tracking of any campaigns that do not involve a TV element<sup>16</sup>. For example, in the last wave of

<sup>15</sup> These included radio advertising, internet advertising, posters / billboards or ambient sources i.e. beer mats, posters on trains, advertising on vans and cash machine screens.

<sup>16</sup> This may be due to coverage seen in TV programmes and thought to be TV advertising, advertising seen in other places but attributed to TV, a natural assumption that TV advertising is part of the campaign media mix or other HMRC TV advertising that has been seen and is being thought about here (e.g. the Self Assessment campaign).

Child Trust Fund advertising tracking research conducted by TNS for COI / HMRC in 2009, spontaneous recall of TV advertising was recorded at 30 per cent, half of all mentions of any advertising seen, when in fact the campaign had not run on TV since 2005.

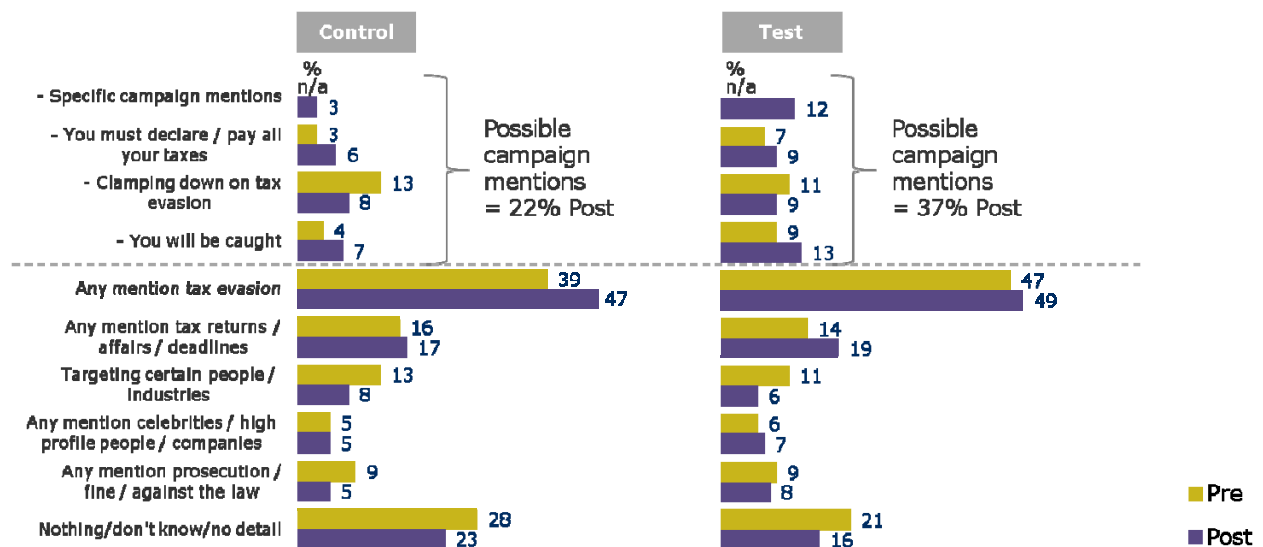
The proportion that mentioned TV advertising as the source remained stable at the post-wave. This, combined with the increase in awareness in campaign specific sources, suggests that the rise in spontaneous awareness in the test region was due, at least in part, to campaign activity.

In the test area, mentions of commentary sources fell, most notably mentions of radio programmes with a significant drop from 11 per cent to four per cent. These remained more prominent in the control area, however. 'People talking about it' also dropped significantly from nine per cent to four per cent in the test area.

Respondents who said they had seen or heard advertising or publicity from HMRC were asked to describe in detail what they remembered, and responses were recorded verbatim. Answers were then coded, and similar mentions were grouped together as shown in figure 5.4.

**Figure 5.4: Spontaneous recall of advertising or publicity**

Base: All who said they had seen / heard advertising or publicity about tax evasion (Control: Pre: 170; Post: 364 / Test: Pre: 269; Post: 478)



By examining spontaneous recall of what the SMEs remembered about the advertising or publicity they had seen or heard, it is possible to identify mentions that are likely to be linked to the campaign. Any descriptions that were specifically around the campaign executions (for example footsteps / eyes /

watching you / closing in) were grouped together. At the post-wave any such references that could be linked to the campaign reached 12 per cent in the test area compared to only three per cent in the control area.

By grouping all descriptions that could possibly be linked to the campaign together including those referenced in the paragraph above but also more general mentions, in the test area 37 per cent of those who said they were aware of advertising or publicity on this matter may have been referring to the Evasion Publicity campaign. In the control area 22 per cent of mentions were possibly demonstrating recall of the Evasion Publicity campaign, suggesting possible contamination.

Although these results show reasonable levels of the campaign cutting through other activity related to tax evasion, particularly in the test region, those SMEs who had seen or heard some advertising or publicity remembered a variety of other details from HMRC. General mentions of tax evasion for example (including some codes from the possible campaign mentions total) were high at the pre- and post-waves in both control (39% pre and 47% post) and test (47% pre and 49% post) areas. There was also a reasonable and consistent level of spontaneous recall of tax returns / affairs / deadlines at both waves in the test and control areas (between 14% and 19%).

Spontaneous reference to messages targeting certain people / industries on the other hand declined between waves. However, as the fall was only significant in the test area (from 11% to 6%), it suggests that the Evasion Publicity campaign may, at least in part, have contributed to the fall in references to specific sectors, with the Evasion Publicity campaign more top-of-mind.

Other descriptions of publicity or advertising from HMRC included mentions of high profile people or companies and more general references to prosecution / fines.

After SMEs had described the advertising or publicity they remembered from HMRC, and after being prompted specifically with stimulus from the Evasion Publicity campaign at a later point in the questionnaire, they were asked to verify whether what they had previously described was the Evasion Publicity campaign. In the control area, 'verified recall' was just 9 per cent compared with 21 per cent in the test area. Essentially, a fifth of SMEs in the test area verified they were aware of the campaign at a spontaneous level. Within the test area, there were some significant differences on this measure within subgroups. The Unaware segment, for example, recorded significantly higher recall than Rule Breakers and Willing & Able (34% compared to 14% and 16%



respectively). Sole traders / self employed also recorded significantly higher verified recall (23%) than those with 2-49 employees (16%).

Determining whether or not there are any regional differences<sup>17</sup> in the performance of the campaign may be useful for refining the campaign in the future. Analysis by GOR revealed that within the test area there were some regional variations, with only 10 per cent verified recall in the South West and Wales, significantly lower than the 24 per cent recorded in the rest of the test area.

Deterioration of recall over time was also evident, with 26 per cent verified recall in the test area in the first four weeks of fieldwork, dropping to 11 per cent in the second four weeks of fieldwork.

## 5.2 Campaign recognition

This section examines prompted recognition of the Evasion Publicity campaign. Stimulus was shown / played where possible, and a list of ambient sources was read out. For the radio ad, all respondents were played one of the two radio executions ("Footsteps" or "Are you paying") in full and asked if they had heard this or a similar ad to this. For the posters and online ads, they were directed to a website to allow them to see the posters (three of the six executions were shown) and watch one of the online ads in full. If the respondent could not access this for any reason (technology or preference), descriptions were read out instead.

In the test area 43 per cent went online to view the posters and 39 per cent watched the internet ad, while in the control area 35 per cent viewed the posters and 33 per cent watched the internet ad. In the test area, the method of prompting used (audio or visual) did not make a difference to recognition, with very similar levels of recognition regardless of whether viewed online or described. However in the control area poster recognition was significantly higher from the description (12%) than when shown the posters (1%), suggesting possible over-claim from this method of testing prompted recognition in the control area.

After hearing one of the two radio ads, almost two fifths (37%) in the test area and one fifth (19%) in the control area said they had heard this or a similar ad before. Looking at the two individual executions, there was no difference in recognition, with both performing equally well in both the test and control areas: around a fifth recognised each radio ad in the test area (19% for one and 18%

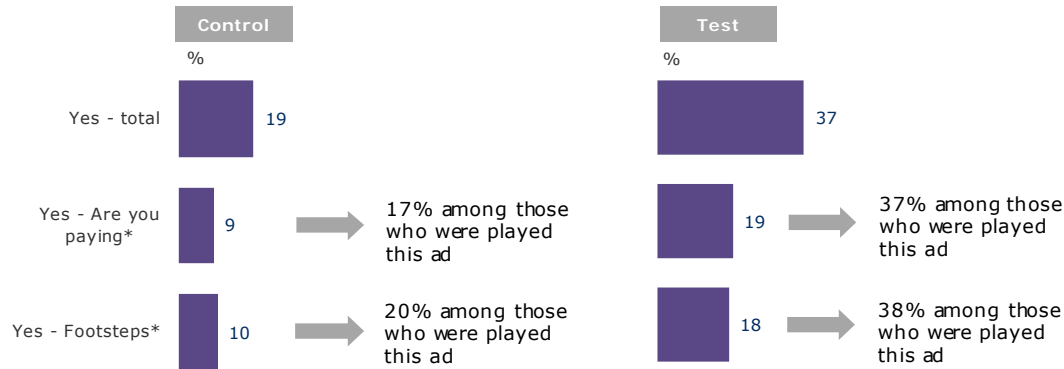
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<sup>17</sup> See section 3.1 for details of the media schedule

for the other) and around a tenth in the Control area (9% for one and 10% for the other). This is illustrated in figure 5.5.

**Figure 5.5: Campaign recognition – radio ads**

Base: All respondents at post-wave – Control: 1,003 / Test: 963



In terms of regional variations, overall radio recognition was significantly higher in London / East / South East (42%), and also in Scotland / Northern Ireland (43%) than in the Midlands (31%) or in the South West / Wales (24%).

There was evidence of deterioration over time, with recognition in the test area of radio advertising dropping from 40 per cent in the first four weeks of fieldwork, to just 29 per cent in the last four weeks.

Compared with the radio advertising, recognition of the outdoor poster / billboard advertising was much lower in both the test and control areas (14% and 8% respectively). Online recognition was considerably lower still at just three per cent in the test area and two per cent in the control area. The time lag of around 12 weeks between the posters / billboards being displayed (in the first two weeks of the campaign) and survey fieldwork must be borne in mind, however, as this was very likely to have had an impact on the outdoor poster recognition figure.

**Figure 5.6: Campaign recognition – posters / billboards <sup>18</sup>and online**  
 Base: All respondents at post-wave – Control: 1,003 / Test: 963



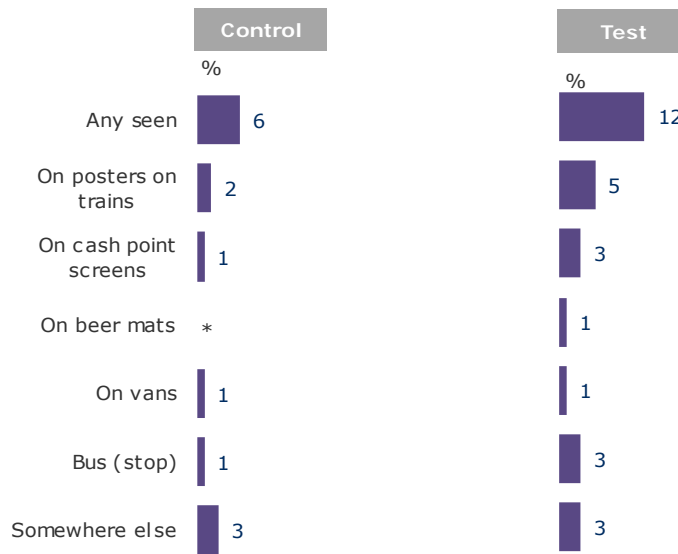
Again for these two media there were some regional variations. For example, recognition of the posters / billboards was significantly higher in London (24%) and in the West Midlands (18%) than in all other regions in the test area (12% across the rest of the test area as a whole and specifically compared to East of England at 9%, South East at 11% and Wales at less than 1%). In terms of the online advertising, recognition was higher in the South West (6%) and Scotland (7%) than in the other regions in the test area combined (2%).

Recognition of the ambient advertising was not assessed from visual stimulus. Instead, respondents were asked whether they had seen any of the images shown / described previously on any of a list of sources. This list was read out by the interviewer. These sources included beer mats, cash point screens, posters on trains and vans, as well as a code for 'somewhere else'. Overall awareness of any ambient sources was similar to the poster/billboard recognition, with 12 per cent in the test area and six per cent in the control area claiming to have seen the campaign on at least one of the ambient sources. This is illustrated in figure 5.7.

<sup>18</sup> The figure for posters / billboards includes reference to posters on phone boxes but excludes advertising on vans and train cards.

### Figure 5.7: Campaign recognition – ambient

Base: All respondents at post-wave – Control: 1,003 / Test: 963



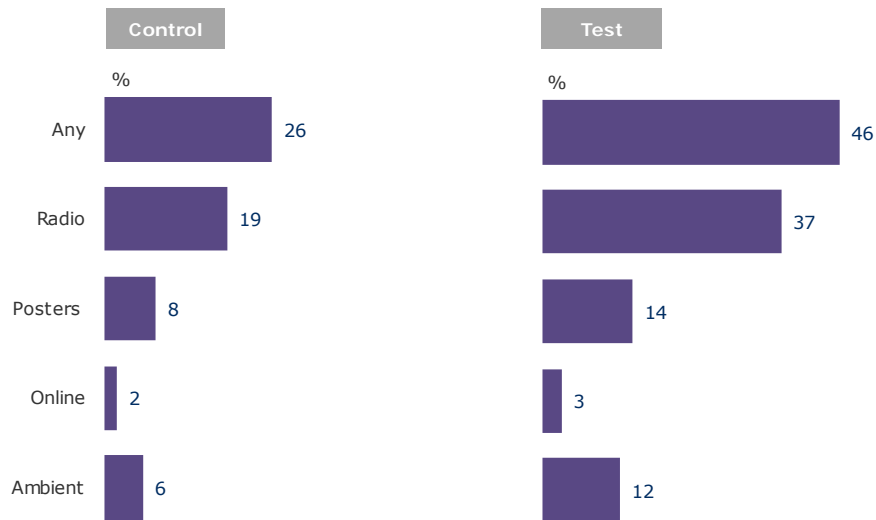
Recognition of the campaign on ambient sources in the test area ranged from five per cent for trains, three per cent each for cash point screens and bus stops / on buses, to one per cent each for beer mats and vans.

Overall awareness of any ambient sources was highest in London (21%), driven mainly by the higher awareness of posters on trains. The much higher prompted awareness of this specific ambient activity in London, at 12 per cent, is not surprising given this was where this activity was largely focused. With the exception of East Midlands (7%), recognition of posters on trains was much lower in all other regions in the test area, at just two per cent.

Overall, total prompted recognition of any campaign media was 46 per cent in the test area, which was significantly higher than the 26 per cent recognition figure for the control area. This higher level of overall recognition was largely driven by the radio advertising. Overall recognition and recognition of the media used is summarised in the following figure 5.8.

### Figure 5.8: Total campaign recognition

Base: All respondents at post-wave – Control: 1,003 / Test: 963



Given the regional differences already highlighted, it is not surprising that total recognition in the test area was higher in London and significantly so (55% compared to West Midlands (38%), South West (38%) and Wales (28%). Scotland, at 56 per cent, also recorded a significantly higher total recognition figure than both South West and Wales (data not shown).

In addition to these regional differences, there were also some significant differences in levels of recognition by SIC in the test area. SMEs in industry<sup>19</sup> and manufacturing<sup>20</sup> SICs recorded higher campaign recognition (54% and 53% respectively) than those in other SICs. Recognition was lowest in the retail / wholesale SICs (33%). There were no significant differences by attitudinal segment or size of business. (Data not shown.)

As well as considering overall awareness of the campaign, it is important to consider the extent to which recognition of different media channels overlapped. In the test area, 68 per cent of SMEs who recognised the Evasion Publicity campaign had seen or heard only one campaign medium, predominantly radio advertising. The figures in the diagram below show how the different campaign media overlapped. As this demonstrates, there was relatively low cross media synergy. For example, 37 per cent recognised the radio advert. Overall, 26 per cent recognised just the radio advert, eight per cent recognised the radio advert

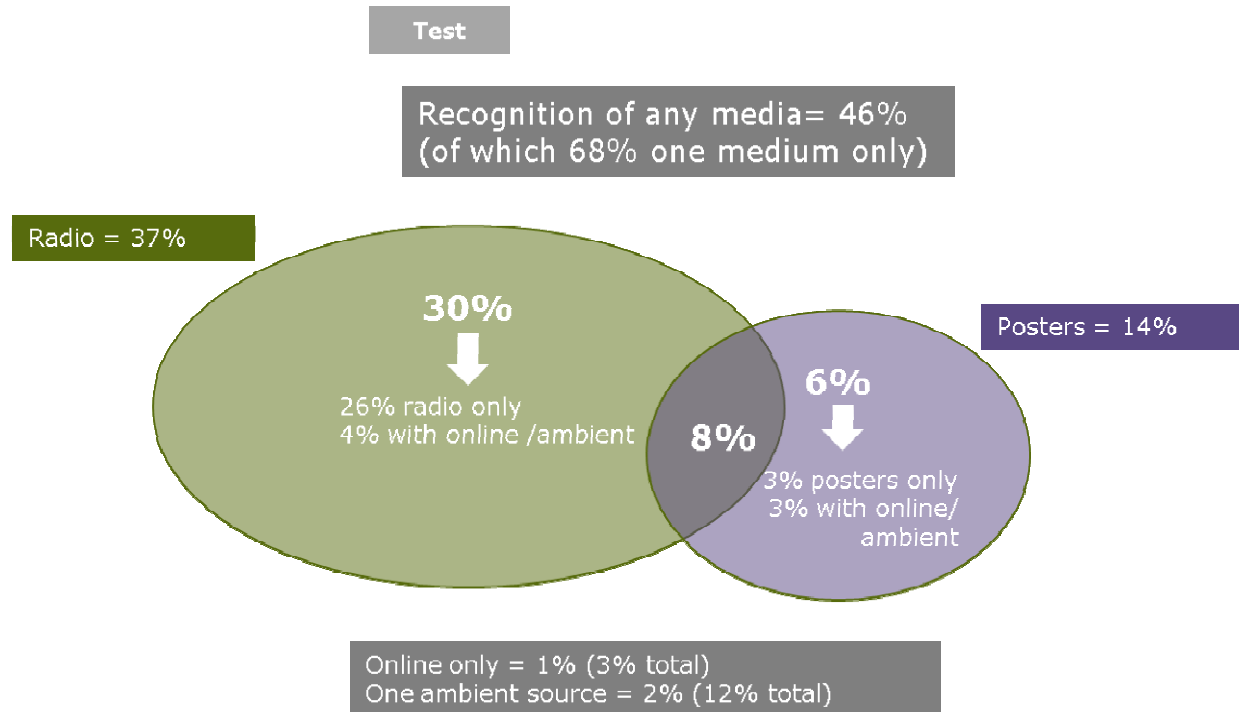
<sup>19</sup> Industry SICs = Electricity, Gas and Air; Sewerage etc; Construction.

<sup>20</sup> Manufacturing SICs = Agriculture, Forestry and Fishing; Mining and Quarrying; Manufacturing

and the posters and four per cent claimed to have heard both the radio advert and seen either the online or the ambient adverts.

**Figure 5.9: Campaign recognition**

Base: All respondents at post-wave – Test: 963



# 6. Reactions to the campaign

This section examines the message take out and reactions to the Evasion Publicity campaign. Essentially it assesses whether the key messages have been understood, whether the campaign is making a positive impact, and to what extent it is perceived as credible and threatening.

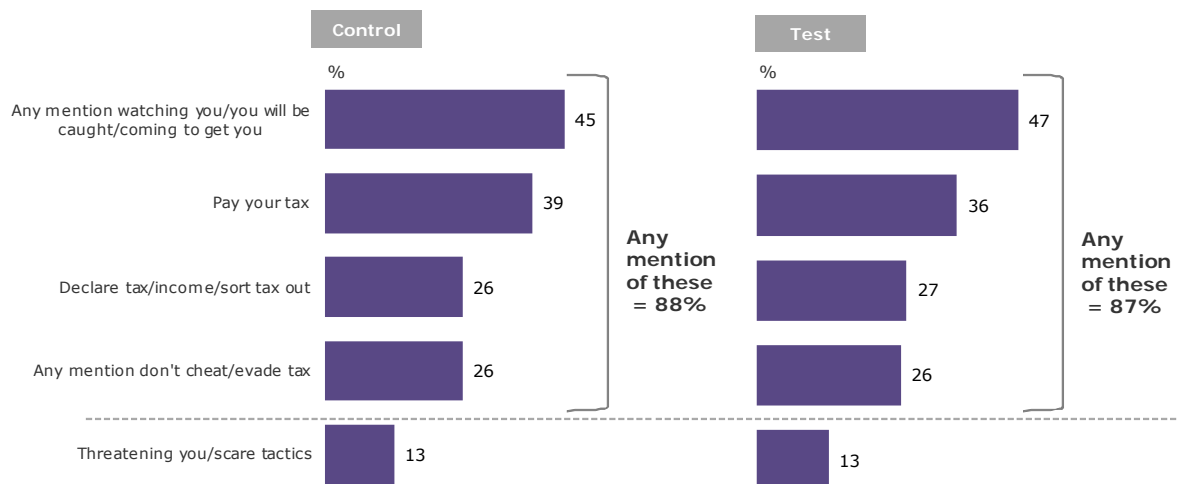
Having just been exposed to the campaign during the survey interview through stimulus material, all respondents were asked detailed questions about it. This was done regardless of whether they were in the test or control area and regardless of whether they had seen or heard the campaign before the interview or not. Showing the campaign material to everyone in the sample enables comparisons to be made in terms of levels of understanding and reaction between those who are seeing it for the first time, and those who have seen it previously.

## 6.1 Take out of main message

After being prompted with the campaign materials as described in the previous chapter, respondents were then asked to say what they thought the main message of the advertising was. They were probed for full descriptions, so often more than one answer was given. The responses were grouped together into common themes and the main themes to emerge are shown in figure 6.1.

**Figure 6.1: Main message of advertising**

Base: All respondents at post-wave – Control: 1,003 / Test: 963



Messages that can be described as campaign messages have been grouped together (shown by brackets in figure 6.1). Approximately nine out of ten SMEs mentioned at least one of these messages in their response (88% in the control area and 87% in the test area), indicating that the campaign was understood by the majority.

In terms of specific campaign messages, the majority of mentions in both the test area and control area were around 'watching you' / 'you will be caught' / 'coming to get you', with more than four in ten stating this as the main message of the advertising (45% control area, 47% test area).

There were also fairly high mentions of 'pay your taxes' with 36 per cent in the test area and 39 per cent in the control area taking this message out of the advertising. Around a quarter in both test and control areas mentioned messages around 'declare tax' (26% control area / 27% test area) and 'don't cheat/evade tax' (26% in each area).

Although the main messages have been clearly communicated, it is also important to look at what is not being communicated. Mentions of 'don't try to run away / hide / come to us before we come to you' were very low, at just four per cent in test area and two per cent in the control area. Similarly, mentions of the website were limited, with just one per cent mentioning this in each of the test and control areas (data not shown).

On the specific issue of whether the advertising was regarded as threatening, 13 per cent in both test and control areas mentioned 'threatening you/ scare tactics' spontaneously as a main message of the advertising.

An interesting point to note here is that there was no difference in the responses of those who had previously seen the campaign and those who had not, suggesting that the main messages are communicated as clearly the first time as after repeated exposure (data not shown).

## **6.2 Measuring advertising effectiveness with AdEval™**

The TNS AdEval™ tool was also used to measure the response to the campaign. This tool examines the campaign not only in terms of how relevant or engaging it is found to be, but also whether the campaign strengthens or creates a positive influence on attitudes. In AdEval™, this positive influence is referred to as 'motivation'.



It uses a series of six questions to establish the extent to which the audience remains unaffected, is at least interested or 'involved' in what the campaign has to say, or is actually 'motivated' by what has been seen or heard.

The six questions in the case of this project are listed below.

- Still thinking about the radio, poster and online advertising about tax evasion, do you think people will notice this advertising?
- And does this advertising get your attention?
- Did these adverts give you the feeling that what was said or shown was worthwhile looking at or listening to?
- Did these ads make you believe or strengthen your belief that HMRC will catch those who evade tax?
- To what extent do you agree or disagree that the advertising has improved your opinion of HMRC's work to tackle tax evasion?
- If you were talking to a colleague or someone else about tax evasion do you think you would mention any of the points made in this advertising?

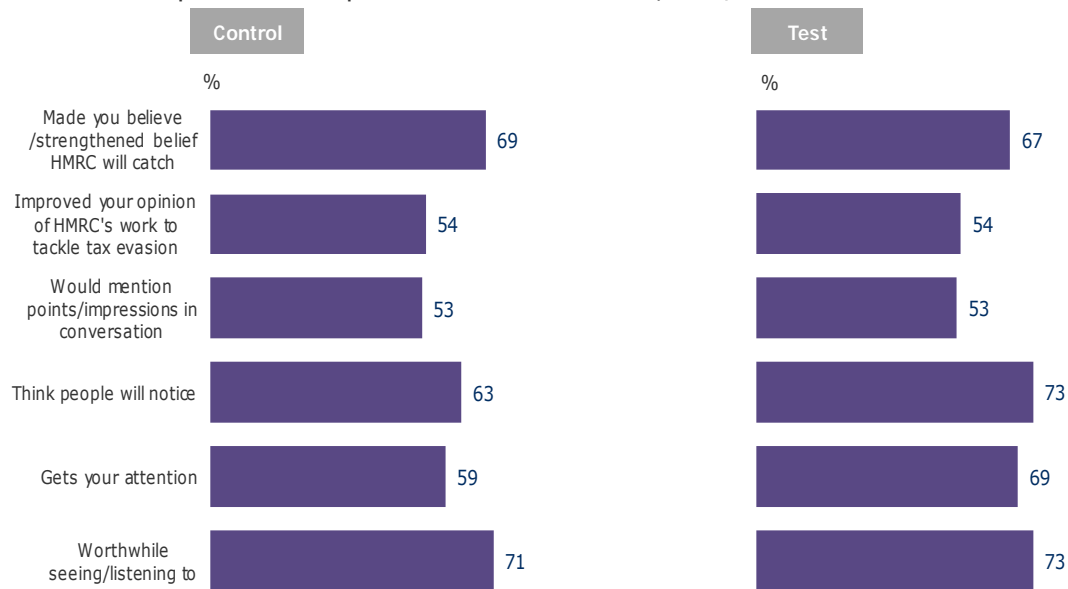
For a campaign to be 'motivating' in AdEval™, it must firstly be relevant and engaging, and, secondly, have a positive influence on the behaviour or attitudes it is targeting. Depending on the pattern of response to the questions, respondents are divided into three typologies. Those who find the campaign relevant and engaging, and are also positively influenced by it, are described as 'motivated'. Those who find the campaign relevant and engaging, but are not positively influenced, are described as 'involved'. Finally, those who do not fall into either of these two categories are described as 'recall only'.

The distribution of respondents across the three typologies forms the main part of the AdEval™ analysis.

Looking firstly at the responses to the six individual questions, the overall results are positive, as shown in figure 6.2.

**Figure 6.2: Reactions to the campaign – total % agreeing**

Base: All respondents at post-wave – Control: 1,003 / Test: 963



In each of the test and control areas around two-thirds (69% control / 67% test) agreed that the campaign strengthened their belief or made them believe that HMRC will catch tax evaders. Those who did not agree were asked why this was not the case and around a quarter in each of the test area (24%) and the control area (23%), said that this was because they did not think that the message was believable (data not shown). Other reasons were mentioned by only a small percentage of those who did not agree that the campaign strengthened their belief or made them believe that HMRC will catch tax evaders and included:

- HMRC don't have enough resources to catch everyone (9% in control area, 7% in test area);
- HMRC already catches everyone (7% in control area, 5% in test area);
- HMRC should be catching people anyway (5% in control area, 7% in test area); and
- the campaign is targeting the wrong people (7% in control area, 5% in test area).

Agreement that the campaign was worthwhile was at a high level (71% in control area and 73% in test area), whereas fewer agreed that the campaign improved opinion of HMRC's work to tackle tax evasion (54% in each of the test and control areas agreed). Likewise around half agreed that the advert would be mentioned in a conversation (53% in each of the test and control areas).

For the remaining two questions the results in the control and test areas differed:

- around seven in ten (73%) of SMEs in the test area agreed that people would notice the campaign, compared to around six in ten (63%) in the control area, and
- almost seven in ten in the test area (69%) said the 'campaign gets your attention' compared to around six in ten (59%) in the control area.

The higher levels of agreement in the test area have been driven up by more positive responses among those who had seen or heard the campaign before the interview, with this group accounting for a much higher proportion of respondents in the test area (46%) than in the control area (26%) (data not shown).

The proportions falling into the typologies (as previously described) are shown in table 6.1 for the total sample in each of the control and test areas, and among campaign recognisers in each area.

**Table 6.1 Distribution of AdEval™ typologies**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Campaign Recognisers: Control: 259 / Test: 428

	ALL RESPONDENTS		RECOGNISERS	
	Control	Test	Control	Test
<b>Motivated</b>	<b>52</b>	<b>55</b>	<b>61</b>	<b>65</b>
Involved only	14	20	16	22
Recall only	25	20	17	10
<b>Total involved/motivated</b>	<b>66</b>	<b>75</b>	<b>76</b>	<b>87</b>

Based on these results the campaign can be described as motivating and this is particularly true in the test area, with 55 per cent motivated and 75 per cent displaying some degree of involvement. As previously described, we know that campaign recognisers were more positive towards the campaign and this is clearly seen in table 6.1. The figures for recognisers in the test area exhibit the most positive results, with a significantly higher level of overall involvement at 87 per cent.

By comparison, the campaign is much more polarising in the control area, where there are fewer campaign recognisers. In this area 66 per cent were involved and just half (52%) were motivated.

To put this into context, looking across AdEval™ scores that have been calculated by TNS in the UK, the average level of motivation among campaign recognisers is 49 per cent. Compared with this, the Evasion Publicity campaign is therefore performing well, at 55 per cent. If we were to look just at the

norms for 'social' campaigns that TNS has evaluated<sup>21</sup> the average motivation score increases to 60 per cent, which includes the influence of health campaigns which tend to evoke very positive responses. Even compared to this, however, the Evasion Publicity campaign performs well on the AdEval™ measure.

There were some differences in terms of motivation and involvement levels by subgroup. For example, the total proportion classified as involved in the campaign was significantly higher among those not registered for VAT than among those who were registered (at 78% and 67% respectively). Motivation was also significantly higher among SMEs with a lower turnover: 57 per cent of SMEs with a turnover of less than £73K were classified as motivated compared to 44 per cent of those with a higher turnover. Linked to this, there were lower levels of motivation recorded among SMEs in the Manufacturing SICs (47%) and those who have been trading for 15 or more years (47%).

### **6.3 Impressions of the campaign**

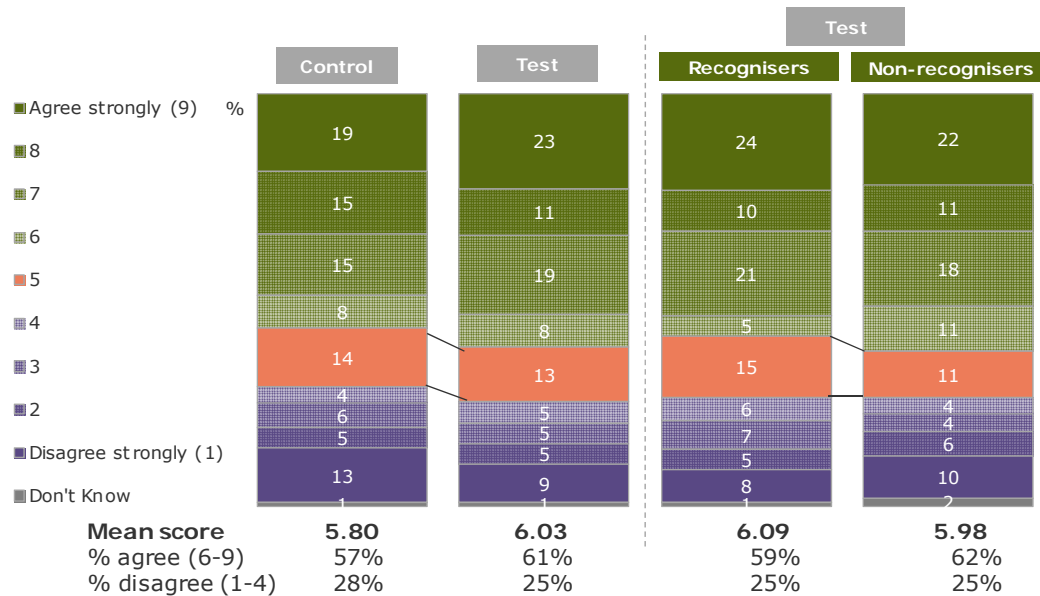
Reactions to the campaign were gauged by asking respondents to agree or disagree with a number of statements relating to different aspects of the campaign. Each statement was rated using a nine point response scale, ranging from point nine (agree strongly) to point one (disagree strongly).

The results for each statement in each of the test and control areas, as well as among campaign recognisers and non-recognisers in the test area, are shown in the figures that follow. Mean scores have also been calculated by assigning a value of 1-9 to the answer given in line with the scale used. A higher score therefore represents greater agreement.

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<sup>21</sup> Other evaluations undertaken by TNS BMRB within 'social' policy areas include (among many others) Greener, Early Detection of Cancer and Road Safety for the Scottish Government, and Stroke and Alcohol for Department of Health.

**Figure 6.3: Agreement/disagreement that the advertising was threatening**  
 Base: All respondents at post-wave – Control: 1,003 / Test: 963; All Recognisers: (428)  
 / Non-recognisers: (535) in Test area

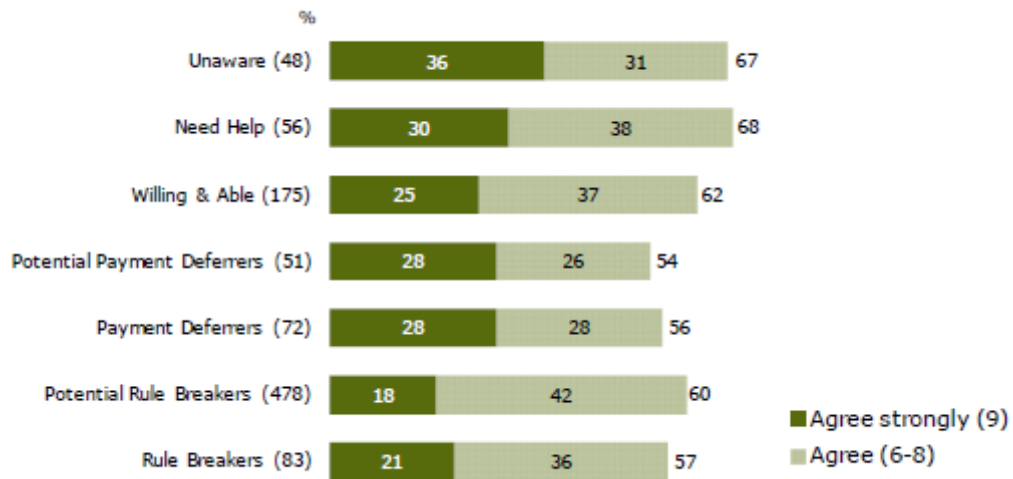


The response in relation to whether or not 'the advertising was threatening' was generally positive with around six in ten agreeing (giving a rating of six to nine) in both the control (57%) and test (61%) areas. Furthermore, 19 per cent and 23 per cent in the control and test areas respectively strongly agreed (point 9) with this statement. In both areas around one in seven (14% in control area and 13% in test area) neither agreed nor disagreed.

Looking specifically at the results for the test area, there were no significant differences in the responses between those who had previously seen the campaign (campaign recognisers) and those who had not (non-recognisers): 59 per cent of recognisers agreed compared to 62 per cent of non-recognisers. However, those who had seen or heard two or more campaign media (i.e. at least two of radio advertising, posters/billboards, online advertising or ambient sources) were significantly more likely to agree strongly (35%) compared with those who had only seen one medium (19%), indicating that multi-media contact creates a more convincing impression of 'threat' (data not shown).

**Figure 6.4: Agreement/disagreement that the advertising was threatening by segment**

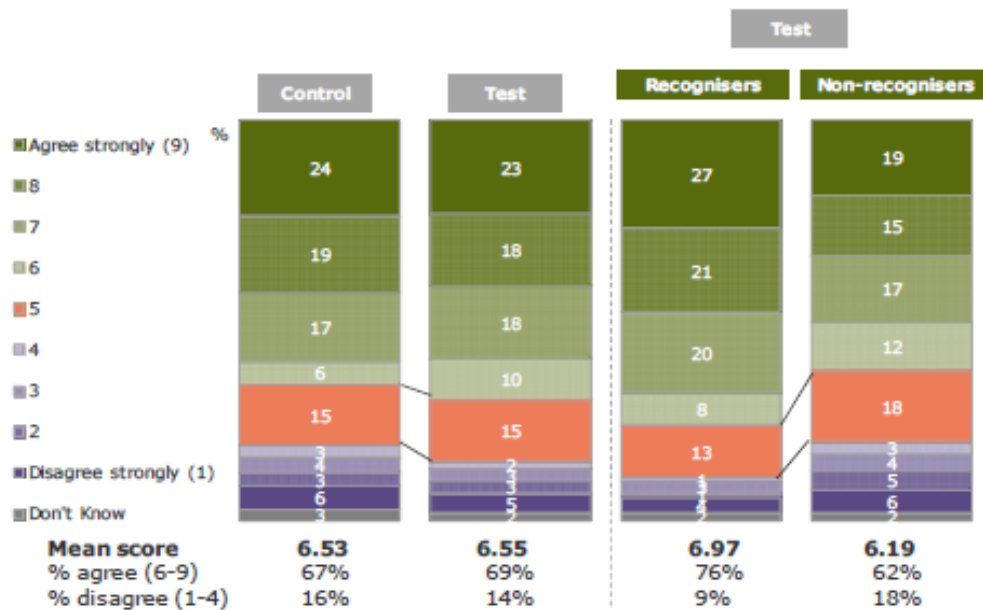
Base: All respondents at post-wave in test region (in each segment) – note small base sizes in some places



While there was some variation by segment for the percentages agreeing strongly and agreeing overall, none of the differences were significant.

There were also no significant differences by other sub-groups.

**Figure 6.5: Agreement/disagreement that the advertising was credible**  
 Base: All respondents at post-wave – Control: 1,003 / Test: 963; All Recognisers: (428) / Non-recognisers: (535) in Test area

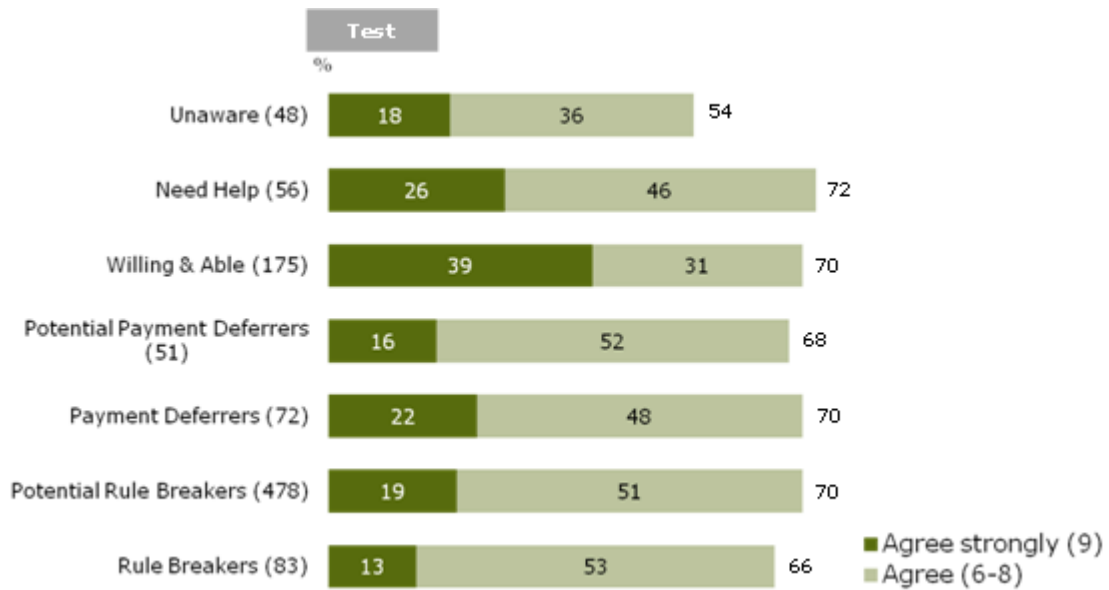


SMEs commonly rated the credibility of the campaign highly as shown in figure 6.6, with a greater consensus evident on this dimension in both the control and test areas. Around two thirds in each of the test and control areas agreed that the advertising was credible (67% control / 69% test). Moreover, a quarter agreed strongly with this statement: 23 per cent in the test area and 24 per cent in the control area.

Among those in the test area, those who recognised the advertising were significantly more positive, with 76 per cent agreeing it was credible, compared to 62 per cent who had not recognised the campaign.

While a similarly sized majority of all attitudinal segments rated the advertising as credible, there were differences in the proportions agreeing strongly, as shown in figure 6.6.

**Figure 6.6: Agreement / disagreement that the advertising was credible**  
 Base: All respondents at post-wave in test region (in each segment) – note small base sizes in some places



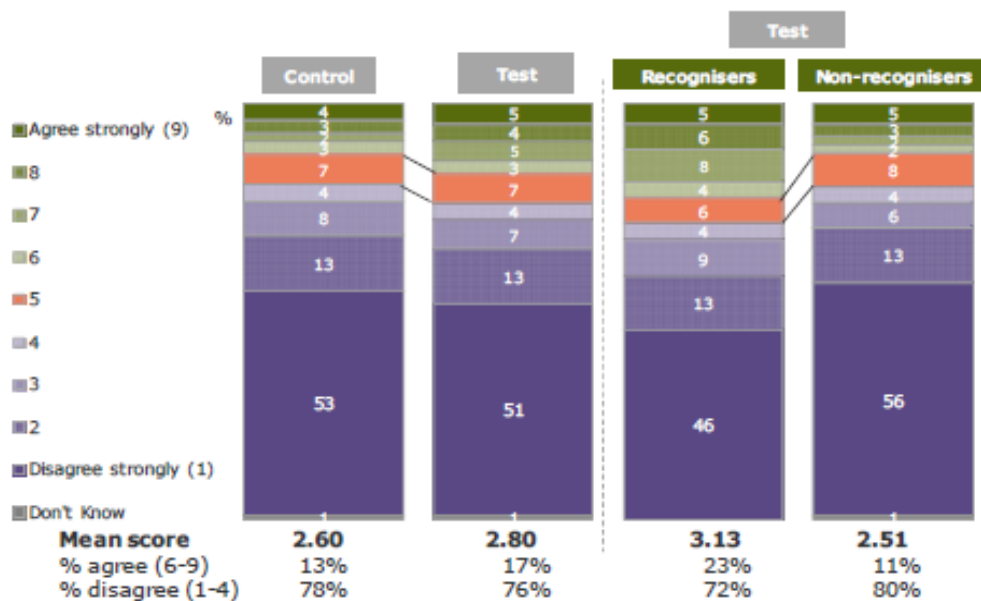
The Willing & Able segment was most likely to be highly convinced by the advertising, with almost four in ten (39%) agreeing strongly that it was credible compared to levels of 13 per cent to 26 per cent across all other segments.

Strength of agreement declined as SME turnover increased (data not shown). The highest level of strong agreement was among SMEs with a turnover of less than £15K (28%) and lowest among those with a turnover of between £250K and £40m (14%). Linked to this, strong agreement was highest among SMEs that were not VAT registered: 24 per cent of SMEs that were not VAT registered strongly agreed that the advertising was credible, compared to 18 per cent of those that were VAT registered (data not shown).



**Figure 6.7: Agreement/disagreement that the advertising made you worry about your taxes**

Base: All respondents at post-wave – Control: 1,003 / Test: 963; All Recognisers: (428) / Non-recognisers: (535) in test area



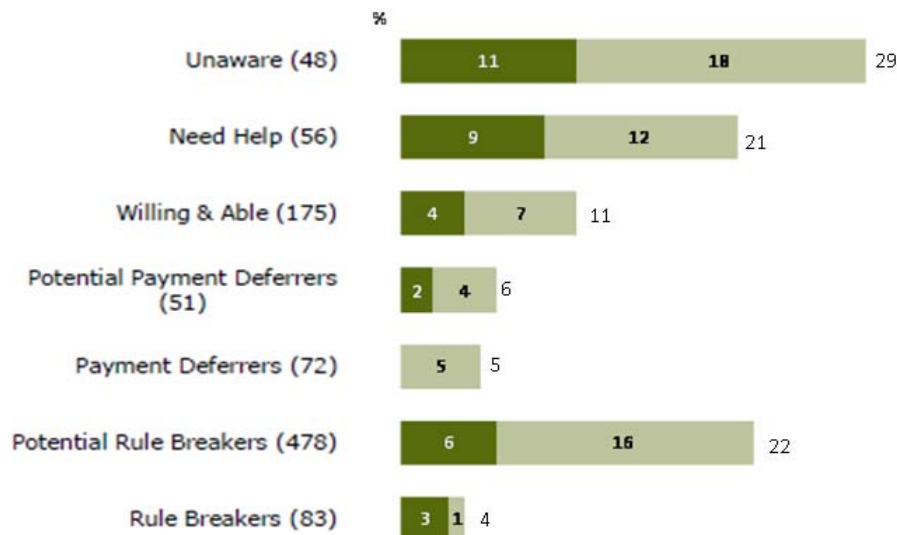
The final impression to be measured was whether *'the advertising made you worry about your taxes'*, with results shown in figure 6.8. It was clearly not an aim of the campaign to increase worry around taxes among the compliant, so widespread agreement among the attitudinally compliant segments would show that the campaign was having an unintended effect. On the whole, agreement with this statement was low, with just 13 per cent agreeing in the control area and 17 per cent in the test area. Indeed, the majority disagreed with this statement (78% in control area, 76% in test area) and half disagreed strongly (53% in control area, 51% in test area).

Agreement with this statement was significantly higher among those who had previously seen the campaign. Just over one in five (23%) of campaign recognisers in the test area agreed that the advertising made them worry about their taxes, compared to 11 per cent of non-recognisers in the test area. Regardless of this, worry did not increase with the number of media seen: campaign recognisers who had seen one form of media were as likely to agree as those who had seen two or more media.

Among the attitudinal segments, the results varied considerably, not only in terms of strength of agreement, but also overall agreement.

As highlighted in figure 6.8 agreement was significantly lower among Potential Payment Deferrers (6%), Payment Deferrers (5%) and Rule Breakers (4%) compared to other segments as a whole.

**Figure 6.8: Agreement that the advertising made you worry about your taxes**  
Base: All respondents at post-wave in test region (in each segment)



In addition, SMEs with a lower turnover (£40K or under) recorded significantly higher agreement with this statement (data not shown). In the test area 19 per cent of SMEs with a turnover of £40k or less agreed, compared with 11 per cent of SMEs with a higher turnover.

## 6.4 Actions taken since seeing the campaign

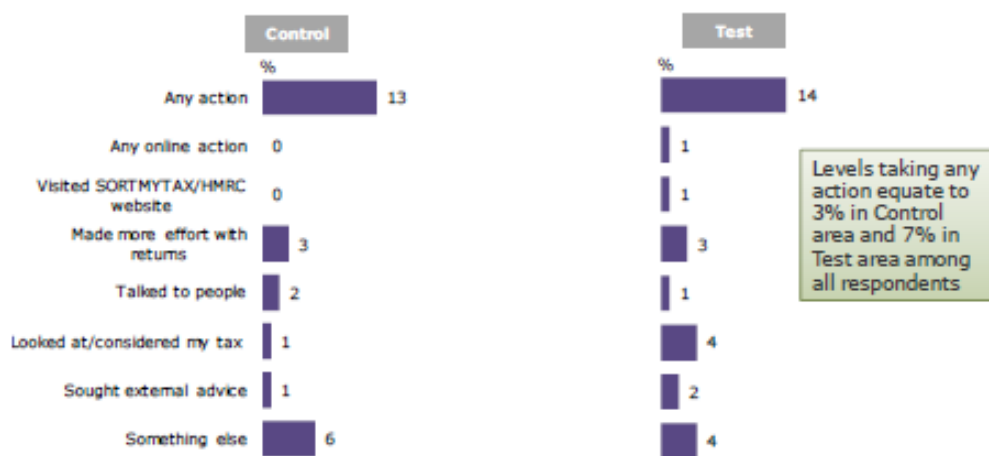
Those who said that they had seen or heard any part of the campaign after prompting were asked whether they had done anything as a result of seeing it. They were not prompted with responses, simply left to describe what they might have done. As shown in figure 6.9, the proportions claiming to have responded to the advertising were fairly low in both the test and control area, with just one in seven of those who recognised it claiming to have taken any action (13% in control area, 14% in test area).

While there is no difference in the level of action taken when looking at those who recognised the campaign, when re-based on the total sample the results show a significantly higher level of action in the test area (seven per cent) compared to the control (three per cent). In the test area there was also variation according to business size among those who recognised the campaign: levels of action were significantly higher among sole traders and those with 2-9

employees, than those employing 10 or more employees (15%, 13% and 2% respectively).

No more than a small proportion of SMEs claimed to have taken any specific action. The most common actions cited were making more effort with returns (3% of campaign recognisers in each of the test and control areas) and considered / looked at tax (4% in test area). Even fewer said that they had visited the HMRC website / SORTMYTAX or any other websites.

**Figure 6.9: Claimed actions taken as a result of campaign (spontaneous)**  
 Base: All at post-wave who recognise any part of the campaign - Control: 259 / Test: 428



While these figures are low, it should be borne in mind that the campaign period would not necessarily have coincided with a time when SMEs might have been doing, or even thinking about doing, something different in relation to their tax, and the impact may be longer term.

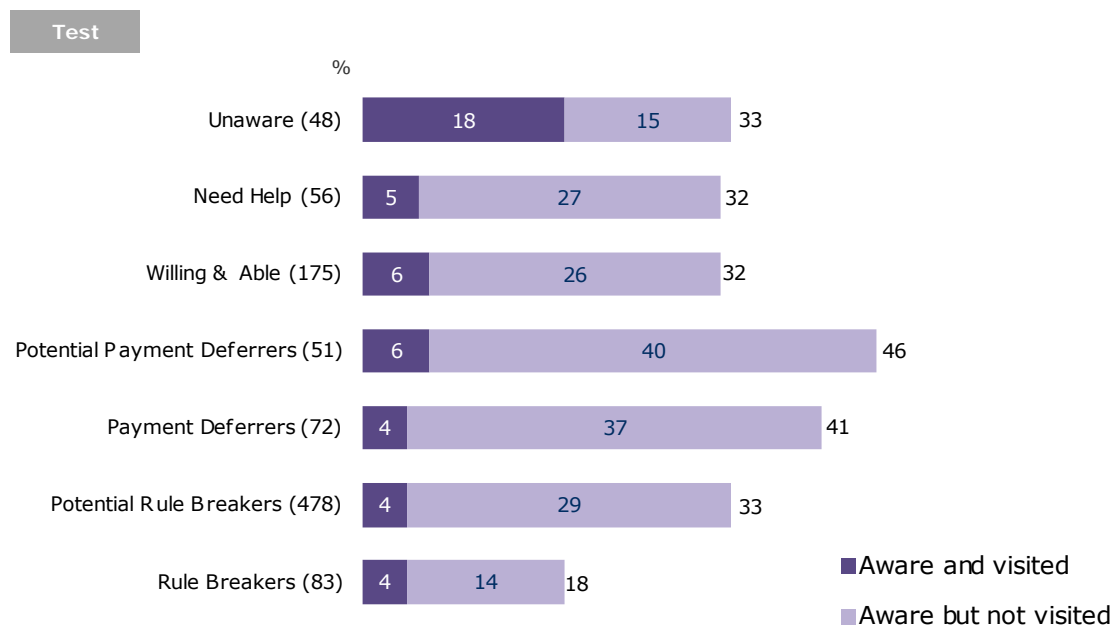
## 6.5 Awareness and usage of SORTMYTAX webpage

After prompting with the campaign material, awareness of the SORTMYTAX webpage was measured for all SMEs in the sample. Good levels of awareness were recorded, with slightly higher awareness evident in the test area than in the control area (at 33% and 26% respectively). Furthermore, among campaign recognisers in the test area awareness rose to 46 per cent compared to just 22 per cent among non-recognisers, indicating the impact of the campaign in this respect (data not shown).

The proportion claiming to have visited the webpage was similar in both the control (6%) and the test (5%) areas, and no higher among campaign recognisers in the test area (data not shown).

As illustrated in figure 6.10, there were some differences in awareness and usage of the webpage by attitudinal segment in the test area. For example, Potential Payment Deferrers (46%) and Payment Deferrers (41%) were significantly more likely to be aware of the webpage, while Rule Breakers were least likely to be aware (18%). Also, the Unaware segment was significantly more likely to have visited the webpage (18%) than other segments (4-6%).

**Figure 6.10: Awareness and usage of SORTMYTAX webpage**  
 Base: All respondents at post-wave in each sub-group in test area



# 7. Self-reported behaviours

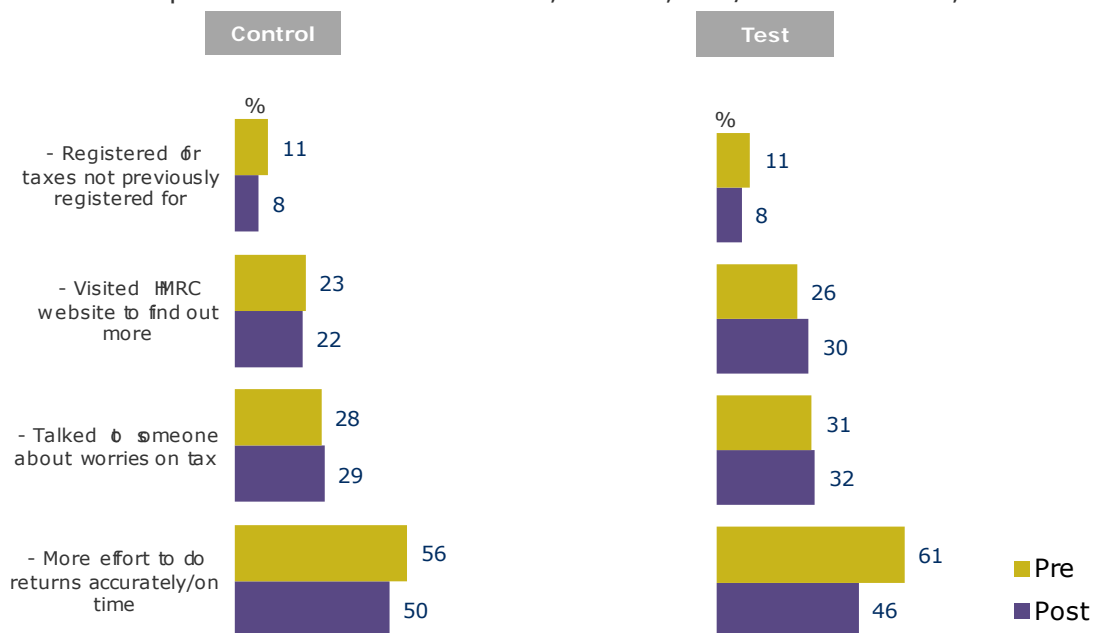
Respondents were asked whether they had done a number of things in the last four months. They were prompted as to whether they had:

- registered with HMRC for taxes not previously registered for;
- visited the HMRC website to find out more about taxes they should pay;
- talked to a colleague, friend, or adviser about worries they had about their taxes; and
- made more effort to do their tax returns accurately and on time.

As shown in figure 7.1 there were no significant differences wave on wave for the first three of these, suggesting that the campaign had not had an impact on these actions. For the last action – “made more effort to do returns accurately / on time” there was a significant decline in the test area, and a small drop in the control area, in the proportions saying they had done this. This, however, is likely to be affected by factors other than the Evasion Publicity campaign activity such as the proximity of the self-assessment deadlines and no conclusions can be drawn yet from the movement that has been seen.

**Figure 7.1: Actions taken in last four months**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



Significantly higher levels of action were taken by those who had seen or heard the campaign than by those who had not (data not shown). For example, in the test area, 38 per cent of campaign recognisers had talked to someone about worries on tax and 51 per cent had made more effort to do returns accurately and on time. Among non-recognisers in the test area the equivalent figures were 27 per cent and 42 per cent respectively.

In addition, analysis of taxpayer data will be undertaken by HMRC, when this becomes available to investigate actual behaviour. This is particularly important as there may be a delay between the campaign being seen and an appropriate point for action. It must also be borne in mind that the behaviours being tackled by the campaign are unlikely to be changed quickly, which supports longer-term tracking of appropriate behavioural data.

## 8. Attitudinal data

This section explores attitudes that were measured in both the pre- and post-wave surveys, examining the impact of the campaign on these.

Given the recent media coverage there has been around corporate tax avoidance, it is not unreasonable to believe that this has had some impact on the attitudinal measures being examined. HMRC web based analysis<sup>22</sup> indicates that there has been considerable activity on the internet mentioning HMRC and tax evasion since the beginning of 2012. This has mainly been triggered by:

- Personal tax avoidance controversy in summer 2012
- Corporate tax avoidance in late 2012
- The Budget in February 2013.

Looking at the Evasion Publicity campaign specifically, web activity was mainly around the time of the initial Evasion Publicity campaign launch in November 2012, with small amounts of activity around the radio and ATM advertising stages. A large proportion of the web activity involved the re-tweeting of a UKuncut altered Evasion Publicity campaign. Web mentions of the campaign were relatively low in comparison to the overall HMRC tax evasion coverage but at a respectable level compared to other HMRC campaigns.

The Compliance Perception Survey (CPS) is the main vehicle used by HMRC to track attitudes towards tax, and tax evasion specifically, among SMEs and individuals, and some of the key attitudinal measures from the CPS were included in this evaluation. However, as the CPS adopts a slightly different approach to sampling SMEs it is not possible to make direct comparisons between the results. Nevertheless, on the equivalent survey questions the CPS findings from 2011 are broadly in line with the results from the Evasion Publicity research reported here.

It should be noted that all of the questions reported in this section were asked prior to the advertising questions to ensure that responses were not affected by respondents having already considered or seen the advertising.

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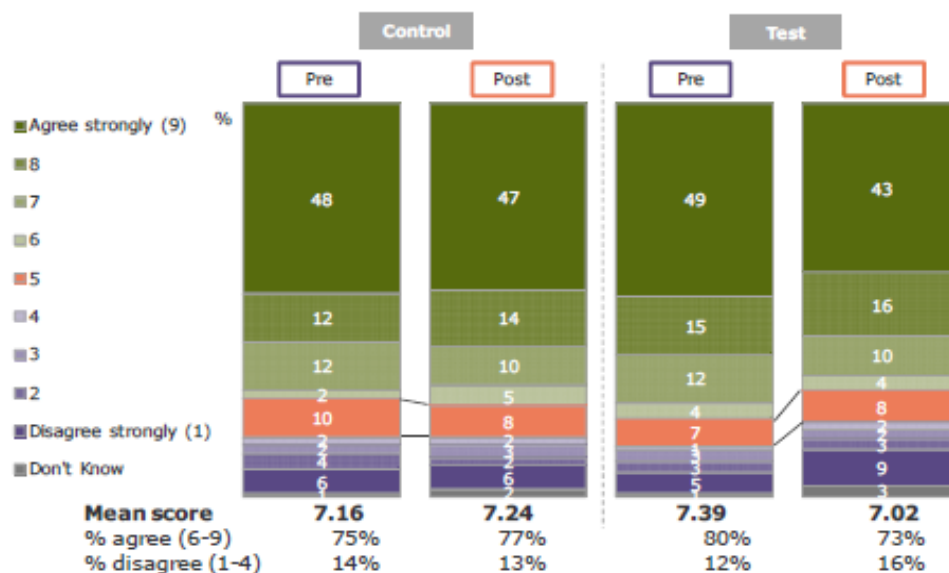
<sup>22</sup> HMRC conducted analysis of web activity using Coosto, a tool for searching the UK internet. This analysis includes traditional media (online), press releases, blogs and some forms of social media (Twitter and Facebook). A user defined keyword search was carried out to find the number of times that it had been mentioned on UK websites. This analysis should only be considered an approximation of web activity.

## 8.1 Attitudes towards detecting and reducing tax evasion

### evasion

The first set of attitudinal statements in the questionnaire covered HMRC’s ability to detect and reduce tax evasion. Respondents were asked to agree or disagree with each one using the same nine point scale as described previously in this report. The charts that follow show pre- and post-wave findings in each of the test and control areas. As before, mean scores (calculated by assigning a score of 1-9 to the response, in line with the scale being used) and the total proportion agreeing (score of 6-9) and disagreeing (score of 1-4) are also included.

**Figure 8.1: ‘The fear of getting caught stops you cheating on your taxes’**  
 Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



When asked for agreement / disagreement with the statement ‘the fear of getting caught stops you cheating on your taxes’, at the pre-wave 75 per cent in the control area and 80 per cent in the test area agreed. Around half agreed strongly (48-49%) in each of the test and control areas.

From pre-wave to post-wave, there were no significant differences in the control area. However, in the test area, there was a significant decrease in agreement, falling from 80 per cent to 73 per cent agreement overall.

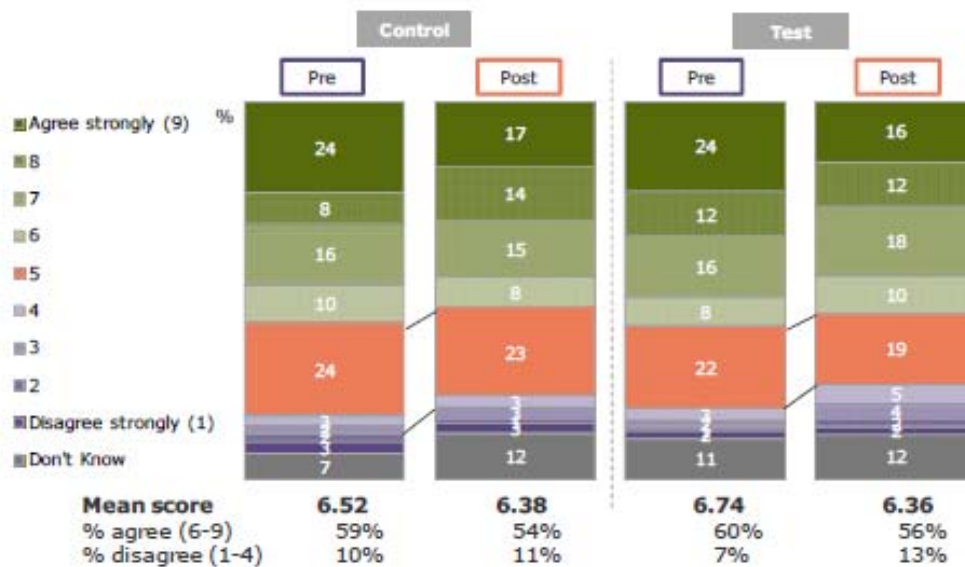
Looking specifically within the test area, there were no significant differences between campaign recognisers and non-recognisers (data not shown). However, those recognisers who had seen or heard two or more media recorded significantly higher agreement (83%) compared to those who only recognised one media (70%). This suggests there may be benefits from greater exposure



to the campaign media, as the attitude is supported by the campaign only when it is seen or heard through more than one medium.

**Figure 8.2: 'HMRC is better at catching people than ever before'**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



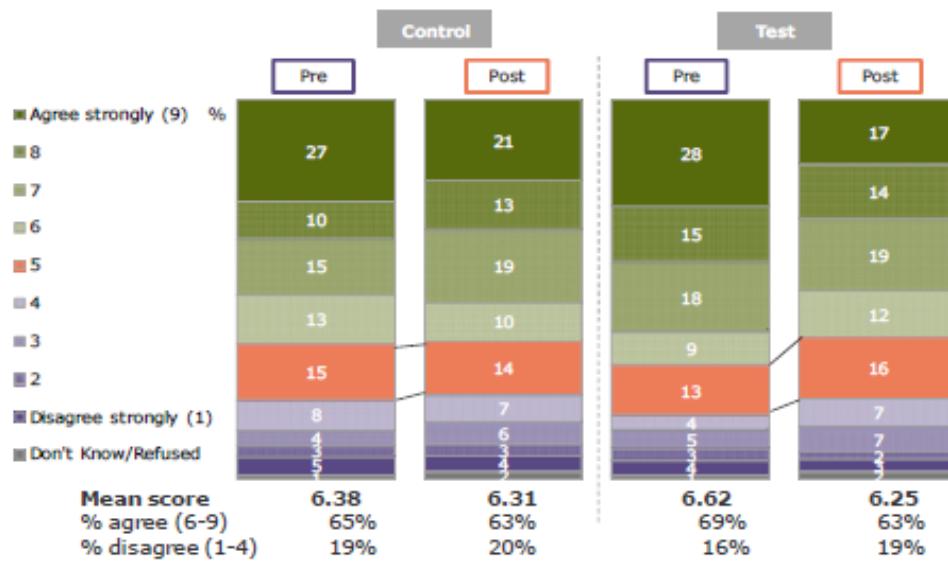
Moving on to the statement 'HMRC is better at catching people than ever before', at the pre-wave around six in ten agreed with this in each of the test and control areas (59% control / 60% test) and slightly over two in ten (24%) agreed strongly in each area.

At the post-wave, in both test and control areas, there was a significant decline in the proportion agreeing strongly (to 17% in the control area and to 16% in the test area). As this movement was seen in both areas, it is likely that this shift has been caused by something other than the campaign.

Although agreement declined in both areas, there was, however, higher agreement among campaign recognisers than non-recognisers in the test area (data not shown). Among recognisers 62 per cent agreed compared to 52 per cent of non-recognisers suggesting that the campaign has positively supported this attitude.

**Figure 8.3: 'You believe that HMRC will capture those who don't pay all their taxes'**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963

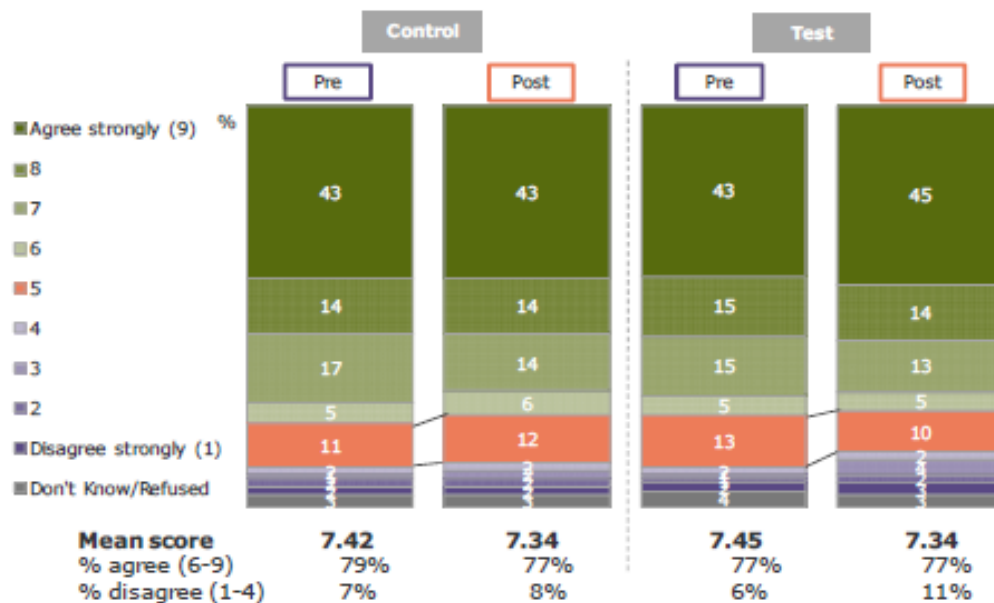


There was a similar downward shift in agreement with the statement 'you believe that HMRC will capture those who don't pay all their taxes' between the pre- and post-waves. In the test area, for example, overall agreement fell significantly from 69 per cent to 63 per cent. Moreover in both areas there was a significant drop in those agreeing strongly, as shown in figure 8.3.

Whereas over a quarter (28-27%) in each of the test and control areas agreed strongly with this statement at the pre-wave, this has dropped back to 17 per cent in the test area and 21 per cent in the control area at the post-wave. Moreover there was no significant difference on this attitude according to whether or not SMEs recognised the campaign (data not shown), suggesting that something other than the Evasion Publicity campaign has influenced views and the campaign is not helping to support this opinion.

**Figure 8.4: 'You believe that HMRC wants people who have undeclared to come forward before they are caught'**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963

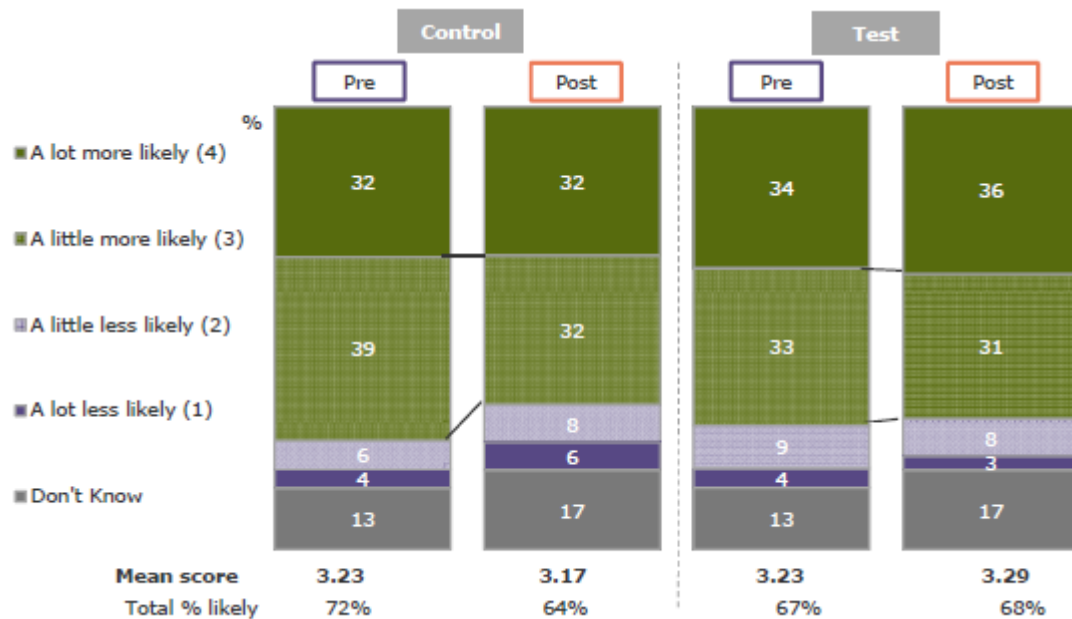


By comparison, there was little shift in the belief that 'HMRC wants people to come forward with undeclared income before they are caught'. Agreement with this statement remained similar at both the pre- and post-waves in both areas (between 77-79%), although there was a higher level of disagreement in the test area at the post-wave (rising to 11% from 6% at pre-wave).

Also, at the post-wave, campaign recognisers in the test area (at 50%) had significantly higher levels of strong agreement with this statement than non-recognisers (41%) (data not shown).

**Figure 8.5: 'Likelihood of getting caught compared to a couple of years ago'**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



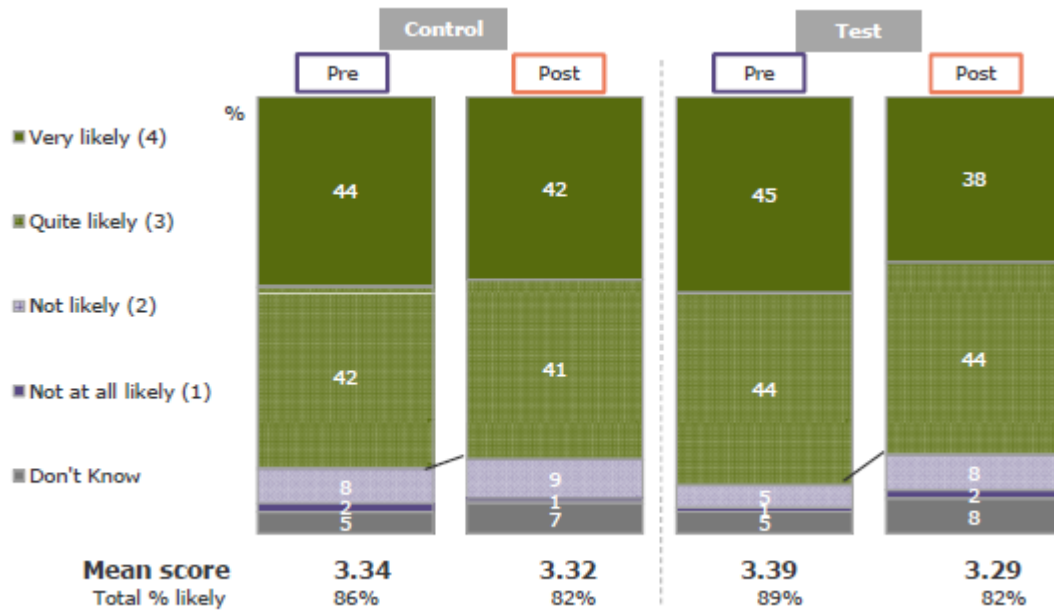
At the pre-wave, around two-thirds (67-72%) in each of the test and control areas thought that getting caught was a little or a lot more likely compared to a few years ago. However, whereas there was no change on this measure in the test area at the post-wave, there was a significant drop in the proportion with this view (from 72% to 64%) in the area where the campaign was not running – the control area.

As recognisers in the test area were significantly more inclined to agree that there had been an increase in the likelihood of getting caught (74%) than non-recognisers in the test area (62%), this suggests that while the campaign has not increased the perception that those who evade tax will be detected, it may have helped perceptions remain constant. Furthermore, among those who had seen or heard two or more media, this percentage was even higher, at 83 per cent (data not shown).

There has also been a rise in don't know levels pre- to post-campaign in both areas, but neither of these rises is significant.

**Figure 8.6: 'Perceived chances of detection'**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



The survey also explored the perceived likelihood of HMRC finding out about 'your business regularly under-declaring its tax liability'. As seen in figure 8.6 the proportions who thought the chances of this were very or quite likely were high, at 86 per cent in the control area and 89 per cent in the test area at the pre-wave. In the test area there was a significant decline pre- to post-wave in the proportion holding this view from 89 per cent to 82 per cent, whereas there was no statistically significant change in the control area. The total proportion of SMEs in the 2011 CPS saying 'very or quite likely' was 87 per cent.

Although there was no significant difference between recognisers and non-recognisers in the test area, those who had seen or heard two or more media were significantly more predisposed to say detection was likely (at 90%) than those seeing or hearing only one of the campaign media (81%) (data not shown).

**Figure 8.7: 'How much effort HMRC is putting into reducing tax evasion'**  
 Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



Wave on wave there was little change in perceptions of HMRC's efforts to reduce tax evasion among SMEs.

Almost half (47-48%) at each of the pre- and post-waves, and in both the control and test areas, felt that HMRC put about the right amount of effort into reducing tax evasion among SMEs. The significant proportion (24-28%) not able to offer a response to this attitude statement also remained broadly stable within test and control areas from wave to wave. The survey findings from 2011 CPS were consistent with those outlined above: 18 per cent indicated too little effort, 10 per cent too much and 45 per cent about the right amount.

A summary of the findings from the aforementioned seven attitude statements is provided in the box below.

### **In summary**

**Wave on wave there has been no significant increase in agreement, in either the test or control area, with any of the seven measures that cover HMRC's ability and efforts to catch those who evade tax and the likelihood of being caught.**

**Significant shifts, where these have occurred, have been in the opposite direction; either a fall in total agreement levels or a fall in the proportion agreeing strongly. These, to some extent, can probably be explained by the media coverage on corporate tax avoidance.**

**However, the views of those who have seen the campaign in the test area are consistently more positive than those who have not in relation to:**

- HMRC being better at catching tax evaders than before
- Being more likely to be caught than before
- Believing HMRC wants people to come forward.

**Also, among recognisers in the test area who have seen multiple media, views are significantly more in line with campaign objectives for two further attitudes:**

- Fear of getting caught stops you from cheating
- Likelihood of HMRC finding out about your business under-declaring tax.

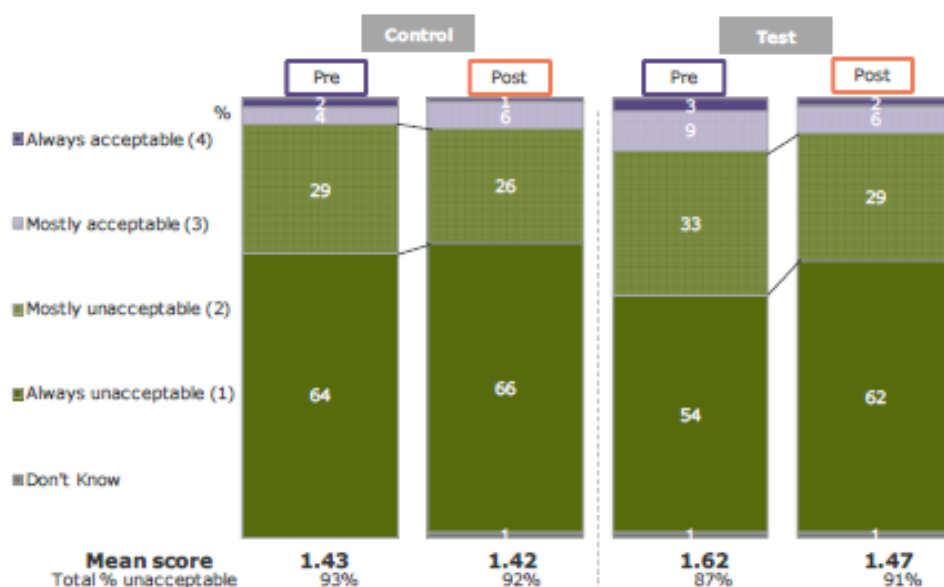
**There is therefore evidence to suggest that those who have seen/heard the campaign have been positively influenced by it.**

## 8.2 Attitudes towards tax evasion generally

The attitudes examined in this section relate to tax evasion in more general terms.

**Figure 8.8: Whether tax evasion is perceived to be unacceptable**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



On the issue of the acceptability of tax evasion, the vast majority of SMEs said that tax evasion is unacceptable, with around nine in ten (87-93%) holding this view across the two areas wave on wave<sup>23</sup>. However a greater proportion of those in the control area felt it was **always** unacceptable (64%) than in the test area (54%) at the pre-wave.

The views expressed at the post-stage differed only among those in the test area, as shown in figure 8.8. For example, the proportion claiming tax evasion was always unacceptable increased significantly in the test area, from 54 per cent at the pre-wave to 62 per cent at the post-wave. However this does not appear to be linked to the campaign. Campaign recognisers in the test area were significantly more likely to say tax evasion was **acceptable** (11%) than non-recognisers (6%) and this was higher still among those who had seen or heard two or more campaign media (15%)(data not shown).

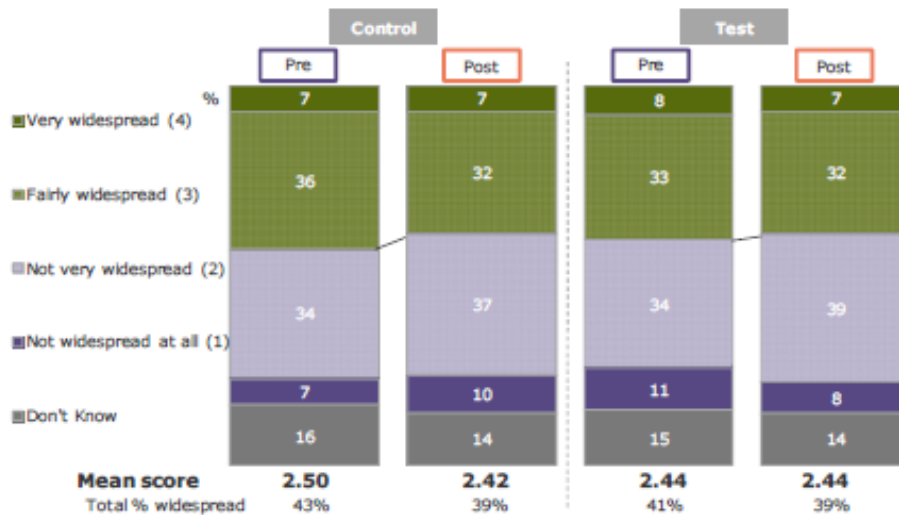
<sup>23</sup> The 2011 CPS findings were similar, with 93 per cent of SME saying evasion was unacceptable. However it should be noted that the CPS question explicitly refers to 'income/corporation tax evasion'.



While it could be hypothesised that the Evasion Publicity campaign is making tax evasion appear more of a social norm and therefore more acceptable, it is also possible that the campaign has been noticed more by those it is aiming to target, namely those who consider tax evasion acceptable. It is hard to draw firm conclusions either way; and both possibilities must therefore be considered.

**Figure 8.9: Extent to which tax evasion is widespread**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



As shown in figure 8.9, opinions among SMEs were quite mixed towards how widespread tax evasion is felt to be, with the proportion saying that it is widespread broadly in line with those saying the opposite<sup>24</sup>. There was also little change in views on how widespread tax evasion is wave on wave in both the control and the test areas. Furthermore, there was little difference by recognition of the Evasion Publicity campaign, although those who recognised the campaign were more likely to have an opinion: in the test area significantly fewer recognisers than non-recognisers said they 'did not know' in response to this question (12% and 17% respectively).

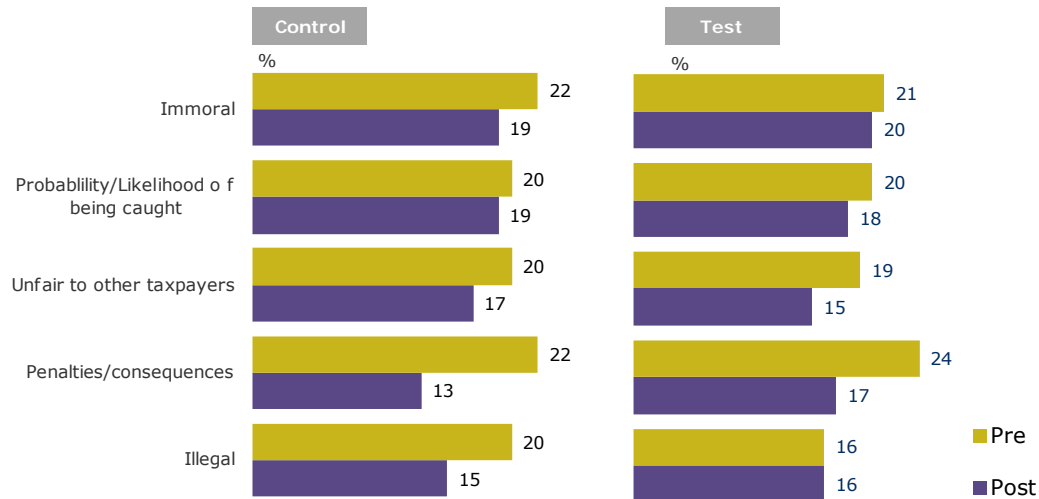
Among those who had seen or heard two or more campaign media in the test area, the view that tax evasion is not widespread was significantly higher (57% compared to 41% of those seeing/hearing only one of the campaign media). This seems to demonstrate that the campaign is not encouraging the perception that evasion is widespread and in fact among those who have seen/heard it through multiple media, they perhaps appreciate that there is only a non-compliant minority.

<sup>24</sup> Findings from the 2011 CPS of SME were broadly similar, although the question asked about income and corporation tax specifically.

In response to the question as to why they would not regularly evade tax, the reasons given by SMEs were varied, with each of the main responses mentioned by fairly similar levels. Respondents were allowed to give multiple answers and the main mentions, provided spontaneously, are shown in figure 8.11.

**Figure 8.11: Reasons for not evading tax (unprompted)**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



The main difference between pre- and post-wave results is the significant decline in those referencing penalties or the consequences in both areas (from 22-24% at the pre-wave to 13% and 17% in control and test areas respectively at the post-wave). This is likely to reflect the closer proximity to HMRC SA deadlines at the pre-wave fieldwork stage.

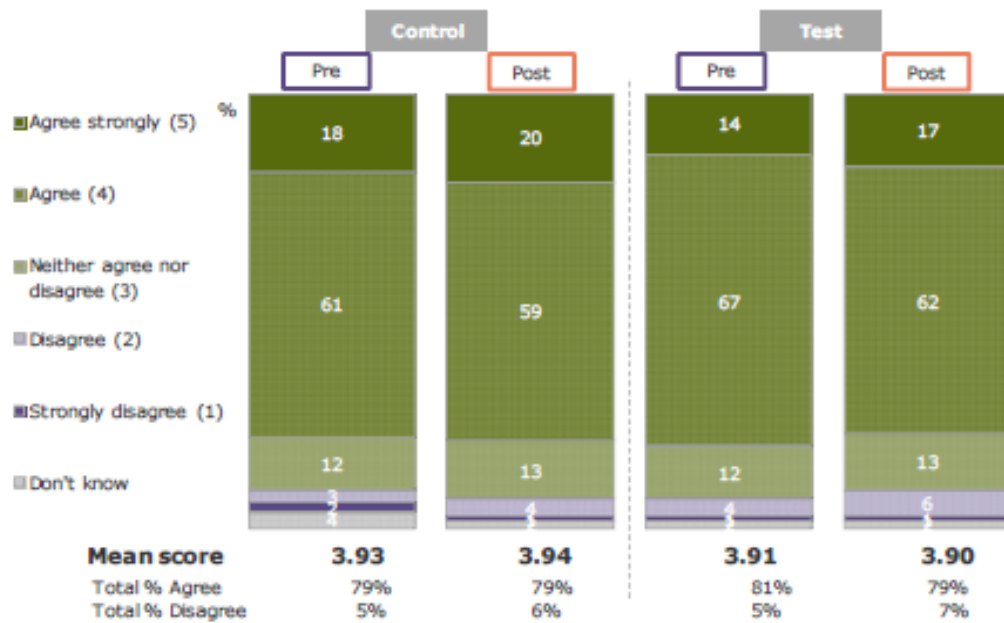
However, while there is no difference between pre- and post-waves in each area at the total level, there is a significant difference in mentions of probability / likelihood of being caught between those who had seen or heard the campaign in the test area (21%) and those who had not (15%) (data not shown). This suggests there has been some campaign influence.

### 8.3 Fairness of treatment by HMRC

On the hypothesis that SMEs who believe they are treated fairly by HMRC may be more likely to be compliant, perceptions of fair treatment is a key measure in the CPS and thus this question was also included in the Evasion Publicity campaign tracking questionnaire.

**Figure 8.12: Whether respondents agree HMRC treats them fairly**

Base: All respondents: Control: Pre: 615; Post: 1,003 / Test: Pre: 894; Post: 963



The majority of SMEs 'agreed' that they are fairly treated, with the remainder mainly either agreeing strongly or neither agreeing nor disagreeing. Very few by comparison disagreed. This pattern was also consistent from pre-wave to post-wave. The 2011 CPS findings were also similar; 16 per cent of SMEs agreed strongly, a further 63 per cent agreed, and only 6 per cent disagreed in total.

There was no significant difference in perceptions of HMRC fairness between those who recognised the campaign and those who did not.

# 9. Conclusions

## 9.1 Campaign awareness and recognition

The campaign is cutting through the general 'noise' about tax evasion and achieving good recognition levels in the test area. However, there is some verified recall and prompted recognition in the control area too, suggesting that there has been some contamination into this area. Both radio executions are performing well in terms of recognition, whereas recognition of the posters / billboards was relatively low. That said it is worth noting that the time lag between the poster activity and the post-wave fieldwork may have resulted in deterioration in recognition. Levels of recognition of the online advertising were low, however, at just three per cent in the test area.

The stronger perception that the campaign was threatening, and the higher levels of agreement towards a few attitude statements among those seeing or hearing two or more media, highlight the advantages of maximising multi-media exposure.

There are also clear regional variations in recognition, offering the possibility of taking key lessons from the areas. In London, for example, prompted recognition was significantly higher than a number of other regions with respect to poster / billboards and ambient advertising – the latter driven by the success of the posters on trains.

In terms of the SORTMYTAX webpage the findings are promising with a good level of awareness in the test area, especially among those who have seen the campaign (44%). Of the total sample in the test area, only five per cent claimed to have visited the webpage.

## 9.2 Reactions to the campaign

Performance of the campaign was positive on two key metrics. Firstly, the majority agreed that the advertising was credible and secondly there was a widespread perception that it was threatening.

The campaign is generating some worry about taxes (17% agreed in the test area) but not to a concerning degree. However, worry was at a much lower level among the Rule Breaker segment where higher levels might be desired.

According to AdEval™, almost nine out of ten (87%) of those who had seen or heard the campaign in the test area were positively engaged by it, and around two thirds (65%) were 'motivated' by it. Indeed virtually all findings were more

positive among this motivated group who had seen the campaign previously, suggesting that if recognition can reach higher levels, then this will have a positive effect on other measures too.

### **9.3 Understanding of campaign message and impact**

When asked about the main message after prompting with campaign stimulus, SMEs focused on 'watching you/ you will be caught/ coming to get you' (47%), although mentions of 'pay your tax' (36%), 'declare your income/sort your tax' (27%) and 'don't cheat/evade' (26%) were also evident in the test area.

On the other hand it is notable that claimed action as a result of the campaign is very limited (14% of those who have seen/heard the campaign or 7% overall claimed to have done something in the test area). There are, however, early signs that the campaign has made an impact in the test area, with higher levels of action taken among campaign recognisers with respect to talking to someone about worries about tax and making more effort to do returns accurately/on time. This suggests that there is potential to generate more action from the campaign over time.

In evaluating evidence of any change to behaviour it also needs to be borne in mind that actions taken may not be carried out immediately, but rather on a timeline linked to specific tax related activity such as Self Assessment deadlines.

Furthermore, in terms of evaluating the impact of the campaign on attitudes, the picture has potentially been muddied by the media coverage of corporate tax avoidance, with some of the negative changes seen in both control and test areas possibly due to this. The advertising does, however, appear to positively underpin many of the attitudes that are being monitored – with higher levels among campaign recognisers than among non-recognisers in the test area.

# 10. Appendix A: Campaign Materials

## 10.1 Radio

There were two executions 'Footsteps' and 'Are you paying'. Half the sample in each of the test and control areas was played one, and the other half was played the other execution. The transcripts for these are shown below.

### 'FOOTSTEPS'

SFX: We hear footsteps

REVENUE & CUSTOMS IS CLOSING IN ON UNDECLARED INCOME.  
IF YOU'VE DECLARED ALL YOUR INCOME YOU HAVE NOTHING TO WORRY ABOUT. If YOU HAVEN'T, WE'RE LOOKING FOR YOU.

GO TO [WWW.GOV.UK/SORTMYTAX](http://WWW.GOV.UK/SORTMYTAX).

### 'GETTING CLOSER'

ARE YOU PAYING TAX ON ALL YOUR INCOME?

IF YOU'VE DECLARED ALL YOUR EARNINGS YOU HAVE NOTHING TO WORRY ABOUT. If YOU HAVEN'T, WE'RE LOOKING FOR YOU.

REVENUE & CUSTOMS IS CLOSING IN ON UNDECLARED INCOME.

GO TO [WWW.GOV.UK/SORTMYTAX](http://WWW.GOV.UK/SORTMYTAX).

## 10.2 Posters/billboards

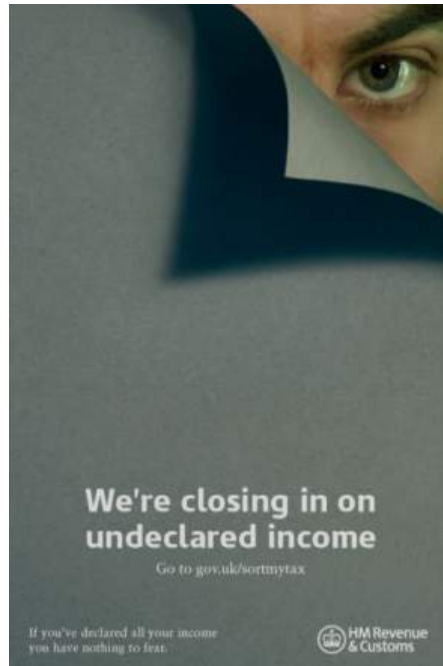
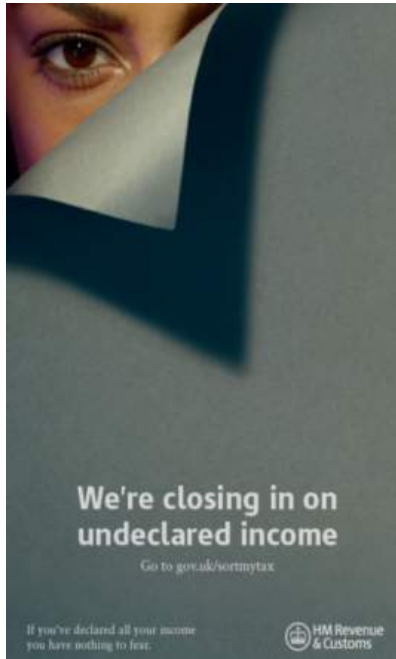
There were six executions in the Evasion Publicity campaign. The three shown in the survey were:



Where it was not possible to show the poster online the following description was read out.

*"The main image in the posters is of a person's eyes appearing from behind grey paper either looking through a tear or with the poster pulled down at the corner. In all the posters the person appears to be looking directly at you. Below the image of the eyes the text reads "We're closing in on undeclared income. Go to gov.uk/sortmytax". Below this another message says "if you have declared all your income you have nothing to fear."*

The other three executions were:

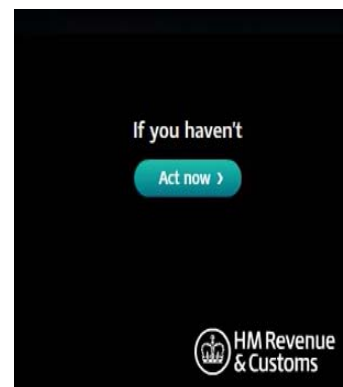
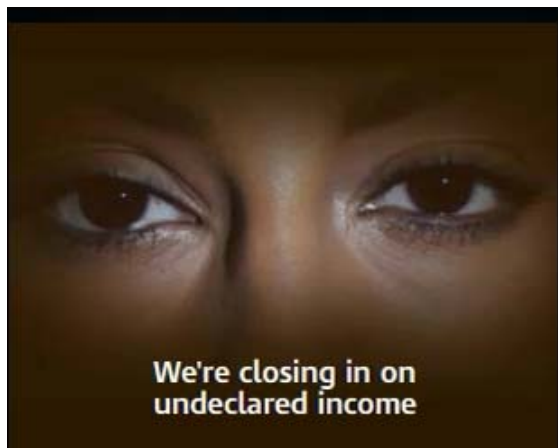
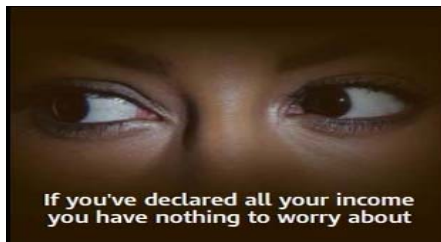


Additionally the campaign included Street Talk, which comprised posters on phone boxes, using the images shown above.



### 10.3 Online advertising

Where possible the online advertising was played in full, as shown below.



When it was not possible to show the online ad the following description was read out:

*"The main image in the online advertising is of a person's eyes. At the start of all the ads, the person has their eyes closed. Then, when they open, they appear to look directly at you. Text below or to the side of the image then appears, it reads "We are closing in on undeclared income". The eyes then either blink, or look to the left and then the right, whilst new text appears, which reads "if you have disclosed all your income then you have nothing to worry about". The eyes then disappear from the screen, and new text appears. It reads "If you haven't... Act now". The Act Now text appears as a blue click through button."*

## **10.4 Ambient**

Interviewers read out a list of ambient sources to respondents, which included the following:

- Beer mats
- Cash point screens
- Posters on trains (London and SE only)
- Vans
- Somewhere else

# 11. Appendix B: Letter sent in advance



THE KEY DECISION MAKER IN THE  
BUSINESS  
<COMPANY NAME>  
<ADDRESS\_LINE\_1>  
<ADDRESS\_LINE\_2>  
<ADDRESS\_LINE\_3>  
<POSTCODE>

Date  
Our ref:

HM Revenue and Customs

100 Parliament Street  
Westminster  
London  
SW1A 2BQ

**TNS BMRB**  
**Free Phone**  
**Internet**      [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

Dear Sir / Madam,

## **RESEARCH ON ATTITUDES TOWARDS TAXATION**

I am writing to ask for your assistance in a very important study HM Revenue and Customs (HMRC) is conducting. The aim of the study is to explore small and medium enterprises' (SME) attitudes towards taxation. Your feedback is invaluable as it helps us to understand how best to communicate with companies like yours. Your business has been randomly selected to participate in this study.

We have appointed an independent research company, TNS BMRB, to contact businesses and ask questions about their views and perceptions of taxation. Representatives from TNS BMRB will be conducting telephone interviews over the next six weeks or so. The interview will last approximately 15-20 minutes and will take place at a time convenient for you.

Participation in this research is entirely voluntary. However, it is important to us to hear your thoughts in order to ensure a sufficient number and breadth of views are represented. We understand that you may be concerned about the implications involved with honestly answering questions about taxation but we assure you that all information provided will be treated in strict confidence and TNS BMRB will not give us the names of the people or businesses interviewed; they are bound by the Market Research Society Code of Conduct to keep your answers and personal data confidential.

If you have any questions about the research you can call TNS BMRB on or call in the HMRC Research team on .

Thank you for your time; your feedback is highly valuable in helping us to continue to improve the efficiency of the service we provide to you and all our customers.

Yours sincerely,

This letter was sent out only at the post-wave as there was insufficient time to do so prior to the pre-wave fieldwork.

# Appendix C: Response rates and significance testing

## 11.1 Response rates

To allow for non-response, refusals and out of date details, almost four times as many businesses compared to the final sample sizes required were drawn from the Experian database i.e. 7,500 to achieve 2,000 interviews at the post-wave. A larger sample of approximately five and a half times was required at the pre-wave as the fieldwork period had to be completed in a shorter time period, prior to the launch of the campaign.

A response rate was calculated at an overall level at each wave, with respondents divided into the following categories.

- I = Complete interview.
- UO = Unknown Eligibility.
- NE = Not Eligible.
- DW (dead wood) = Non working numbers, which were slightly higher than expected, particularly at the post-wave.

For a business to be eligible to participate in the study they had to meet the following screening criteria.

- Less than 250 employees.
- Turnover of £40 million or less.

The response rate was then calculated using the following formula:

$$I / (I + EI * UO)$$

where EI = number eligible divided by number for whom eligibility is known, among working numbers =  $I / (I + NE)$

Full details are provided in table C.1

Table: C: 1

<b>Summary of response rate calculation</b>	<b>n</b>	<b>n</b>
Sample issued (S)	8,489	7,500
Interview (I)	1,509	1,966
Unknown respondent eligibility (UO)	5,593	3,789
Resolved sample	1,907	1,928
Unresolved sample	3,686	1,861
Not eligible - removed from eligible base (NE)	234	309
Non-working numbers - removed from eligible base (DW)	1,153	1,436
<b>Estimated eligibility (EI)*</b>	87%	86%
<b>Estimated response rate (RR)**</b>	24%	38%

\*EI = number eligible divided by number for whom eligibility is known, among working numbers =  $I / (I + NE)$ .

\*\*RR = interviews divided by estimated number of eligible records =  $I / (I + EI*UO)$ .

## 11.2 Significance Testing

As a rule of thumb, a result from a single sample of 2,000 has a confidence interval of around +/-2 percentage points at the 95% certainty level. Between two waves, with one of a most 2,000 and the other of 1,500, a change in a result by at least 4 percentage points would be statistically significant. The significance testing that has been carried out for this report was calculated using the effective sample size, taking into account the weighting applied.

# 12. Appendix D: Questionnaires

## Evasion Publicity Campaign Tracking – 2012 Pre-wave Questionnaire

The average interview length at the pre-wave was 18 minutes based on this questionnaire.

### INTRODUCTION

Good morning/afternoon/evening, my name is ..., and I am calling on behalf of TNS BMRB. We are carrying out a survey for Her Majesty's Revenue and Customs with small and medium sized businesses about attitudes towards taxation.

Please could I speak to the owner of the business, senior partner or Director of the company? NOTE: IF NO-ONE AVAILABLE, ASK FOR A SENIOR MANAGER

WHEN TALKING TO SENIOR RESPONDENT:

Good morning/afternoon/evening, my name is ..., and I am calling on behalf of TNS BMRB.

Can I just check, do you have responsibility for making key financial decisions about the business, either alone, or with others? IF NO – ASK TO SPEAK TO SOMEONE WHO HAS SOLE OR SHARED RESPONSIBILITY FOR MAKING KEY DECISIONS ABOUT THE BUSINESS FINANCES. NOTE – IF THEY SAY THIS IS SOMETHING DONE AT A HIGHER LEVEL IN THE BUSINESS, PLEASE TAKE REFERRAL UPWARDS.

WHEN TALKING TO SENIOR RESPONDENT WHO HAS SOME/ALL RESPONSIBILITY FOR KEY DECISIONS ABOUT THE BUSINESS:

Good morning/afternoon/evening, my name is ..., and I am calling on behalf of TNS BMRB.

We are carrying out a survey for Her Majesty's Revenue and Customs about attitudes towards taxation with small to medium size businesses in the UK. Would this be a good time to ask you some quick questions?

IF NECESSARY: The interview should take around 15 minutes. It will be conducted in accordance with the rules of the Market Research Society. We guarantee that all your answers will be kept confidential. HM Revenue and Customs will not be able to identify any individual or business from their answers.

## INITIAL OUTCOME PRE SCREENER

Yes – CONTINUE

No, but want to take part - GENERAL CALLBACK

No, but want to take part – MAKE APPOINTMENT

- Hard refusal – CLOSE AND CODE AS REFUSED
- Proxy refusal

Not a small/medium business – more than 250 employees – CLOSE AND CODE AS INELIGIBLE

Plus usual list of other outcome codes (e.g. not a business).

## SCREENER

### ASK ALL

SCR1 Before we start, would you say the key financial decisions about this business are ... READ OUT (SC)

- Yours alone
- Mainly yours
- Shared equally with someone else/ others
- Mainly someone else's decision - GET REFERRAL TO SOMEONE WITH RESPONSIBILITY FOR KEY DECISIONS AND RE-START INTERVIEW
- Totally someone else's decision - - GET REFERRAL TO SOMEONE WITH RESPONSIBILITY FOR KEY DECISIONS AND RE-START INTERVIEW

### ASK ALL

SCR3 We would like to talk to a selection of businesses, so could you just tell me the approximate number of people employed by your business including yourself. Would you say there were...? READ OUT (SC)

- 1 (self employed/ sole trader)
- 2-4
- 5-9
- 10-19
- 20-24
- 25-49
- 50-99
- 100-199
- 200-249
- 250 or more – CLOSE INTERVIEW (INELIGIBLE)
- Don't know – CLOSE INTERVIEW (INELIGIBLE)
- Refused – CLOSE INTERVIEW (INELIGIBLE)

CLOSE SCRIPT FOR SCR3: Thank you for your time , but we only need to talk with businesses that we know to have under 250 employees.

### ASK ALL

SCR4 And into which of these bands does your annual sales turnover fall? READ OUT UNTIL REACH ANSWER (SC)

- Less than £15,000



- £15,000 or more but under £30,000
- £30,000 or more but under £40,000
- £40,000 or more but under £50,000
- £50,000 or more but under £77,000
- £77,000 or more but under £100,000
- £100,000 or more but under £250,000
- £250,000 or more but under £500,000
- £500,000 or more but under £1 million
- £1million or more but under £10 million
- £10 million or more but under £30 million
- £30 million or more but under £40 million
- Over £40 million – CLOSE INTERVIEW (INELIGIBLE)
- REFUSED/DON'T KNOW

IF REFUSED/DK AT SCR4 ASK SCR4b

SCR4b In that case, can you tell me, is your annual sales turnover more than £40 million? (SC)

- No – less than £40million
- Yes – more than £40 million – CLOSE INTERVIEW (INELIGIBLE)
- REFUSED/DK

CLOSE SCRIPT FOR SCR4/4b: Thank you for your time, but we only need to talk with businesses that we know to have a turnover below £40 million per year.

SIC CODE, REGION AND TV REGION FROM SAMPLE

ASK ALL

I would like to ask you about your views on taxation. I would like to stress that all of your responses will be treated as confidential and not attributed to you.

FAIR1 As you may know, HM Revenue and Customs is the government agency that is responsible for collecting taxes. Please tell me to what extent you agree or disagree that HM Revenue and Customs treats your business fairly in your dealings with them. Do you ... READ OUT (SC)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- DO NOT READ OUT - Don't know

ASK ALL

The next questions are about your views on tax evasion. By tax evasion, we mean deliberately not declaring all the business income that should be declared for tax purposes or deliberately overstating costs for tax.

Please keep in mind that we are interested in your opinions and there are no right or wrong answers. Please also remember that your responses will be kept in the strictest confidence and it will not be possible to identify you or your business in the results that we report to HM Revenue and Customs.

For the next set of questions I would like you to think broadly about ALL small and medium sized businesses. So thinking about these types of business.

ASK ALL

CTEV1b In your view, how widespread do you think tax evasion is, among small and medium sized businesses? Is it ... READ OUT (SC)

- Very widespread
- Fairly widespread
- Not very widespread
- Not widespread at all
- Don't know – DO NOT READ OUT
- Refused – DO NOT READ OUT

ASK ALL

CTEV2 Do you think HM Revenue and Customs is currently putting too much, too little or about the right amount of effort into reducing tax evasion among small and medium sized businesses? (SC)

- Too much
- Too little
- About the right amount
- DO NOT READ OUT - Don't Know
- DO NOT READ OUT - Refused

ASK ALL

CTEV10 Compared to a few years ago, how do you think that HM Revenue and Customs deals with small and medium sized businesses that do not pay the correct amount of tax? Would you say ... READ OUT (SC)

- More firmly
- Less firmly
- Or about the same?
- DO NOT READ OUT - Don't know
- DO NOT READ OUT - Refused

ASK ALL

CTEV5 Do you think small and medium sized businesses that regularly evade paying tax are more or less likely to be caught by HM Revenue and Customs now, than they were a couple of years ago? Would you say ... READ OUT (SC)

- A lot more likely

- A little more likely
- A little less likely
- A lot less likely
- DO NOT READ OUT - Don't know
- DO NOT READ OUT - no more or less likely

ASK ALL

CTEV4 Suppose your business regularly under-declared its tax liability. How likely do you think it is that HM Revenue and Customs would find out about this? Would you say it is...? READ OUT (SC)

- Very likely
- Quite likely
- Not likely
- Not at all likely
- DO NOT READ OUT - Don't Know

ASK ALL

CTEV7 I am going to read out four statements. Please tell me which of them comes closest to your own views about tax evasion. READ OUT. (SC)

- It is always acceptable
- It is mostly acceptable (but depends on the circumstances)
- It is mostly unacceptable (but depends on the circumstances)
- It is always unacceptable
- DO NOT READ OUT - None of these
- DO NOT READ OUT - Don't know

ASK ALL

CTEV9 And can you tell me the main reason why YOU wouldn't regularly evade tax? NOT READ OUT. PROBE FULLY. (MC)

- Because it's illegal
- Because of the penalties/consequences I could face
- Because it is unfair to other taxpayers
- Because it is immoral
- The probability/likelihood of being caught
- Other (SPECIFY)
- Don't know
- No reason

ASK ALL

MBQ\_N2 Please tell me to what extent you agree or disagree with the following statement.

"A lot of small and medium businesses think it is acceptable to under-declare their revenue, in order to avoid paying taxes." (SC) Do you...

- Strongly agree
- Agree

- Neither agree nor disagree
- Disagree
- Strongly disagree
- DO NOT READ OUT - Don't Know

ASK ALL

MBQ\_N3 Please tell me to what extent you agree or disagree with the following statement.

"I think it is acceptable for small and medium businesses to under-declare their revenue in order to avoid paying taxes." (SC) Do you...

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- DO NOT READ OUT - Don't Know

CRM 1 We are now going to read out some statements made by people in businesses like yours and for each one we would like you to tell us to what extent you agree or disagree with the statements using a scale from 1 to 9 where 1 is to disagree strongly and 9 is to agree strongly.

RANDOMISE ORDER OF STATEMENTS. ONE SCREEN PER STATEMENT. CODE 1-9, DK FOR EACH

To what extent do you agree or disagree that...

- a. The fear of getting caught stops you cheating on your taxes
- b. HM Revenue & Customs is better at catching people than ever before
- c. You believe that HM Revenue & Customs will capture those who don't pay all their taxes
- d. HM Revenue & Customs wants people who have undeclared income to come forward before they are caught
- e. You have the opportunity to not pay all of the taxes you owe
- f. It is a priority for your business to ensure its tax affairs are in order
- g. It is important for businesses like yours to keep proper records, for example expenses and financial transactions

FOR EACH:

- 1 – Disagree strongly
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9 – Agree strongly
- Don't know
- Refused

CRM 2 Thinking about the last 4 months, which of the following have you done?  
RANDOMISE.

READ AND CODE YES/NO/DK FOR EACH.

- Visited the HM Revenue & Customs website to find out more about the taxes you should be paying
- Made more effort to do your tax returns accurately and on time
- Registered with HM Revenue & Customs for taxes that you weren't previously registered for
- Paid tax on income that you previously wouldn't have declared
- Talked to a friend, colleague or adviser about worries you have about your taxes

FOR EACH:

- Yes
- No
- (Don't know)

CAM 1 Have you seen or heard any advertising or publicity recently from HM Revenue & Customs aimed at particular trade sectors or occupations? And if so, at which trade sectors or occupations was it aimed?

DO NOT READ OUT. PROBE FULLY. MC

- No/None
- Tutors and coaches providing private lessons
- Businesses with revenue above the VAT threshold who are not registered for VAT
- Plumbers
- Doctors and dentists
- People or businesses using offshore banking
- Electricians
- Targeting the affluent
- eMarketplace traders
- Self assessment
- Tax credits
- Alcohol
- Tobacco
- Taskforces – not specified
- Other (SPECIFY).
- Don't know

CAM 2 Apart from advertising or publicity aimed at certain trades or occupations, have you seen or heard any advertising or publicity recently from HM Revenue & Customs about tax evasion or under-declaring your income? This includes advertising, coverage in the media, information you have received, or anything you have heard from your friends, for example. (SC)

- Yes
- No
- DK

IF YES AT CAM 2, ASK CAM 3-4

DO NOT READ OUT. CODE ALL THAT APPLY

CAM 3 where can you remember seeing or hearing any advertising or publicity recently from HM Revenue & Customs about tax evasion or under-declaring your income?

IF RESPONDENT SAYS TV, ASK WHETHER PROGRAMME OR ADVERTISING, ETC FOR RADIO AND SO ON. IF RESPONDENT SAYS ADVERTISING, PROBE FOR WHERE SEEN

- Tax agent/ Accountant
- Trade press/ rep bodies
- TV – programme
- TV – advert
- Radio – programme
- Radio – advert
- Magazine or Newspaper – article
- Magazine or newspaper – advert
- Leaflet
- Letter from HM Revenue & Customs
- Mobile phone text message from HM Revenue & Customs
- HM Revenue & Customs Website
- Other website (SPECIFY)
- Advertising on the internet
- Posters/billboards
- Advertising on telephone boxes
- Advertising on cash machine screens
- Beer mats in pubs
- People talking about it
- OTHER (SPECIFY)
- Don't Know

CAM 4 Please can you describe in detail what you remember about the advertising or publicity from HMRC? What else?

PROBE FOR DETAIL OTHER THAN THE SOURCE

## CLASSIFICATION

ASK ALL

And finally, just for classification purposes

CLAS1 Is this business a...? READ OUT (SC)

- Limited Company
- Partnership
- Limited liability partnership
- Sole trader
- Other (specify)
- DO NOT READ OUT - Don't know

ASK ALL

CLAS2 For how many years has this business been trading? READ OUT UNTIL REACH CORRECT ANSWER (SC)

- Less than 1 year
- 1 to 3 years
- More than 3 to up to 5 years
- More than 5 to up to 10 years
- More than 10 to up to 15 years
- Over 15 years

Don't know

ASK ALL

CLAS3 Does your business use someone who is not an employee, such as an accountant, to deal with some or any of your taxes, or do you or someone else you employ deal with all of your taxes? SC. READ OUT IF NECESSARY.

- All handed over to someone outside of the business
- Some done in house and some handed to someone outside of the business
- All done in house
- DK

ASK ALL

CLAS4 Can I check, is your business registered for VAT?

- Yes
- No
- Don't know
- Refused

ASK ALL

CLAS5 Different businesses have to do different tax returns depending on their size and status. Which of these does your business do?

READ OUT (MC)

- Corporation Tax returns

- PAYE returns
- VAT returns
- Self-assessment returns
- None of these
- Don't know
- Refused

ASK ALL

CLAS6 Do you have easy access to the internet just now, either on a computer or through a smart phone?

- Yes
- No

ASK ALL

CLAS7 HM Revenue and Customs may be conducting some further research on these topics in the future. Would you be happy for someone from TNS BMRB to re-contact you and invite you to participate in this research?

- Yes
- No

IF CLAS7=YES

CLAS8 And would you be happy to allow TNS BMRB to pass your contact details on to another independent research agency, commissioned by HM Revenue and Customs, to re-contact you in relation to further research in the future?

IF NECESSARY - this would be research on behalf of HM Revenue and Customs?

- Yes
- No

ASK ALL

CLAS 9 INTERVIEWER: RECORD GENDER  
(ONLY ASK IF ABSOLUTELY NECESSARY)

- Male
- Female

CLOSE



## Evasion Publicity Campaign Tracking – 2013 Post-Wave Questionnaire

The average interview length at the post-wave was 20 minutes based on this questionnaire.

### INTRODUCTION

Good morning/afternoon/evening, my name is ..., and I am calling on behalf of TNS BMRB. We are carrying out a survey for Her Majesty's Revenue and Customs with small and medium sized businesses about attitudes towards taxation.

Please could I speak to the owner of the business, senior partner or Director of the company? NOTE: IF NO-ONE AVAILABLE, ASK FOR A SENIOR MANAGER

WHEN TALKING TO SENIOR RESPONDENT:

Good morning/afternoon/evening, my name is ..., and I am calling from TNS BMRB.

Can I just check, do you have responsibility for making key financial decisions about the business, either alone, or with others? IF NO – ASK TO SPEAK TO SOMEONE WHO HAS SOLE OR SHARED RESPONSIBILITY FOR MAKING KEY DECISIONS ABOUT THE BUSINESS FINANCES. NOTE – IF THEY SAY THIS IS SOMETHING DONE AT A HIGHER LEVEL IN THE BUSINESS, PLEASE TAKE REFERRAL UPWARDS.

WHEN TALKING TO SENIOR RESPONDENT WHO HAS SOME/ALL RESPONSIBILITY FOR KEY DECISIONS ABOUT THE BUSINESS:

Good morning/afternoon/evening, my name is ..., and I am calling from TNS BMRB.

We are carrying out a survey for Her Majesty's Revenue and Customs about attitudes towards taxation with small to medium size businesses in the UK. Would this be a good time to ask you some questions? The interview should take around 15-20 minutes. **IF NECESSARY:** It will be conducted in accordance with the rules of the Market Research Society. We guarantee that all your answers will be kept confidential. HM Revenue and Customs will not be able to identify any individual or business from their answers.

INITIAL OUTCOME PRE SCREENER

- Yes – **CONTINUE**
- No, but want to take part - **GENERAL CALLBACK**
- No, but want to take part – **MAKE APPOINTMENT**
- Hard refusal – **CLOSE AND CODE AS REFUSED**
- Proxy refusal
- Not a small/medium business – more than 250 employees – **CLOSE AND CODE AS INELIGIBLE**
- Plus usual list of other outcome codes (e.g. not a business)

## INTERVIEWER SAY WHEN MAKING APPOINTMENT

We would like to show you some pictures on the internet later on as part of the interview. It would be very useful if you could connect to the Internet while speaking by phone, using a computer, tablet or smartphone and ideally we would prefer to call back when you are in a position to do this.

## SCREENER

### ASK ALL

SCR1 Before we start, would you say the key financial decisions about this business are ...

READ OUT (SC)

- Yours alone
- Mainly yours
- Shared equally with someone else/ others
- Mainly someone else's decision - GET REFERRAL TO SOMEONE WITH RESPONSIBILITY FOR KEY DECISIONS AND RE-START INTERVIEW
- Totally someone else's decision - - GET REFERRAL TO SOMEONE WITH RESPONSIBILITY FOR KEY DECISIONS AND RE-START INTERVIEW

IF SOME ONE ELSE AT SCR1 NEED TO TRY TO FIND SOMEONE WITH RESPONSIBILITY FOR KEY DECISIONS AND RE-START INTERVIEW OR CODE AS REFUSAL

### ASK ALL

SCR3 We would like to talk to a selection of businesses, so could you just tell me the approximate number of people employed by your business including yourself. Would you say there were...? READ OUT (SC)

- 1 (self employed/ sole trader)
- 2-4
- 5-9
- 10-19
- 20-24
- 25-49
- 50-99
- 100-199
- 200-249
- 250 or more – CLOSE INTERVIEW (INELIGIBLE)
- Don't know – CLOSE INTERVIEW (INELIGIBLE)
- Refused – CLOSE INTERVIEW (INELIGIBLE)

CLOSE SCRIPT FOR SCR3: Thank you for your time, but we only need to talk with businesses that we know to have under 250 employees.

ASK ALL

SCR4 And into which of the following bands did your annual sales turnover fall for financial year 2011-2012? IF UNSURE: ASK FOR BEST ESTIMATE OR PREVIOUS YEAR

READ OUT UNTIL REACH ANSWER (SC)

- Less than £15,000
- £15,000 or more but under £30,000
- £30,000 or more but under £40,000
- £40,000 or more but under £50,000
- £50,000 or more but under £73,000
- £73,000 or more but under £100,000
- £100,000 or more but under £250,000
- £250,000 or more but under £500,000
- £500,000 or more but under £1 million
- £1million or more but under £10 million
- £10 million or more but under £30 million
- £30 million or more but under £40 million
- Over £40 million – CLOSE INTERVIEW (INELIGIBLE)
- REFUSED/DON'T KNOW

IF REFUSED/DK AT SCR4 ASK SCR4b

SCR4b In that case, can you tell me, is your annual sales turnover more than £40 million? (SC)

- No – less than £40million
- Yes – more than £40 million – CLOSE INTERVIEW (INELIGIBLE)
- REFUSED/DK

CLOSE SCRIPT FOR SCR4/4b: Thank you for your time, but we only need to talk with businesses that we know to have a turnover below £40 million per year.

SCRIPTER PLEASE NOTE: SIC CODE, REGION AND TV REGION FROM SAMPLE

INT1 We would like to show you some pictures on the internet as part of the interview. Are you able to connect to the Internet while speaking by phone, using either a computer or smart phone?

- Yes
- No

IF NO, ASK INT2. OTHERS GO TO INT3

INT2 Would it be possible for you to obtain access to the internet so that we can use the internet as part of the interview?

- Yes
- No

ONLY ACCEPT NO IF REALLY NECESSARY.

IF YES AT INT 1 OR INT2 SAY:

IF YES, ENCOURAGE THE RESPONDENT TO GET READY FOR WHAT IS REQUIRED TO VIEW ONLINE

INT3 INTERVIEWER READ OUT: When the appropriate time comes we will ask you to open your internet browser and go to a specific page.

IF NO AT BOTH INT1 AND INT2 SAY:

INT4 It doesn't matter if you cannot access the internet, we will describe the information instead.

ASK ALL

I would like to ask you about your views on taxation. I would like to stress that all of your responses will be treated as confidential and not attributed to you.

FAIR1 As you may know, HM Revenue and Customs, also known as HMRC, is the government agency that is responsible for collecting taxes. Please tell me to what extent you agree or disagree that HMRC treats your business fairly in your dealings with them. Do you ... READ OUT (SC)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- DO NOT READ OUT - Don't know

ASK ALL

The next questions are about your views on tax evasion. By tax evasion, we mean deliberately not declaring all the business income that should be declared for tax purposes or deliberately overstating costs for tax.

Please keep in mind that we are interested in your opinions and there are no right or wrong answers. Please also remember that your responses will be kept in the strictest confidence and it will not be possible to identify you or your business in the results that we report to HMRC.

For the next set of questions I would like you to think broadly about ALL small and medium sized businesses. So thinking about these types of business ...

ASK ALL

CTEV1b In your view, how widespread do you think tax evasion is, among small and medium sized businesses? Is it ... READ OUT (SC)

- Very widespread
- Fairly widespread
- Not very widespread
- Not widespread at all
- Don't know – DO NOT READ OUT
- Refused – DO NOT READ OUT

ASK ALL

CTEV2 Do you think HMRC is currently putting too much, too little or about the right amount of effort into reducing tax evasion among small and medium sized businesses? (SC)

- Too much
- Too little
- About the right amount
- DO NOT READ OUT - Don't Know
- DO NOT READ OUT – Refused

CTEV10 DROPPED

ASK ALL

CTEV5 Do you think small and medium sized businesses that regularly evade paying tax are more or less likely to be caught by HMRC now, than they were a couple of years ago? Would you say ... READ OUT (SC)

- A lot more likely
- A little more likely
- A little less likely
- A lot less likely
- DO NOT READ OUT - Don't know
- DO NOT READ OUT – no more or less likely

ASK ALL

CTEV4 Suppose your business regularly under-declared its tax liability. How likely do you think it is that HMRC would find out about this? Would you say it is...? READ OUT (SC)

- Very likely
- Quite likely
- Not likely
- Not at all likely
- DO NOT READ OUT - Don't Know

ASK ALL

CTEV7 I am going to read out four statements. Please tell me which of them comes closest to your own views about tax evasion. READ OUT. (SC)

- It is always acceptable
- It is mostly acceptable (but depends on the circumstances)
- It is mostly unacceptable (but depends on the circumstances)
- It is always unacceptable
- DO NOT READ OUT - None of these
- DO NOT READ OUT - Don't know

ASK ALL

CTEV9 And can you tell me the main reason why YOU wouldn't regularly evade tax? NOT READ OUT. PROBE FULLY. (MC)

- Because it's illegal
- Because of the penalties/consequences I could face
- Because it is unfair to other taxpayers
- Because it is immoral
- The probability/likelihood of being caught
- Other (SPECIFY)
- Don't know
- No reason

MBQ\_N2 and N3 DROPPED

CRM 1 We are now going to read out some statements made by people in businesses like yours and for each one we would like you to tell us to what extent you agree or disagree with the statements using a scale from 1 to 9 where 1 is to disagree strongly and 9 is to agree strongly.

RANDOMISE ORDER OF STATEMENTS. ONE SCREEN PER STATEMENT. CODE 1-9, DK FOR EACH

Using a number on the scale from 1 to 9 including any number in between ...  
To what extent do you agree or disagree that...

- a. The fear of getting caught stops you cheating on your taxes
- b. HMRC is better at catching people than ever before
- c. You believe that HMRC will capture those who don't pay all their taxes
- d. HMRC wants people who have undeclared income to come forward before they are caught

FOR EACH:

- 1 – Disagree strongly
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9 – Agree strongly
- Don't know
- Refused

CRM 2 Thinking about the last 4 months, which of the following have you done?

RANDOMISE.

READ AND CODE YES/NO/DK FOR EACH.

IF NECESSARY REMIND RESPONDENT THAT WE ARE INTERESTED IN ACTION TAKEN IN LAST 4 MONTHS

Visited the HMRC website to find out more about the taxes you should be paying  
Made more effort to do your tax returns accurately and on time  
Registered with HMRC for taxes that you weren't previously registered for  
Talked to a colleague, friend, or adviser about worries you have about your taxes

FOR EACH (SC):

- Yes
- No
- (Don't know)

CAM 1 Have you seen or heard any advertising or publicity recently from HMRC AIMED AT PARTICULAR TRADE SECTORS OR OCCUPATIONS? And if so, at which trade sectors or occupations was it aimed?

DO NOT READ OUT. PROBE FULLY. MC

- No/None
- Tutors and coaches providing private lessons
- Businesses with revenue above the VAT threshold who are not registered for VAT
- Plumbers
- Doctors and dentists
- People or businesses using offshore banking
- Electricians
- Targeting the affluent
- eMarketplace traders
- Self assessment
- Tax credits
- Alcohol

- Tobacco
- Taskforces – not specified
- Other (SPECIFY).
- Don't know

IF ANY CODED AT CAM1 IN SERT TEXT ' ` Apart from that aimed at certa in trades or occupations, have you...

ALL OTHERS, ASK: Have you...'

CAM 2 seen or heard any advertising or publicity recently from HMRC about tax evasion or under-declaring your income? This includes advertising, coverage in the media, information you have received, or anything you have heard from your friends, for example.

(SC)

- Yes
- No
- Don't know

IF YES AT CAM 2, ASK CAM 3-4

DO NOT READ OUT. CODE ALL THAT APPLY

CAM 3 Where can you remember seeing or hearing any ad vertising or publicity recently from HMRC about tax evasion or under-declaring your income?

IF RESPONDENT SAYS RADIO, ASK WHE THER PROGRAMME OR ADVERTISING, FOR NEWSPAPER (ARTI CLE OR ADVERTISING), TV (PROG RAMME O R ADVERTISING) AND SO ON. IF RESPO NDENT SAYS ADVERTISING, PROBE FOR WHERE SEEN

- Tax agent/ Accountant
- Trade press/ rep bodies
- TV – programme
- TV – advert
- The Chancellor of the Exchequers Autumn Statement
- Radio – programme
- Radio – advert
- Magazine or newspaper – article
- Magazine or newspaper – advert
- Leaflet
- Letter from HMRC
- Mobile phone text message from HMRC
- HMRC Website
- Other website (SPECIFY)
- Advertising on the internet
- Posters/billboards
- Beer mats in pubs
- Cash machine screens
- Telephone boxes
- Advertising on trains
- Advertising on vans



- People talking about it
- OTHER (SPECIFY)
- Don't Know

CAM 4 Please can you describe in detail what you remember about the advertising or publicity from HMRC? What else?  
 PROBE FOR DETAIL OTHER THAN THE SOURCE

QUESTION CAM5 – CAM21c NEW FOR POST WAVE

ASK ALL

I am now going to play you a radio ad.

PLAY RADIO AD

INTERVIEWER: Wait while radio ad is being played

(HALF OF SAMPLE (RANDOMLY SELECTED) TO HEAR ONE AD; OTHER HALF TO HEAR OTHER AD – NEED TO RECORD WHICH ONE PLAYED)

CAM5 Have you heard this or a similar ad to this one on the radio recently?

- Yes
- No
- (Don't know)

IF CODED YES AT INT1 OR INT2 –ACCESS TO INTERNET - SAY

Please open your internet browser and go to the following homepage  
[www.playads.info](http://www.playads.info)

(INT NOTE: ALL LOWER CASE)

CAM6 Can you see the images on the screen?

- Yes
- No

IF YES AT CAM6 CONTINUE AT CAM7; IF NO SKIP TO CAM9

CAM7 Have you seen this advertising on posters or billboards recently?

- Yes
- No
- (Don't know)

INTERVIEWER: PLEASE TELL RESPONDENTS TO CLICK ON THE NEXT BUTTON ON THE RIGHT HAND SIDE OF THE PAGE. WHEN THE IMAGE LOADS, CLICK ON IT TO PLAY

CAM8x Have you been able to see the next image, and see it playing? It does not have any sound.

- Yes
- No

•  
IF NO GO TO DESCRIPTION FOR CAM 10

CAM8 Have you seen this advert online recently?

- Yes
- No
- (Don't know)

IF CODED NO AT INT1 AND INT2 (NO ACCESS TO INTERNET ) OR NO AT CAM 6  
– INTERVIEWER SAY:

There have also been adverts on posters and billboards. I will read out a description of them and I would like you to tell me whether you have seen any of them or not.

READ DESCRIPTION OF POSTER: IF RESPONDENT SAYS THEY HAVE SEEN IT BEFORE YOU REACH THE END OF DESCRIPTION CODE AS YES AND GO TO NEXT QUESTION

REVISED DESCRIPTION:

The main image in the posters is of a person's eyes appearing from behind grey paper either looking through a tear or with the poster pulled down at the corner. In all the posters the person appears to be looking directly at you. Below the image of the eyes the text reads "We're closing in on undeclared income. Go to [gov.uk/sortmytax](http://gov.uk/sortmytax)", Below this another message says "if you have declared all your income you have nothing to fear".

CAM9 Have you seen this advertising on posters or billboards recently?

- Yes
- No
- (Don't know)

IF CODED NO AT INT1 AND INT2 (NO ACCESS TO INTERNET) OR NO AT CAM 6  
OR NO AT CAM8x

INTERVIEWER SAY:

There have also been adverts online

READ DESCRIPTION OF ONLINE ADVERTISING: IF RESPONDENT SAYS THEY HAVE SEEN IT BEFORE YOU REACH THE END OF DESCRIPTION CODE AS YES AND GO TO NEXT QUESTION

The main image in the online advertising is of a person's eyes. At the start of all the ads, the person has their eyes closed. Then, when they open, they appear to look directly at you. Text below or to the side of the image then appears, it reads "We are closing in on undeclared income". The eyes then either blink, or look to the left and then the right, whilst new text appears, which reads "If you have disclosed all your income then you have nothing to worry about'. The eyes then disappear from the screen, and new text appears. It reads "If you haven't... Act now'. The Act Now text appears as a blue click through button.

CAM10 Have you seen this advertising online recently?

- Yes

- No
- (Don't know)

ASK ALL.

CODE ALL THAT APPLY

CAM11 Can I just check, have you seen these images on any of the following recently?

READ OUT.

ROTATE LIST BUT FIX LAST 3 CODES AT BOTTOM

- On beer mats
- On phone boxes
- On cash point screens
- On posters on trains
- On vans
- Somewhere else (please specify)
- (None/not seen any – DO NOT READ OUT)
- (Don't know – DO NOT READ OUT)

IF SAID YES AT CAM2 (SEEN ADVERTISING ON TAX EVASION) AND SEEN ANY ADVERTISING AT CAM5, 7, 8, 9, 10 OR 11 ASK CAM12

CAM132 When we asked you earlier whether you had seen any advertising or publicity on tax evasion and you replied yes, were you referring to the advertising that we have just played and [shown] / [described] to you? (TAILOR DEPENDING ON WHETHER SEEN ONLINE OR NOT)

- Yes
- No
- (Don't know)

ASK ALL

IF STIMULUS SHOWN ON INTERNET ASK:

CAM13 Please now think about all the advertising that was just played and shown to you, that is the radio, poster and online advertising. What do you think is the main message?

OPEN ENDED.

PROBE FULLY. What else?

IF READ DESCRIPTIONS ASK:

CAM13 Please now think about all the advertising that was just played and described to you, that is the radio, poster and online advertising. What do you think is the main message?

OPEN ENDED.

PROBE FULLY. What else?

(Questions 14-18 and 19/4 are copyright to TNS)

CAM14 Still thinking about the radio, poster and online advertising about tax evasion, do you think people will notice this advertising?

- Yes
- No
- (Don't know/ no opinion)

CAM15 And does this advertising get YOUR attention?

- Yes
- No
- (Don't know/ no opinion)

CAM16a Did these ads make you believe or strengthen your belief that HMRC will catch those who evade tax?

- Yes
- No
- (Don't know/ no opinion)

IF NO /DON'T KNOW AT CAM 16a ASK CAM16b

CAM16b Why did these ads not make you believe or strengthen your belief that HMRC will catch people who evade tax?

DO NOT PROMPT

- I can't see the relevance of them to me
- Message not clear from ad
- I don't think HMRC will catch people/ message is not believable
- HMRC already catch everybody
- HMRC shouldn't need to advertise/HMRC should be catching people anyway
- Other (specify)
- (Don't know/ no opinion)

ASK ALL

CAM17 Did these ads give you the feeling that what was said or shown was worthwhile seeing or listening to?

- Yes
- No
- (Don't know/ No opinion)

CAM18 If you were talking to a colleague or someone else about tax evasion do you think you would mention any of the points made in this advertising?

- Yes
- No
- (Don't know/ No opinion)

CAM19 Thinking about all of the advertising which you have [ seen and heard]/ [heard and heard a description of] TAILOR DEPENDING ON WHETHER ONLINE ACCESS OR NOT], we would like you to tell us to what extent you agree or disagree with the following statements. Please use the scale from 1 to 9 where 1 is to disagree strongly and 9 is to agree strongly.

Using a number on the scale from 1 to 9 including any number in between ...

READ OUT.....To what extent do you agree or disagree with this statement?

RANDOMISE.

The advertising was threatening

The advertising was credible

The advertising has made you worry about your taxes

The advertising has improved your opinion of HMRC's work to tackle tax evasion

- 1 – Disagree strongly
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9 – Agree strongly
- Don't know/Refused/ No opinion

IF SEEN ANY ADVERTISING AT CAM5, 7, 8, 9, 10 OR 11 ASK. OTHERS TO CAM21a.

CAM20 As a result of seeing or hearing this tax evasion advertising what, if anything, have you done? DO NOT PROMPT. CODE ALL THAT APPLY. PROBE: Anything else?

- Visited SORTMYTAX/ the webpage: SORTMYTAX
- Visited the HMRC website to find out more about the taxes I should be paying
- Visited other websites concerned with taxes (please specify which)
- Registered with HMRC for taxes that I wasn't previously registered for
- Paid tax on income that I previously wouldn't have declared
- Made more effort to do my tax return accurately
- Made more effort to do my tax return on time
- Spoken with colleagues/staff about tax
- Looked at/considered my tax
- Sought external advice on tax
- Something else (specify)
- Didn't know what to do
- Done nothing/nothing done
- (Don't know)

IF NOT MENTIONED SORTMYTAX ASK

CAM21a There is a Government webpage, SORT MYTAX, to inform and help people with their taxes. Have you heard of this before?

- Yes
- No
- (Don't know)

IF YES AT CAM21a, ASK

CAM21b Have you been to the webpage, SORTMYTAX?

- Yes
- No
- (Don't know)

CAM21c DROPPED

CLASSIFICATION
----------------

ASK ALL

And finally, we have a few questions just for classification purposes.

CLAS1 DROPPED

ASK ALL

CLAS2 For how many years has your business been trading? READ OUT UNTIL REACH CORRECT ANSWER (SC)

- Less than 1 year
- 1 to 3 years
- More than 3 to up to 5 years
- More than 5 to up to 10 years
- More than 10 to up to 15 years
- Over 15 years
- Don't know

CLAS3 DROPPED

ASK ALL

CLAS4 Can I check, is your business registered for VAT?

- Yes
- No
- Don't know
- Refused

CLAS5 AND CLAS6 DROPPED

ASK ALL

CLAS7 HMRC may be conducting some further research on these topics in the future. Would you be happy for someone from TNS BMRB to re-contact you and invite you to participate in this research?

- Yes
- No

IF CLAS7=YES

CLAS8 And would you be happy to allow TNS BMRB to pass your contact details on to another independent research agency, commissioned by HMRC, to re-contact you in relation to further research in the future?

IF NECESSARY - this would be research on behalf of HMRC?

- Yes
- No

ASK ALL

CLAS 9 INTERVIEWER: RECORD G ENDER (ONLY ASK IF ABSOLUTELY NECESSARY)

- Male
- Female

CLOSE

# 13. Appendix E: Sample information and weighted and unweighted profiles

As noted in the main body of the report, there was some under and over sampling in terms of number of employees; although companies with 50-249 employees were not over-sampled to the extent intended owing to a lower response achieved among that group. The profile of the sample purchased at the post-wave is shown in Table E.1 together with details of the SME audience profile. The latter is based on data collected by HMRC from returns for companies, partnerships and sole traders for 2009/10.

## E.1. SME profile and Sample profile

<b>SIC Group*</b>	<b>HMRC %</b>	<b>Sample %</b>
Manufacture inc. agriculture, forestry & fishing (A, C)	9%	9%
Retail (G)	8%	8%
Industry (B, D, E, F)	22%	22%
Services inc. education, health and other (H, I, J, K, L, M, P, Q, R, S, T, U)	61%	61%
<b>Employees</b>	<b>% HMRC</b>	<b>Sample %</b>
1	74%	45%
2-9	22%	40%
10-49	3%	8%
50-249	1%	8%
<b>Test Region (GOR)</b>	<b>% HMRC</b>	<b>Sample %</b>
East of England	13%	6.5%
East Midlands	6%	3%
London	23%	11.5%
Northern Ireland	3%	1.5%
Scotland	8%	4%
South East	20%	10%
South West	12%	6%
Wales	5%	2.5%
West Midlands	10%	5%
<b>Control Region (GOR)</b>	<b>% HMRC</b>	<b>Sample %</b>
East Midlands	8%	4%
North East	13%	6.5%
North West	43%	21.5%
Yorkshire and the Humber	34%	17%
Wales	2%	1%



Tables E.2. and E.3 illustrate the achieved profiles in each of the test and control areas respectively compared to the weighted profiles. The latter are based on the aforementioned HMRC profile information and which therefore represent the profiles of the universe. Rim weighting was applied on the four parameters shown, using the weighted percentages also shown. The aim of this was to correct for both non-response and design factors.

A comparison between the unweighted and weighted profiles on employee size shows the extent of some of the under- and over-representations at the pre-wave without the stratification by GOR and SIC, which was inadvertently omitted. As table E.2 shows, weighting has corrected for this but the weighting used was considerably more extreme at the pre-wave where correction was made not just for the under- and over-sampling by employee size but also for the discrepancies in terms of GOR and SIC than at the post-wave (mainly correcting the profile for number of employees).

### E.2. Test area: Pre- and post-wave weighted and unweighted profile.

	PRE		POST	
	Unweighted	Weighted	Unweighted	Weighted
<b>NUMBER OF EMPLOYEES (SCR3)</b>	%	%	%	%
1	40	74.2	47.6	74.2
2-9	46	22.4	39.3	22.4
10-49	10	2.7	10.2	2.7
50-249	4	0.7	3	0.7
<b>SIC (2007)</b>	%	%	%	%
Manufacture inc. agriculture, forestry & fishing (A, C)	17	9.1	11.6	9.1
Retail (G)	19	8.0	8.8	8.0
Services inc. education, health and other (H, I, J, K, L, M, N, P, Q, R, S, T, U)*	50	60.7	58.0	60.7
Industry (B, D, E, F)	14	22.2	21.5	22.2
<b>GOR</b>	%	%	%	%
East of England	26	12.6	14.3	12.6
London	10	22.9	18.3	22.9
Northern Ireland	2	3.5	3.1	3.5
Scotland (including Yorkshire / North East)	9	8.4	7.9	8.4
South East	18	19.6	22.0	19.6
South West	13	12.0	13.2	12.0
Wales / North West	8	5.5	5.1	5.5
West Midlands	9	9.6	9.6	9.6
East Midlands	6	5.9	6.5	5.9
<b>TURNOVER</b>	%	%	%	%
<15K	18	44.9	24.4	44.5
15K to <30K	15	16.0	14.0	15.9
30K-<50K	11	9.6	9.8	9.5
50K - <73/77K**	8	6.4	6.6	5.5
73/77K**- 40m	45	19.6	40.9	20.3
Refusal	3	3.5	4.3	4.3

\* Services also included businesses that are 'unclassified' by SIC2007

\*\* As explained in the main body of the report due to time constraints at the pre-wave, a few minor changes were made to the post-wave version of the

questionnaire, including changing one of the turnover bands from £50k - £77K to £50K to £73K to reflect the VAT threshold for the time period in question.

### E.3. Control area: Pre- and post-wave weighted and unweighted profile.

	PRE		POST	
	Unweighted	Weighted	Unweighted	Weighted
<b>NUMBER OF EMPLOYEES (SCR3)</b>	%	%	%	%
1	40	75.2	49.6	75.2
2-9	42	21.6	39.8	21.6
10-49	12	2.6	7.9	2.6
50-249	6	0.6	2.8	0.6
<b>SIC (2007)</b>	%	%	%	%
Manufacture inc. agriculture, forestry & fishing (A, C)	19	9.0	8.2	9.0
Retail (G)	23	9.9	9.4	9.9
Services inc. education, health and other (H, I, J, K, L, M, N, P, Q, R, S, T, U) *	44	59.5	62.3	59.5
Industry (B, D, E, F)	14	21.6	20.1	21.6
<b>GOR</b>	%	%	%	%
East Midlands	24	7.9	9.0	7.9
North East	16	12.7	12.6	12.7
North West /Wales	29	45.3	42.7	45.3
Yorkshire and the Humber	31	34.1	35.8	34.1
<b>TURNOVER</b>	%	%	%	%
<15K	19	44.9	26.9	43.0
15K to <30K	13	16.0	16.9	16.3
30K-<50K	11	9.6	10.0	9.3
50K - <73/77K**	9	6.4	6.9	5.9
73/77K**- 40m	44	19.6	34.0	20.2
Refusal	4	3.5	5.3	5.3

\* Services also included businesses that are 'unclassified' by SIC2007

\*\*As explained in the main body of the report due to time constraints at the pre-wave, a few minor changes were made to the post-wave version of the questionnaire, including changing one of the turnover bands from £50k - £77K to £50K to £73K to reflect the VAT threshold for the time period in question.