HM Revenue
& Customs

Research report

Tax Credits Communications Campaign Tracking Wave 29

Tracking Renewals advertising for Tax Credits

Corporate Communications - Marketing

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Customer Insight & Knowledge Team

About Marketing

Marketing plan and deliver integrated campaigns and products to enhance awareness of HM Revenue & Customs (HMRC) products and services, to influence our customers' behaviours and help deliver HMRC strategic objectives.

We support our colleagues in delivering our Vision. We influence product design, distribution channels, our working environment and all other areas of our customers' experience through our work on printed material, signage, environments, intranet and internet and tone of voice.

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Research requirement (background to the project)

Tax Credits are a flexible award which varies according to changes in people's personal or financial situation. Within this system, all Claimants need to renew their Tax Credits annually.

Over the years, HM Revenue & Customs have regularly communicated two messages:

- The need for Claimants to renew their claim before the Renewals deadline (run annually)
- The need for Claimants to inform HM Revenue & Customs about any changes in their personal or financial situations in between periods of renewal (the last campaign about this was in 2010)

This piece of research covers Wave 29 of the Tax Credits communications tracking and evaluates the 2014 Renewals activity. As with previous Renewals campaigns, the advertising was split in to three distinct phases;

- ***Announcement phase*** (radio) – informing of the need to renew (May 2014)
- ***Prompt phase*** (radio) – encouraging Claimants to take action and renew (June 2014)
- ***Deadline phase*** (TV, radio, OOH, Mobile, MSN and Spotify) – warning about the deadline and encouraging swift action (late June and July 2014)

The qualification criteria for Working Tax Credits and Child Tax Credits changed in 2012, with the threshold being £32,200 p.a. It was unchanged in 2013 and 2014. Previous waves have been re-adjusted to reflect this new criterion.

The same creative style, tone and messaging has been used for a number of years. The main Deadline TV & radio executions were very similar to previous years. Also in 2014, there was advertising on mobile devices and online, which encouraged claimants to renew online.

Total marketing investment has gone down over the years, but stayed consistent recently. In 2010 it was £1.44m, in 2011 it was £1.36m, in 2012, 2013, and in 2014 it was £1.27m. TV delivered 485 TVRs in 2014, down from the 593 in 2013 and 605 achieved in 2012. Radio ratings were also down in 2014 at 1490 from 1751 in 2013, although this is in line with 1461 achieved in 2012.

The overall objectives of the research were to determine how the communications activity performed, whether it had the desired impact on behaviour, and to better understand Claimants' actions and perceptions of the Renewals process in general. Specifically this year the research sought to answer the following key questions for HMRC:

- How did the campaign activity cut-through this year?
- What was the impact of the campaign on claimants' understanding and actions?
- Has there been a shift towards online renewal methods?

When the research took place

There were two waves of research. The first was conducted before the campaign aired and before any renewal forms had been issued, from 24th March to 10th April 2014. The post wave research was delayed following an extension of the renewals deadline, and was conducted from 7th to 27th August 2014, after the campaign came off air and after the deadline for renewing (normally July 31st, but extended to August 6th) had passed. Where relevant in this document, results are compared to previous Deadline campaigns (Aug '13 Aug '12, Aug. '11).

Who did the work (research agency)

This research was conducted by Ipsos MORI (previously Synovate – the two companies merged in late 2011).

Method, Data and Tools used, Sample

302 (pre-wave) and 305 (post-wave) interviews were conducted; face-to-face and in home. The interview took 25 minutes and covered Deadline TV (stills), radio, OOH and mobile advertising, as well as renewals methods and attitudes to Tax Credits.

The sample consisted of adults aged 16+ who had at least one child under 16 in their household (or 16-19 if in full-time education) and earned no more than £32,200 per annum (household income). This sample was designed to reflect the wider eligible population for Child Tax Credits from April 2012 onwards, with quotas set on key subgroups to ensure that the research could best meet its objectives (please see table below). Data is also weighted on age, gender, parental status, and income to ensure that waves can be compared fairly.

In previous years, those with a household income of up to £41,000 per annum were eligible for Tax Credits. From April 2012, the eligibility for Tax Credits was readjusted to those with a household income of up to £32,200 per annum. Therefore the data from previous waves (Aug. '11 and Aug. '10) has been rebased on only those with a household income of up to £32,200 per annum to reflect this new criterion.

CLAIMANTS SAMPLE PROFILE (Wave 29)							
Gender		**Age**		**Household Income**		**Marital status**	
Male	29%	18-34	41%	£0 - £9,999	23%	With partner	74%
Female	71%	35+	59%	£10,000 - £19,999	34%	Lone parent	26%
				£20,000 - £26,999	32%		
				£26,001 - £32,200	11%		

Main Findings

How did the campaign activity cut-through this year?

The Tax Credits campaign continues to experience strong cut-through, and overall recognition was in line with previous years' campaigns, despite drops in TV and radio ad recognition.

- Total advertising awareness was 80% (84% in Aug '13, 85% Aug '12, 82% Aug '11).
- Radio advertising awareness declined significantly from 61% in Aug '13 to 52%; TV awareness declined slightly to 67% from 70% in Aug '13 and 73% in Aug '12.
- 82% of claimants saw some part of the campaign; 38% were exposed to two or more media as different elements worked well to support each other. This overlap helped maintain overall awareness despite declining recognition of radio and TV advertising.

What was the impact of the campaign on claimants' understanding & actions?

The Deadline campaign continues to act as a valuable prompt to renew, and claimants find the advertising useful and informative.

- Spontaneous awareness of the deadline increased slightly to 66% (61% in Aug '13, 73% Aug '12).
- 92% agree that the ads are a useful reminder to renew (91% in Aug '13, 95% Aug '12, 89% Aug '11).
- 47% were encouraged to renew before the deadline (46% in Aug '13 and Aug '12).

However, there are signs that the campaign's impact has diminished over time. The adverts' consistency is an advantage in terms of overall recognition, but can hinder communication of new messages as claimants become desensitised to the over-familiar.

- There were significant declines this year for strong agreement with the advertising's impact;
    - 41% agreed strongly that the campaign 'told me something worth knowing' (56% in Aug '13, 57% in Aug '12, 50% in Aug '11)

- 48% agreed strongly that the ads ‘stuck in my mind’ (58% in Aug ’13, 61% in Aug ’12, 44% in Aug ’11)

Although claimants are aware of the importance of renewing on time, the campaign is less effective at communicating reasons to renew early.

- Strong agreement that it is better to renew early to receive the correct payment and avoid losing money has gradually trended downwards since August 2012.
- Increasing numbers claim they are renewing closer to the deadline, (supported by HMRC renewals data). The number renewing in April declined significantly from 2013 to 2014, while the numbers renewing in June and July increased.

Has there been a shift towards online renewal methods?

Although currently at a low level, there are signs of strong potential for online renewal if this method is clearly communicated to claimants.

- 11% of respondents claimed they renewed online this year; the numbers renewing by phone and paper declined from 2013
  - Phone: 41% Aug ’14, 49% Aug ’13, 43% Aug ‘12
  - Paper: 38% Aug ’14, 42% Aug ’13, 46% Aug ‘12
- Although on a low base (25), those renewing online found the process easier than those renewing by other methods (88% found online very easy, compared to 66% for phone and 59% for paper).
- Ease of renewing is the most important incentive for choosing renewals method (58%), suggesting that communicating the ease of online renewals could help drive uptake of this method. However, 32% choose their renewals method because ‘I always renew this way’, suggesting that there is some opposition to change.