

Evasion Publicity Campaign

Post-Campaign Tracking 2013/2014:
Report on findings among Small
and Medium Enterprises



Her Majesty's Revenue and Customs Research Report 346



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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 2012 report can be found at: http://www.hmrc.gov.uk/research/report290.pdf
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	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. For the purposes of this research, GOR plus Scotland, Wales and Northern Ireland have been used as regions for sampling and analysis purposes.
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)	SIC stands for Standard Industrial Classification – a system that is intended to help classify businesses according to the

	<p>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> <p>A) Agriculture, Forestry and Fishing B) Mining and quarrying C) Manufacturing D) Electricity, Gas, Steam and air conditioning E) Water supply, sewerage, waste management and remediation activities F) Construction G) Wholesale and retail trade; repair of motor vehicles and motorcycles H) Transport and storage I) Accommodation and food service activities J) Information and communication K) Financial and insurance activities L) Real estate activities M) Professional, scientific and technical activities N) Administrative and support service activities O) Public administration and defence; compulsory social security P) Education Q) Human health and social work activities R) Arts, entertainment and recreation S) Other service activities T) Activities of households as employers, undifferentiated goods and service producing activities of households for own use U) Activities of extraterritorial organisations and bodies</p>
Self-employed	<p>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.</p>
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 £42 million.</p>
Spontaneous recall	<p>This is where respondents report an awareness of advertising without being prompted with a list of possible responses or campaign material.</p>
Take out	<p>The messages that are being understood from a particular advert or campaign.</p>
Tax avoidance	<p>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.</p>

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 attitudinal 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. To complement HMRC Campaigns and Taskforces¹ that have run over the last few years, an Evasion Publicity campaign was launched by HMRC in November 2012. 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.

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. There have been several bursts of activity since the launch in November 2012: the most recent activity ended in February 2014. The latest campaign media channels included radio, outdoor posters / billboards / phone kiosks and a variety of ambient media (ATMs, washroom mirrors, and train cards). A webpage, gov.uk/sortmytax, was also set up when the campaign launched to provide further information / reassurance for the compliant and an option for voluntary disclosure for the non-compliant.

Survey research was commissioned to evaluate the Evasion Publicity campaign among small to medium sized enterprises (SMEs) at key stages in the campaign. Its over-arching objective was to assess 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.

The campaign was initially evaluated using pre-campaign survey research in October 2012 and a post-campaign survey in mid February – mid April 2013². A third wave of research was commissioned to evaluate the campaign activity that subsequently took place in September 2013 and January/February 2014. This report focuses on the findings from that third wave of tracking research.

¹ For further details, including HMRC's strategy, see:

<https://www.gov.uk/government/policies/reducing-tax-evasion-and-avoidance>

² This report is available to download at:

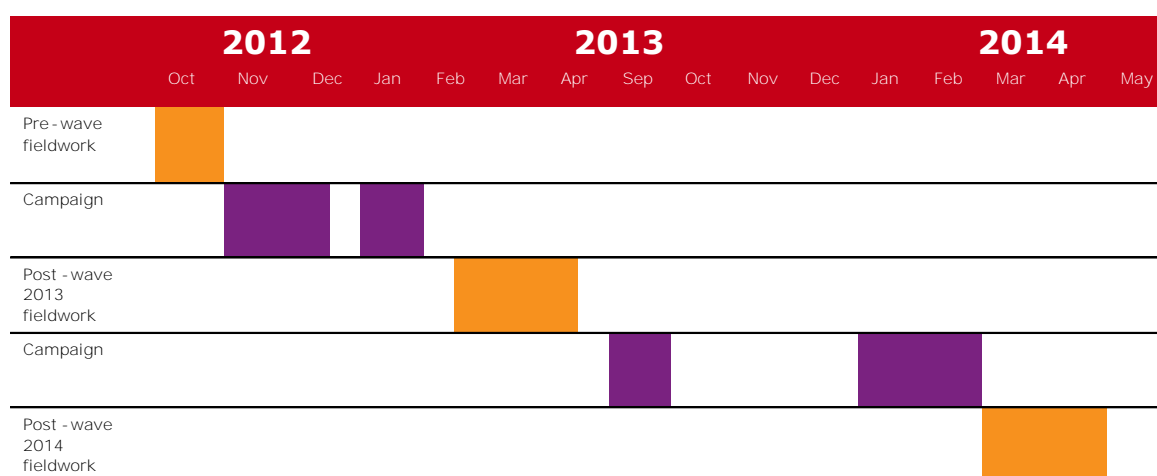
<http://www.hmrc.gov.uk/research/report277.pdf>

A separate report of the findings from the third wave of tracking is also available on the research that was carried out in parallel with this survey among individuals.³

2.2 Methodology

The figure below outlines the broad survey fieldwork and campaign timeline, from the pre-wave fieldwork in 2012 to the end of the latest wave of fieldwork in 2014.

Figure 2.1: Timeline for fieldwork and activity dates for Evasion Publicity Campaign⁴



The surveys were conducted using CATI (Computer Assisted Telephone Interviewing) with a random probability sample of SMEs. The sample included the self-employed, but excluded financial agents⁵. Interviews were conducted with the key financial decision maker in the business⁶.

The latest sample, as in previous waves, was drawn geographically 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 984 interviews carried out in the test area and 1024 in the control area amongst SMEs.

This design allows comparison of views between bursts of campaign activity as well as between test and control areas. It therefore provides an assessment of

³ <https://www.gov.uk/government/publications/evasion-publicity-post-campaign-tracking-2014-individuals>

⁴ Exact dates of campaign activity are provided in chapter 3, and specific fieldwork dates are given in chapter 4.

⁵ Financial agents were not considered a primary audience of the campaign.

⁶ See screener section in questionnaire, Appendix E, for further information.

the campaign's possible impact over time 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

- After the initial bursts of campaign activity completed in early 2013, spontaneous awareness of **any advertising or publicity on tax evasion** rose significantly in both the test and control areas, with the greatest increase to 50 per cent seen in the test area (from 24% at the pre-wave) compared to an increase to 36 per cent in the control area (from 29% at the pre-wave). The post-wave survey in 2014 shows a slight fall-off in these proportions: to 47 per cent in the test area and 34 per cent in the control area.
- Focussing specifically on messages that can possibly be linked to the campaign, there is a significant difference in spontaneous recall in the test area (26%) compared to post 2013 (18%). This is more than twice the level in the control area (10%), which was broadly similar to its level in post 2013.
- Verified recall has significantly increased in the test area from 21 per cent to 33 per cent (post 2013 to 2014). In the control area it was 12 per cent post 2014.
- When prompted with examples of adverts from the campaign, campaign recognition in the test area reached 60 per cent (up from 46% post 2013). This compares to 31 per cent in the control area (also significantly increased, from 26 per cent post 2013).
- The increases in prompted recognition are largely driven by radio (up from 37% to 53% in the test area, and 19% to 27% in the control area) with both executions heard by similar proportions of the sample. Outdoor executions (poster and billboard and phone boxes) also made a significant contribution (up from 14% post 2013 to 18% post 2014 in test).
- Prompted recognition in the test area rose significantly amongst Rule Breakers (from 36% to 55%) and Potential Rule Breakers (from 49% to 65%) as well as among the other segments combined⁷ (45% to 56%) post 2014.

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' / 'coming to get you'**. After being shown campaign material, over half stated this as the main message of the advertising (58% control area, 55%

⁷ Combined segments include Unaware, Need Help, Willing & Able, Potential Payment deferrers and Payment Deferrers.

test area). This percentage has significantly increased in the test area only, up from 47 per cent.

- Around six in ten in both the control (60%) and test (57%) areas agreed that the advertising was threatening. Furthermore, 18 per cent and 19 per cent in the control and test areas respectively strongly agreed (point 9) with this statement. There is little variation in these proportions compared to post 2013.
- It was also important to check the campaign was not causing unnecessary worry and in fact, for the attitudinally compliant majority there was low agreement that the campaign caused worry about taxes (only 13% agreed overall in the test area and 10% overall in the control area). Levels of worry have decreased since post 2013, particularly among recognisers of the campaign.
- There has been a significant increase in the proportion of Rule Breakers in the test area agreeing that the advertising has made them worry about their taxes (from 4% post 2013 to 18% post 2014), with a significantly higher proportion agreeing strongly (from 3% post 2013 to 11% post 2014).
- The proportions claiming to have responded to the advertising were fairly low in both the test and control area, with 6% and 3% respectively claiming to have taken any action. However, among the Rule Breakers in the test area the proportion was significantly higher, at 11 per cent, compared to potential rule breakers and other segments (6% and 5% respectively).
- Good levels of awareness of the gov.uk/sortmytax website were recorded, with slightly higher awareness evident in the test area than in the control area (38% and 28% respectively) but not significantly different from the 2013 post-wave (33% and 26% respectively). Awareness was significantly higher though among campaign recognisers than non-recognisers (48% versus 23% in the test area, and at 41% and 22% respectively in the control area).
- Post 2013, Rule Breakers were significantly less likely to be aware of the webpage than other segments, but post 2014, Rule Breakers are almost twice as likely to be aware of the site than they were before - and almost as likely to be aware as any other segment.

2.5 **Attitudes to tax evasion and the detection of tax evasion**

There have been small movements in a positive direction on:

- Perceptions that HMRC wants people who have undeclared income to come forward before they are caught: disagreement has significantly dropped in the test area (from 11% in 2013 to 7%) and amongst recognisers in the test area (from 12% 2013 post-wave to 6% 2014 post-wave).

- Perceptions of the acceptability of tax evasion: there are significant downward shifts in acceptability in both areas (from 8% to 4% in test, and 7% to 4% in control, driven largely by changes among recognisers).

There is also evidence that the campaign is supporting positive attitudes, even if it is not yet shifting them: perceptions around HMRC detecting tax evasion are all significantly higher among recognisers than non-recognisers in the test area.

2.6 Conclusions

The campaign is continuing to perform well in terms of claimed awareness and prompted recognition.

Radio remains the dominant channel by some margin, and there is relatively low multi-media integration. The tone and content of the campaign appear to be working, with high levels of understanding of the campaign messages and widespread perceptions of credibility and threat recorded in 2014. The amount of worry generated by the campaign remains limited among the overall audience of SMEs but it has increased significantly among the Rule Breaker segment.

There is consistent evidence of the campaign driving awareness of the website. Although this has not increased over time for the entire SME sample, there has been a significant increase in awareness among Rule Breakers. Similarly, claimed behaviours and actions as a result of the campaign remain at a low level, although some of the results are also higher for Rule Breakers.

The more positive perceptions among those recognising the campaign suggest that the advertising is supporting many of the attitudes being monitored by the tracking research. Significant shifts in the right direction between 2013 and 2014, particularly among campaign recognisers, have also been recorded for two aspects, namely, the perception that HMRC wants people who have undeclared income to come forward and the amount of effort put in by HMRC on reducing tax evasion among SMEs.

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 service⁸.

A key strand of the 2012-15 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. By tailoring its approach to target the highest risks, HMRC aims to bring in an additional £24.5 billion revenue in 2014 to 2015, rising to £26.3 billion in 2015 to 2016.

HMRC estimated the tax gap for 2011-12 at £35bn⁹. This represents 7.0 per cent of tax liabilities. Nearly half of the 2011-12 tax gap can be attributed to small and medium-sized businesses, with around one quarter from large businesses. Evasion accounts for around 15 per cent of the tax gap.

There are a number of strands to HMRC's strategy to tackle tax evasion including Campaigns and Taskforces¹, 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, primarily aimed at tax evaders. Further bursts of activity ran in January / February 2013, September 2013 and January / February 2014. The aims of the campaign are 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 latest wave of campaign tracking research among SMEs is discussed in this report. Findings from previous tracking research, based on an initial pre-wave

⁸

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/89201/business-plan-2012.pdf

<https://www.gov.uk/government/publications/hmrCs-business-plan-2014-to-2016>

⁹
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/249537/131010_Measuring_Tax_Gaps_ACCESS_2013.pdf

prior to the launch of the campaign and a post-wave undertaken following the activity in February 2013, were published in December 2013¹⁰

The campaign has run 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 from September 2013 and January / February 2014 included the following:

- two radio executions;
- five versions of outdoor posters, and advertising on kiosks / phone boxes;
- a variety of ambient media;
 - ATMs
 - train cards
 - stickers on washrooms/mirrors.

Examples of the campaign publicity materials used in the activity during September 2013 activity and early 2014 are provided in Appendix B. The media schedule is shown in Figure 3.1.

Figure 3.1: Media schedule 2013/2014

Channel	Quantity	Sep					Oct	Nov	Dec	Jan				Feb				Mar				April							
		2	9	16	23	30				6	13	20	27	3	10	17	24	3	10	17	24	31	7	14	21				
Outdoor																													
Roadside - 48 sheets	1,488																												
Roadside - 6 sheets	3,594																												
Kiosks - phones	3,905																												
Ambient																													
ATMs	2,173																												
Washrooms/mirrors	4,873																												
Train cards	8,000																												
Radio	n/a																												
Digital, Search	n/a																												
TNS fieldwork (SMEs)																													
TNS fieldwork (Individuals)																													

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) in 2012 / 2013 compared to 65 per cent coverage at 9 OTH for 2013 / 2014. The equivalent figures for out of home in 2012 / 2013 was coverage of 58 per cent approximately, with an opportunity to see (OTS) of 18, (but weighted considerably to London) compared to 61 per cent coverage and an opportunity to see of 15 (again weighted to London) in 2013 / 2014¹¹.

¹⁰ <http://www.hmrc.gov.uk/research/report277.pdf>

¹¹ Definitions of these terms have been provided in the glossary.

3.2 Research aims and objectives

In 2012 TNS BMRB was commissioned to conduct a series of surveys to evaluate the Evasion Publicity campaign among SMEs over time, with the over-arching objective of measuring changes in attitudes and self-reported behaviour over time.

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 which are the target audience for the campaign: Rule Breakers and Potential Rule Breakers.

This report focuses on the findings from the third wave of research, post-activity 2014, among SMEs. Separate research has evaluated this activity among individuals¹².

¹² <https://www.gov.uk/government/publications/evasion-publicity-post-campaign-tracking-2014-individuals>

4. Method and sample

4.1 Survey and sample design

The survey sample and design used for the 2013 post-wave was replicated for the post-wave in 2014. 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, and 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 in 2012 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 trader / one employee businesses were under-sampled and 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.

As with the post-wave in 2013, the 2014 post-wave 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). 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 F 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.

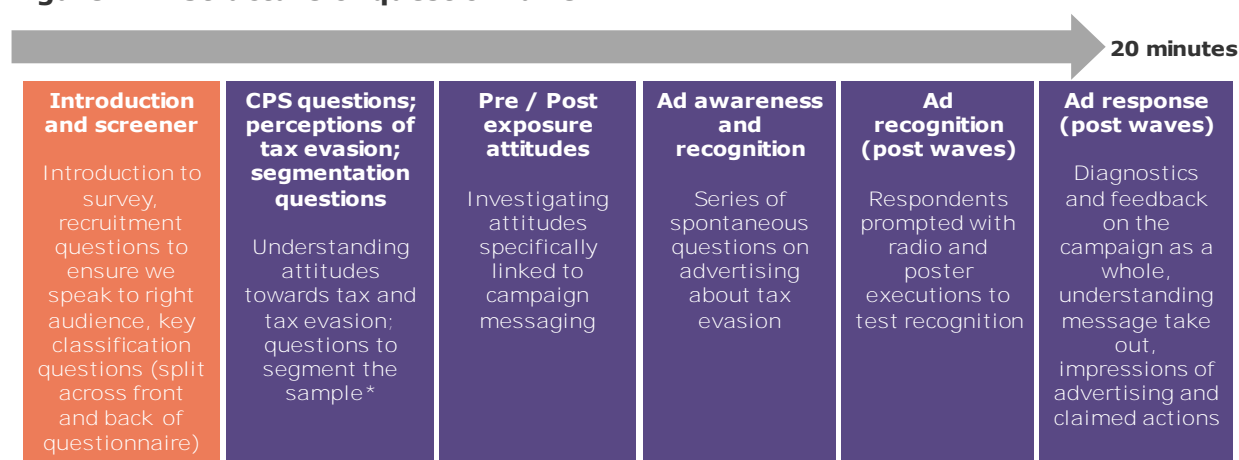
Table 4.1: Summary of fieldwork

	Pre-wave	Post-wave 2013	Post-wave 2014
Fieldwork dates	15 October – 9 November 2012	18 February – 11 April 2013	25 February – 17 April 2014
Sample size			
- Control	615	1,003	1024
- Test	894	963	984
Response rate	24%	38%	38%

As shown in the table 4.1, the response rate achieved for the survey was 38 per cent. A detailed response analysis can be found in Appendix D.

Figure 4.1 shows the structure of the questionnaire used and Appendix E contains a copy of the questionnaire used.

Figure 4.1: Structure of questionnaire



* Done using an algorithm supplied by HMRC to produce standard HMRC SME segmentation

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 F, as are details of the weighting applied, which was calculated from information provided by HMRC.

Appendix F also contains the weighed profiles of the samples for the pre-wave, 2013 post-wave and 2014 post-wave, according to number of employees, turnover, whether or not VAT registered and broad SIC classification.

5. Campaign awareness and recognition

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

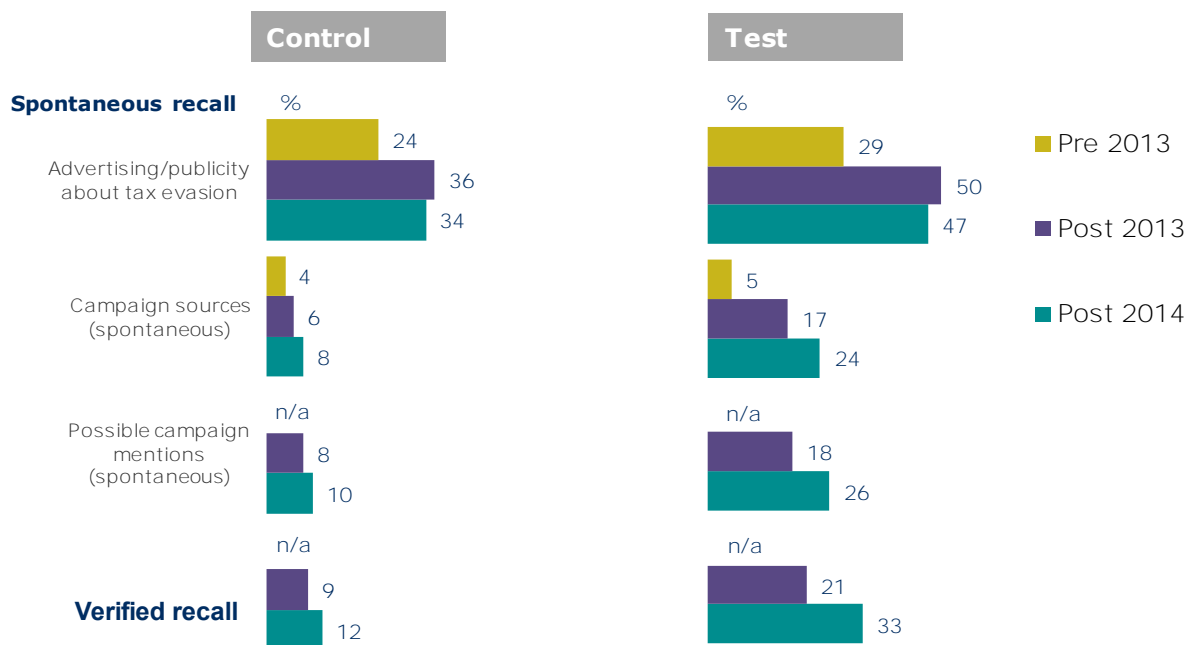
5.1 Campaign awareness

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. The results are available in Appendix A, Figure 10.1.

The questions that followed asked 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. These results are summarised in Figure 5.1.

Figure 5.1: Spontaneous and verified recall of advertising on tax evasion

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)



Prior to the launch of the Evasion Publicity campaign, around one in four claimed to be aware of any advertising or publicity about tax evasion¹³ – with 24 per cent spontaneous awareness in the control area and 29 per cent in the test area. After the first two bursts of campaign activity completed in early 2013, 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. In 2014 the post-wave shows a slight fall-off in these proportions: to 47 per cent in the test area and 34 per cent in the control area.

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. It must be noted that reference to these sources does not mean that the campaign has definitely been seen, simply that respondents believe they have seen or heard advertising or publicity about tax evasion through one of these sources.

In the control area, the proportion of SMEs spontaneously mentioning campaign specific sources¹⁴ remained steady, with no significant change between post-wave 2013 and post-wave 2014 (6% and 8% respectively). However, the same measure rose significantly in the test area: from 17 per cent at the post-wave 2013 to 24 per cent at the post-wave 2014. This increase was mainly driven by mentions of radio advertising, with spontaneous awareness of this almost doubling (rising significantly to 19% at the 2014 post-wave from 13% at the 2013 post-wave¹⁵).

Mentions of newspaper / magazine articles were at a similar level in test and control areas in 2014 (5% and 6% respectively). This suggests that the apparent control area campaign contamination has not been caused by PR / press coverage – which did take place at a national level.

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. After grouping all descriptions that could possibly be linked to the campaign together there was a significant increase in recall of the campaign details among all SMEs in the test area (26%) compared to post 2013 (18%) indicating that the campaign continues to cut-through all the other activity around tax evasion. This was accounted for by both

¹³ Awareness of HMRC advertising targeting specific trades and occupations was asked in a separate question. The findings are shown in Figure 10.1 in Appendix A.

¹⁴ These included radio, posters / billboards, phone boxes or ambient sources i.e. posters on trains, cash machine screens and washrooms.

¹⁵ These figures, re-based on those who had seen / heard advertising/publicity about tax evasion, are shown in Figure 10.2 in Appendix A.

specific campaign messages (up from 6% to 9%) and more general campaign-attributable messages ('clamping down on tax evasion' up from 5% to 10% and 'you will be caught' up from 6% to 9%)¹⁶.

Although some of these trends for campaign recall were apparent in the control area, there were no statistically significant differences between the post 2013 and post 2014 waves. Grouping all descriptions that could possibly be linked to the campaign in the control area, 8 per cent may have been referring to the Evasion Publicity campaign post 2013 and 10 per cent post 2014. So although there is possible contamination, both recall and increased recall post 2014 activity are much lower than in the test area and the increase was not statistically significant.

After SMEs had described the advertising or publicity on tax evasion 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 remained steady at 12 per cent at the post-wave 2014 compared to 9 per cent at the 2013 post-wave, whereas there was a significant increase in the test area, from 21 per cent to 33 per cent at the 2014 post-wave. Within the test area, there were also some significant differences on this measure within subgroups. For example, verified recall was significantly higher (at 40%) among businesses with 10 - 49 employees compared to those with 50 - 249 employees (18%) and also significantly higher in London (41%) compared to East Midlands and South West (19% in each). Those in West Midlands (38%) and South East (33%) also recorded significantly higher verified recall than in the South West.

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 / billboards they were directed to a website which allowed them to see three of the six executions. If the respondent

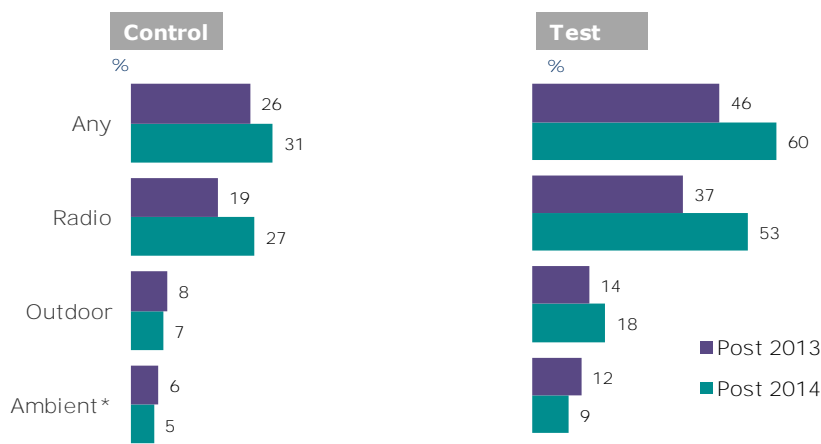
¹⁶ Full results for all these measures, based on those claiming to have seen advertising or publicity on tax evasion, are shown in Appendix A, Figures 10.2, 10.3 and 10.4

could not access the website for any reason (technology or preference), descriptions were read out instead.

Recognition of the ambient advertising was measured by interviewers reading out a list of possible options and asking respondents whether they had seen the images shown / described previously on any of these sources.

Figure 5.2: Prompted campaign recognition

Base: All respondents – Control: Post 2013 (1003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984)



*Ambient includes: Washrooms, posters on trains and cash point screens in 2014 and posters on trains, cash point screens, beer mats, vans and other mentions in 2013

The 2014 post-wave results show that campaign recognition in the test area has reached 60 per cent (up from 46% post 2013). This compares to 31 per cent in the control area (also significantly increased, from 26 per cent post 2013). This increase is largely driven by radio (up from 37% to 53% in the test area) with both executions heard by similar proportions of the sample. Outdoor executions (poster and billboard and phone) also made a significant contribution (up from 14% post 2013 to 18% post 2014 in the test area).

As seen in 2013, there were considerable regional differences with significantly higher total recognition in London (68%) compared to East Midlands (46%) and South West (47%) – this pattern is observed across all media.

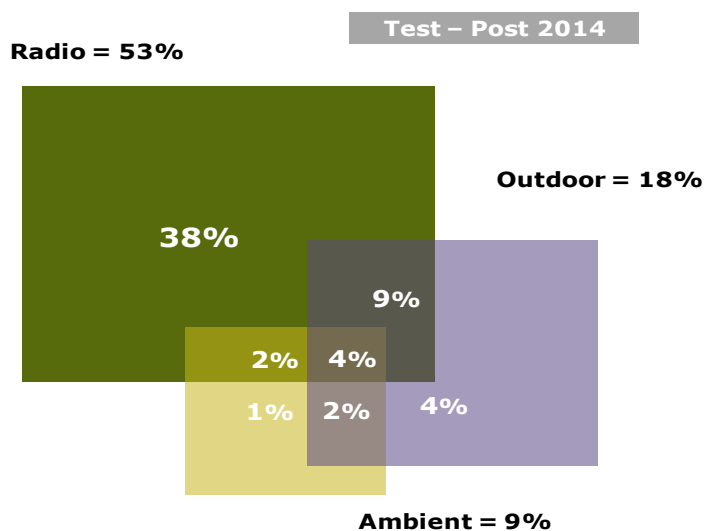
Recognition levels among those viewing images online compared to those who were read a description were higher at the post-wave 2014 for outdoor advertising but there was no difference for total recognition.

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, 73 per cent of SMEs who recognised the Evasion Publicity campaign had seen or heard only one campaign medium, predominantly radio advertising, compared to 27 per cent seeing / hearing two or three media (17% of campaign recognisers in the control area at the post 2014 wave claimed they saw / heard two or three media). (Data not shown).

The figures in the diagram (Figure 5.3) below show how the different campaign media overlapped among the total sample in the test area. As this demonstrates, there was relatively low cross media synergy, with just four per cent claiming to have heard the radio advert and seen outdoor as well as any ambient advertising.

Figure 5.3: Multi- media recognition

Base: All respondents at post 2014 wave – test (984)



5.3 Offshore Accounts Campaign

Additional questions were placed in the 2014 post-wave questionnaire about the HMRC Offshore Accounts campaign. This campaign ran in the national press (daily newspapers, weekend papers and magazines) during the period 24 February to 30 March 2014 supported by digital advertising and text messaging and used very similar creative material to the Evasion Publicity campaign (see Appendix B, 11.4). Therefore HMRC wanted to check people were not mistaking this campaign for the Evasion Publicity campaign.

Prior to being asked whether or not they had seen the Evasion Publicity campaign, SMEs were asked if they had seen any advertising or publicity from

HMRC recently about offshore accounts. Prompted recognition of the Offshore Accounts advertising was also obtained towards the end of the questionnaire, after the Evasion Publicity campaign related measures. Those who had been able to access the website for viewing the Evasion Publicity advertising were shown the Offshore Accounts advertising using this approach. Those who could not access the website were read a description. SMEs were informed that the advertising had been running in newspapers and magazines, on the internet and via text message.

There is little evidence to suggest that the visual similarities between the Evasion Publicity and Offshore Accounts campaigns caused confusion among SMEs. Spontaneous awareness of the Offshore Accounts campaign, at 15 per cent, reached the same level among those who recognised the Evasion Publicity campaign and those who did not in the test area. Moreover only a very tiny proportion of SMEs indicated that they had mistakenly claimed to be aware of the Evasion Publicity campaign when asked whether or not they had seen any advertising or publicity about this. Specifically, four per cent in the test area claimed to have seen the Evasion Publicity campaign before prompting and recognised the Offshore Accounts campaign. When these SMEs were subsequently asked whether they were referring to the Offshore Accounts campaign when they had originally claimed to have seen the Evasion Publicity campaign, half of them agreed that was the case. Additionally when shown/read a description for the Offshore Accounts campaign the vast majority were able to confirm either that they had seen this campaign or that they had not; only 1 per cent (in the test area) said they did not know.

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.

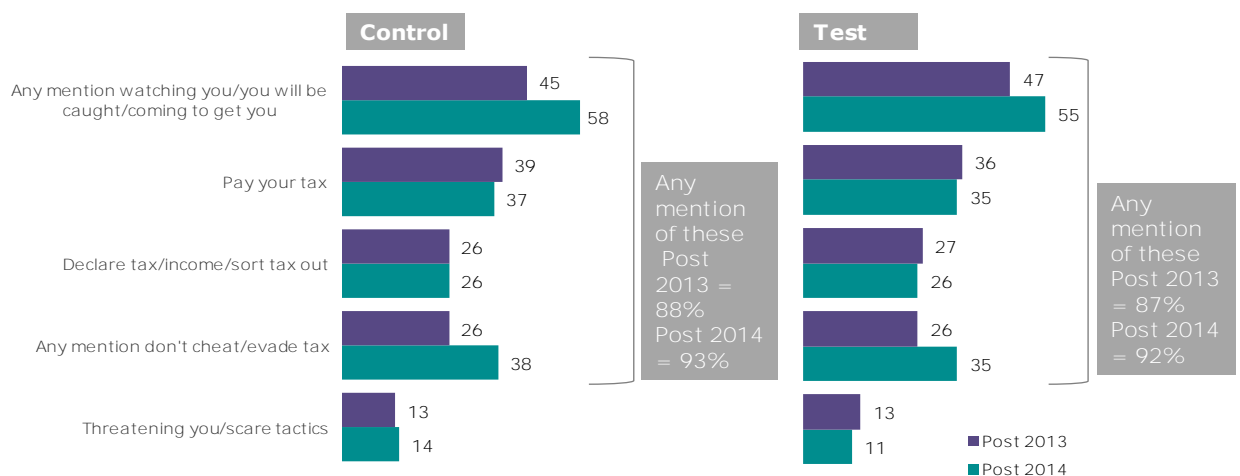
Having just been exposed to the campaign during the survey interview through stimulus material, all respondents were asked detailed questions about it. This was done regardless of whether they were in the test or control area and regardless of whether they had seen or heard the campaign before the interview 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 section, 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: Post 2013 (1003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984)



Messages that are consistent with the aims of the campaign have been grouped together (shown by brackets in Figure 6.1). Over nine out of ten SMEs mentioned at least one of these messages in their response (93% in the control area and 92% in the test area), indicating that the majority of respondents understood the campaign. Both these figures are slightly higher, but not significantly so, compared to the 2013 post-wave (88% and 87% respectively).

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 over half stating this as the main message of the advertising (58% control area, 55% test area). These percentages have significantly increased in both areas compared to the 2013 post-wave.

There were also **fairly high mentions of 'pay your taxes' with 35** per cent in the test area and 37 per cent in the control area taking this message out of the advertising. These levels are similar to post 2013. In both control and test areas, there is a significant increase **in the proportion mentioning 'don't cheat / evade tax** compared to post 2013 (up from a quarter to over a third in both areas).

On the specific issue of whether the advertising was regarded as threatening, 14 per cent in the control area and 11 per cent in the test area mentioned **'threatening you / scare tactics'** spontaneously as a main message of the advertising – both very similar to the previous post-wave figures (13% for both test and control).

Additionally, as shown in Table 6.1, 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.

Table 6.1: Main message of advertising post-wave 2014 by recognisers and non-recognisers

2014	Control		Test	
	Non - Recognisers	Recognisers	Non - Recognisers	Recognisers
Base	(719) %	(305) %	(392) %	(592) %
Any mention watching you/ you will be caught/ coming to get you	59	55	55	55
Pay your tax	36	38	31	38
Declare tax/income/ sort tax out	26	27	27	26
Any mention don't cheat/ evade tax	36	44	35	36
Threatening you/ scare tactics	16	10	13	11

6.2 Impressions of the campaign

Reactions to the campaign were gauged by asking respondents to agree or disagree with three 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)¹⁷.

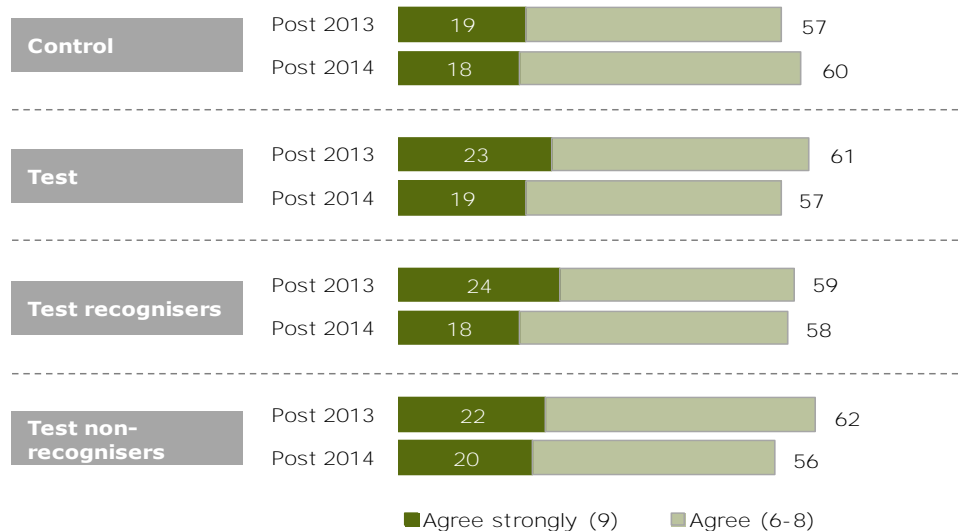
The post-wave results in 2013 and 2014 are shown for the test and control areas, as well as among campaign recognisers and non-recognisers in the test area in the figures that follow. Mean scores have also been calculated by assigning a value of 1-9 to the answer given in line with the scale used. A higher score therefore represents greater agreement.

¹⁷ Figures 10.5 to 10.7 in Appendix A show the full set of results across all waves for these three measures.

Figure 6.2: Agreement/disagreement that the advertising was threatening

Base: Control: Post 2013 (1,003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984); All Recognisers in Test area: Post 2013 (428); Post 2014 (592) / Non-recognisers: Post 2013 (535); Post 2014 (392)

% agreeing

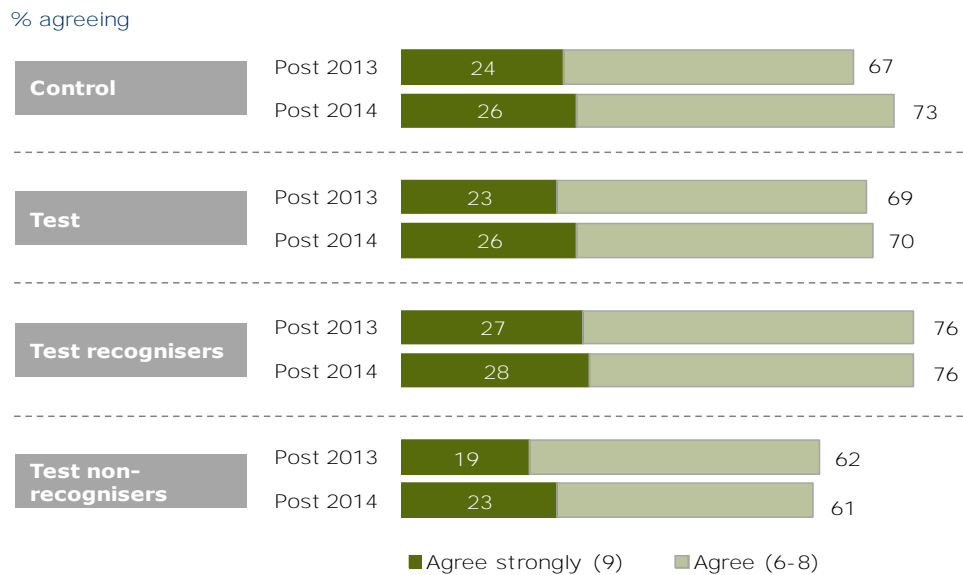


The evidence suggests that the campaign continues to be perceived as threatening by the majority, with around six in ten agreeing (giving a rating of six to nine) in both the control (60%) and test (57%) areas. Furthermore, 18 per cent and 19 per cent in the control and test areas respectively strongly agreed (point 9) with this statement. There is little variation in these proportions compared to the 2013 post-wave.

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): 58 per cent of recognisers agreed compared to 56 per cent of non-recognisers.

Figure 6.3: Agreement/disagreement that the advertising was credible

Base: Control: Post 2013 (1,003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984); All Recognisers in Test area: Post 2013 (428); Post 2014 (592) / Non-recognisers: Post 2013 (535); Post 2014 (392)

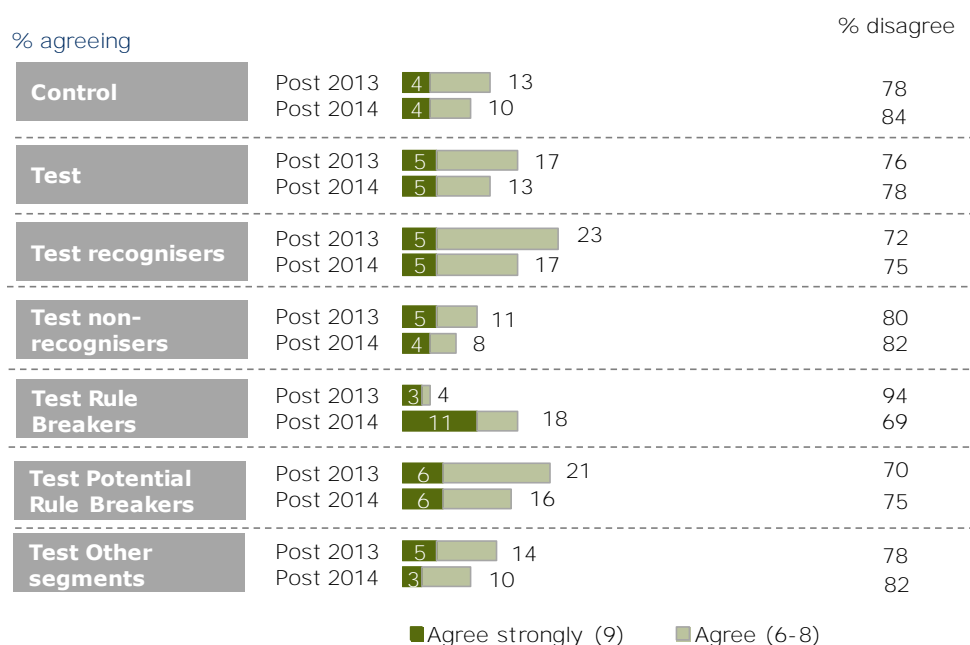


In the test area there is little change in perceptions of credibility, and levels of agreement remain significantly higher among campaign recognisers than non-recognisers (76% and 61% respectively). In the control area agreement that the advertising is credible has increased significantly (from 67% at the 2013 post-wave to 73% at the 2014 post-wave). This shift has largely been driven by the views of recognisers, among whom 84 per cent agreed the advertising was credible compared to 74 per cent at the post-wave in 2013.

At the 2013 post-wave strength of agreement declined as SME turnover increased. The highest level of strong agreement was among SMEs with a turnover of less than £15K and lowest among those with a turnover of between £250K and £40m. A similar pattern occurred in 2014 in the control area where businesses with a turnover of up to £40,000 were significantly more likely to agree (77%) than those with a turnover of over £250,000 (61% agreed). In the test area post-wave 2014 however, there were no significant differences across these subgroups.

Figure 6.4: Agreement/disagreement that the advertising made you worry about your taxes

Base: Control: Post 2013 (1,003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984); All Recognisers in Test area: Post 2013 (428); Post 2014 (592) / Non-recognisers: Post 2013 (535); Post 2014 (392)



The final impression to be measured was whether ‘the advertising made you worry about your taxes’, with the results shown in Figure 6.4. It was clearly not an aim of the campaign to increase worry around taxes among the compliant, so widespread agreement among this group would show that the campaign was having an unintended effect. On the whole, agreement with this statement was low, with just 10 per cent agreeing in the control area and 13 per cent in the test area – down from 17 per cent at the post-wave in 2013. The fall in agreement in the test area is driven by a significant drop among campaign recognisers, from 23 per cent in post-wave 2013 to 17 per cent at post-wave 2014.

The evidence also suggests that the campaign was less likely to cause worry in the control area at the post-wave 2014, with disagreement that the advertising made me worry about taxes increasing from 78 per cent to 84 per cent. This shift was also driven by campaign recognisers among whom disagreement increased from 70 per cent in 2013 to 81 per cent in 2014.

The breakdown by attitudinal segment, shown in Figure 6.4, also highlights the significant increase in ‘made you worry’ among Rule Breakers between post-waves 2013 and 2014 (4% versus 18% in the test area) compared to little movement for Potential Rule Breakers and other segments.

6.3 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. Awareness was significantly higher at 48 per cent among campaign recognisers versus 23 per cent among non-recognisers in the test area, and at 41 per cent and 22 per cent respectively in the control area, highlighting the role of the campaign in promoting awareness.

Usage of the website in the test area (at 6% at the latest wave) was also significantly higher among recognisers (7% versus 3% among non-recognisers).

6.4 Campaign performance and reaction by segment

There is evidence that the campaign has had varying impacts across different HMRC segments within the test area. Table 6.2 below highlights differences in awareness and recognition among Rule Breakers, Potential Rule Breakers and 'Other' segments. The latter includes Unaware, Need Help, Willing & Able, Potential Payment Deferrers and Payment Deferrers. Significant differences between post-waves 2013 and 2014 are highlighted with a red box.

Table 6.2: Campaign awareness and recognition and website awareness and usage by segment

Test area	Rule Breakers		Potential Rule Breakers		Others*	
	2013 Post (83) %	2014 Post (79) %	2013 Post (478) %	2014 Post (451) %	2013 Post (402) %	2014 Post (454) %
Spont aware (yes at CAM2)	40	46	50	49	52	46
Verified recall	14	26	25	35	19	31
Campaign recognition	36	55	49	65	45	56
Aware of webpage	18	34	33	39	36	37
Visited webpage	4	6	4	5	7	6

* Others includes the following segments: Unaware, Need Help, Willing & Able, Potential Payment Deferrers and Payment Deferrers

The spontaneously aware proportion of Rule Breakers has increased slightly from 40 per cent (post 2013) to 46 per cent (post 2014) compared to a slight decline among other 'compliant' segments (Unaware, Need Help, Willing & Able,

Potential Payment Deferrers and Payment Deferrers). The proportion of Potential Rule Breakers spontaneously aware of the campaign remains steady.

Campaign recognition on the other hand increased significantly across both of the non-compliant segments and the 'other' segments. Verified campaign recall also increased significantly for Potential Rule Breakers and 'other' segments.

At the 2013 post-wave Rule Breakers were significantly less likely to be aware of the webpage than other segments, whereas post 2014, Rule Breakers are almost twice as likely to be aware of the site than they were before - and almost as likely as any other segment. Website usage levels remained constant.

Table 6.3 summarises the key findings for the segments in relation to their response to the campaign. Significant differences between post-waves 2013 and 2014 are highlighted with a red box.

Table 6.3: Response to campaign by segment

Test area	Rule Breakers		Potential Rule Breakers		Others*	
	2013 Post (83) %	2014 Post (79) %	2013 Post (478) %	2014 Post (451) %	2013 Post (402) %	2014 Post (454) %
Advertising ...						
Is threatening (agree strongly)	21	15	18	19	28	20
Is threatening (agree total)	57	64	60	60	62	54
Is credible (agree strongly)	13	15	19	25	29	29
Is credible (agree total)	66	62	70	72	68	69
Has made you worry (agree strongly)	3	11	6	6	5	3
Has made you worry (agree total)	4	18	21	16	14	10

* Others includes the following segments: Unaware, Need Help, Willing & Able, Potential Payment Deferrers and Payment Deferrers

There has been a significant increase in the proportion of Rule Breakers agreeing that the advertising has made them worry (from 4% post-wave 2013 to 18% post-wave 2014), with a significantly higher proportion agreeing strongly (from 3% post-wave 2013 to 11% post-wave 2014). The proportion of Potential Rule Breakers who strongly agreed that the campaign is credible has also increased significantly (from 19% to 25%).

Compared to the 2013 post-wave 'other' segments recorded significantly lower agreement that the campaign is threatening (54% post 2014 versus 62% post

2013) whereas the perceived level of threat remained constant for Potential Rule Breakers (60% agreed it is threatening at both waves) and increased only slightly among Rule Breakers (from 57% agreeing to 64% agreeing).

Additional questions were asked to gauge reaction to the campaign in terms of its relevance, engagement and the extent to which the campaign strengthens or creates a positive influence on attitudes. These results for these measures are summarised in Appendix A, Figure 10.8.

7. Claimed behaviours

7.1 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. The proportions claiming to have responded to the advertising remains fairly low in both the test and control areas, with around one in ten of those who recognised it claiming to have taken any action (9% in control area, 10% in test area).

In line with the 2013 post-wave, among recognisers the main actions claimed were **'making more effort with tax returns'** (4% in both test and control areas), **'looked at / considered tax'** (3% in control area, 2% in test area) and **'sought external advice'** (1% in both areas). Two per cent of respondents in the control area and 4 per cent in the test area took some other action.

Among the total sample (i.e. including recognisers **and** non-recognisers), the **proportion taking 'any action'** equates to 6 per cent in the test area (7% in 2013 post-wave) and 3 per cent in the control area (3% in 2013 post-wave). Breaking this data down into the attitudinal segments a significantly higher proportion of Rule Breakers (11%) than Potential Rule Breakers (6%) and **'other'** segments (5%) claimed to have taken some action.

7.2 Actions taken in last four months

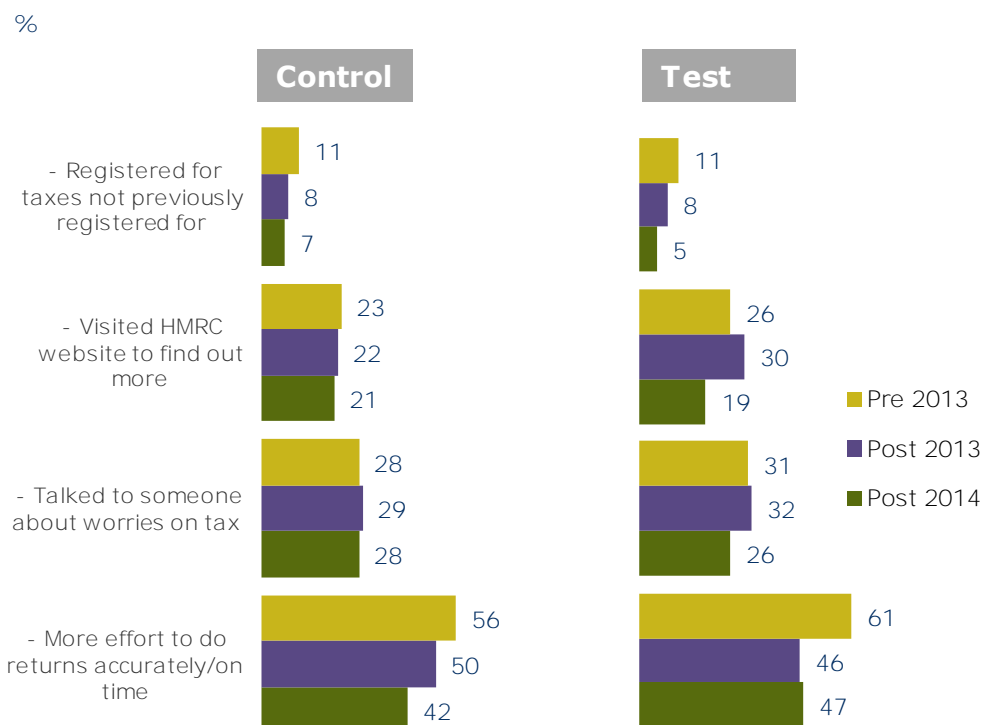
Respondents were asked whether they had done a number of things specifically in the last four months. This was asked near the beginning of the questionnaire, prior to any questions relating to the campaign. They were prompted as to whether they had:

- 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, in the test area claimed action has fallen (significantly) in the 2014 post-wave compared to post-wave 2013, for all actions apart from **'making more effort to do returns accurately and on time'**.

Figure 7.1: Claimed actions taken in last four months

Base: Control: Pre 2013 (615); Post 2013 (1,003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (620)



Despite a decrease in the proportion of campaign recognisers in the test area indicating that they 'have visited the HMRC website to find out more' those who have seen the campaign were significantly more likely to have done this (22%) compared to non-recognisers (15%); a difference that was not apparent at the 2013 post-wave. Recognisers in the test area post 2014 were also significantly less likely (28%) to have talked to someone about tax worries than they were at the post-wave 2013 (38%). There was no difference wave on wave in the percentage of recognisers and non-recognisers claiming to have 'made more effort to do tax returns accurately / on time', with the former remaining more likely to have done this (51% and 40% respectively). These figures are highlighted in Table 7.1.

Table 7.1: Claimed actions taken in last 4 months by recognisers and non-recognisers in Test area.

TEST	Recognisers		Non-recognisers	
	2013	2014	2013	2014
Base	(428)	(592)	(535)	(392)
Registered for taxes not previously registered for	10	7	7	3
Visited HMRC website to find out more	31	22	29	15
Talked to someone about worries on tax	38	28	27	24
More effort to do returns accurate/on time	51	51	42	40

Further examination of the data as shown in Table 7.2, revealed that Rule Breakers in the test area were significantly more likely to claim they had 'talked to someone about tax worries' (39% compared to 21% post-wave 2013). Also, among those who had seen more than one campaign media in the test area, there were higher levels of claimed 'talking to someone' (10%) and of 'registering for taxes not previously registered for' (33%) (data not shown).

Table 7.2: Claimed actions in last 4 months by attitudinal segment in Test area

Test area	Rule Breakers		Potential Rule Breakers		Others*	
	2013 Post (83) %	2014 Post (79) %	2013 Post (478) %	2014 Post (451) %	2013 Post (402) %	2014 Post (454) %
Registered for taxes not previously registered for	4	9	12	5	5	5
Visited HMRC website to find out more	23	21	30	19	31	19
Talked to someone about worries on tax	21	39	36	29	29	21
More effort to do returns accurate/on time	31	43	52	52	42	41

* Others includes the following segments: Unaware, Need Help, Willing & Able, Potential Payment Deferrers and Payment Deferrers

8. Attitudinal data

This section explores attitudes that were measured in the pre-wave survey and the post-wave surveys in 2013 and 2014, examining the impact of the campaign on these.

In the previous 2012/13 tracking research report, it was noted that the media coverage around corporate tax avoidance had probably had some impact on the attitudinal measures being examined. HMRC web based analysis¹⁸ indicated that there had been considerable activity on the Internet mentioning HMRC and tax evasion since the beginning of 2012. This was mainly triggered by:

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

This level of media activity was not found when this analysis was repeated for the 2013/14 campaign.

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 2012 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 minimise question order effects.

¹⁸ 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.

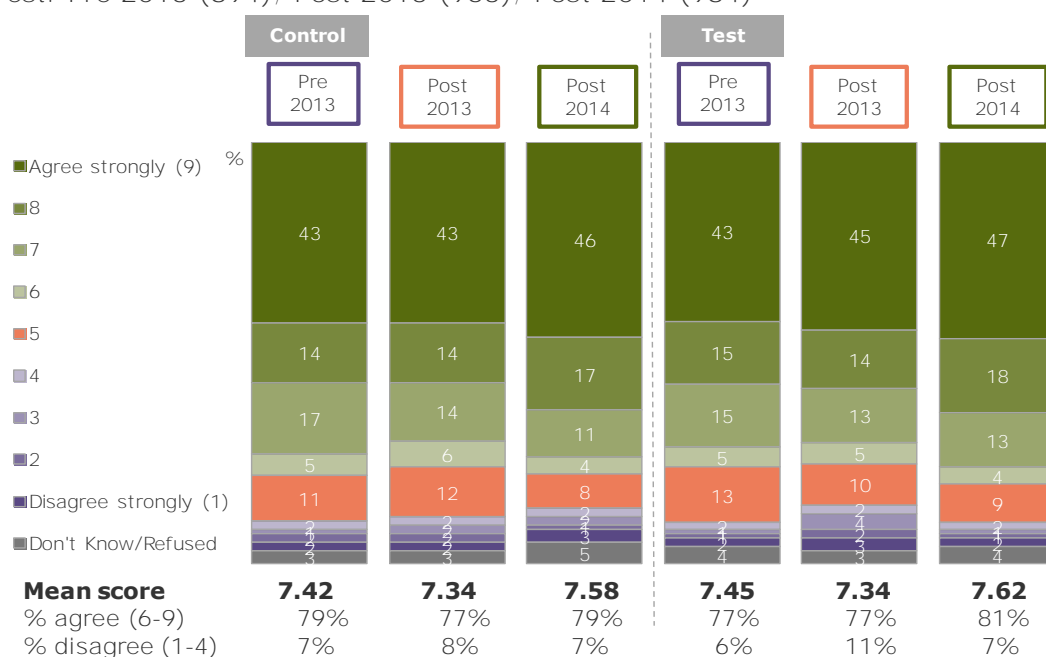
The paragraphs that follow describe the findings in relation to those attitudes where a significant difference has been recorded between post 2013 and post 2014 surveys results. A full set of findings for any attitude measured, but not described in this chapter can be found in Appendix A, Figure 10.9 to Figure 10.19.

At the post-wave 2014 there is some evidence of the campaign making small inroads on attitudes, with slight shifts in a positive direction on attitudes towards evasion and perceptions of HMRC and its response to evasion.

Firstly, on perceptions that HMRC wants people who have undeclared income to come forward before they are caught there was a significant decrease in disagreement in the test area (from 11% in 2013 post-wave to 7% in 2014 post-wave).

Figure 8.1: 'HMRC wants people who have undeclared income to come forward before they are caught'

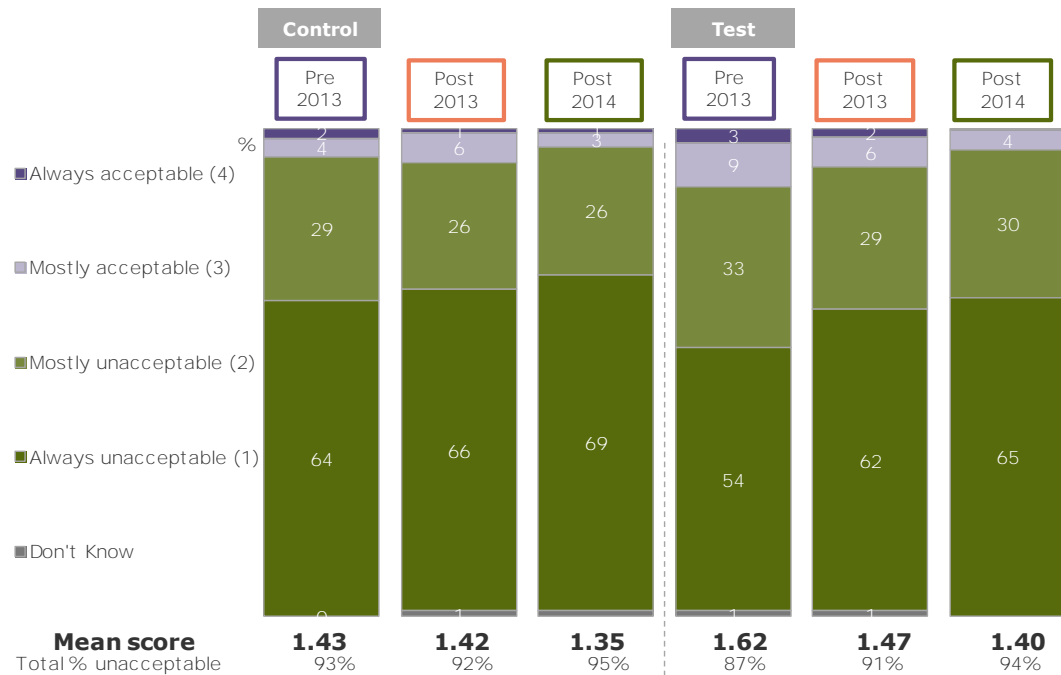
Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)



Furthermore, when the post-wave figures for the test area are analysed according to whether the campaign has been seen or not, there is a significant drop in disagreement at post-wave 2014 among recognisers (12% post-wave 2013 , 6% post-wave 2014) compared to a marginal fall among non-recognisers (from 9% in 2013 to 7% in 2014).

Figure 8.2: 'Acceptability of tax evasion'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)



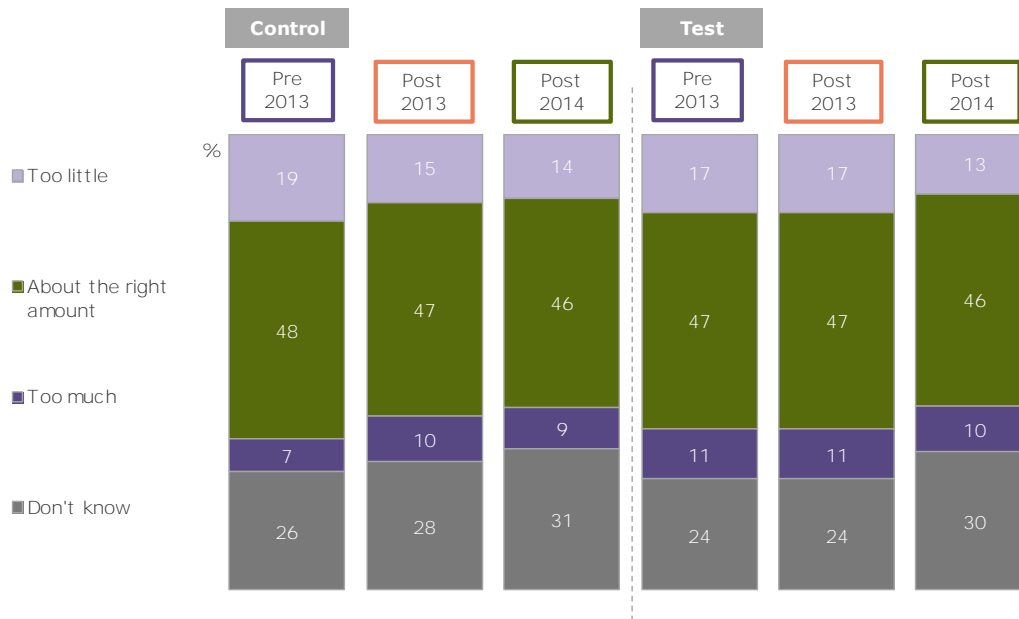
On perceptions of the acceptability of tax evasion, the vast majority of respondents continue to see tax evasion as unacceptable in both the test and control areas and there were significant downward shifts in both areas (from post-wave 2013):

- o from 8% to 5% in the test area (unacceptable up from 91% to 94%); and
- o from 7% to 5% in the control area (unacceptable up from 92% to 94%).

Further analysis of this data shows that these shifts are greater among recognisers than non-recognisers. For example, in the test area acceptability fell significantly from 11 per cent at the post-wave in 2013 to 5 per cent in 2014 post-wave among recognisers compared to a marginal (non-significant) shift from 6 per cent to 4 per cent occurred among non-recognisers. In the control area, the fall in acceptability was significant for campaign recognisers and non-recognisers, although the decline was greater among the former (from 11% to 5% and from 6% to 3% respectively). Given however that the decline in acceptability has occurred for recognisers and non-recognisers, the role of the campaign in this is unclear.

Figure 8.3: 'Amount of effort into reducing tax evasion amongst SMEs'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

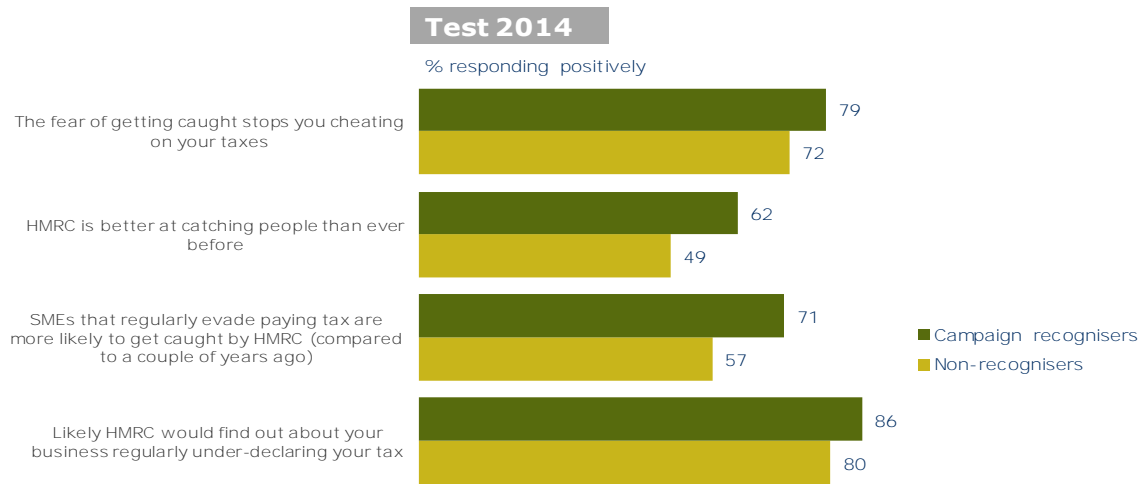


In the test area there has been a significant increase in the proportion indicating that they 'don't know' what level of effort HMRC has been putting into reducing tax evasion amongst SMEs (24% at post-wave 2013 compared to 30% in 2014). This rise is predominantly to be found among non-recognisers rather than recognisers: among the former this has increased from 26 per cent at the post-wave 2013 to 38 per cent at post-wave 2014, compared to a non-significant shift of two percentage points among recognisers (from 23% to 25%) (data not shown). In the test area there has also been a significant fall in those saying 'too little effort', with this decline evident among recognisers and non-recognisers.

There is also evidence that the campaign is supporting positive attitudes, even if it is not yet shifting them. Figure 8.4 illustrates those perceptions about detection that were significantly higher among recognisers than non-recognisers in the test area at the 2014 post-wave.

Figure 8.4: Attitudes towards tax evasion among recognisers and non-recognisers in Test area

Base: Respondents in Test area: All Recognisers: (592) / Non-recognisers: (392)



The difference in response between those who have previously seen the campaign and those who have not is particularly pronounced for 'HMRC is better at catching people than ever before' and 'SMEs that regularly evade paying tax are more likely to get caught by HMRC compared to a couple of years ago'.

On all apart from the first of these, a similar pattern is evident among recognisers and non-recognisers in the control area.

9. Conclusions

9.1 Campaign awareness and recognition

In 2014 the Evasion Publicity campaign has again achieved good spontaneous awareness, standing out from other advertising and commentary on the issue of tax evasion. Prompted recognition has improved significantly compared to the 2013 post-wave, although mainly in terms of radio, which remains the dominant media channel. Integration between the three media channels is relatively low.

There is some recognition in the control area also, albeit at a lower level, and the same pattern of improved performance for radio was found. This reflects the fact that, firstly, the radio advertising may have been broadcast slightly outside of the geographical regions served by the commercial radio stations in the test area, and secondly, that some of those in the SME sample in the control area may have heard the advertising via digital radio channels or because they reside, travel or do business in the test area.

While sortmytax website awareness is reasonably good, and appears to be driven by the campaign, it has remained fairly stable.

9.2 Reactions to the campaign

The campaign continues to perform strongly in terms of its content with understanding of the key messages increasing among SMEs. In particular there **was wider reference to HMRC 'watching you/coming to get you'**. In line with this, the campaign continues to be viewed as threatening in tone, as well as credible. The campaign also appears to be working better among Rule Breakers in terms of the amount of worry about taxes that it is causing. Compared to 2013, levels of worry generated by the campaign are significantly stronger and more widespread among this segment.

9.3 Claimed behaviours

In spite of the campaign reaching a wider audience, the research continues to measure limited levels of action taken as a result of the campaign, although the results are higher for the Rule Breaker segment.

9.4 Attitudes

While there is therefore limited evidence of the campaign impacting on behaviour among the broad SME audience, there are some signs that attitudes are moving in the right direction.

Among campaign recognisers in the test area in particular, there has been a shift in a positive direction in terms of attitudes towards HMRC wanting people who have undeclared income to come forward before they are caught. Additionally the more positive responses among campaign recognisers around a few of the questions about the threat of detection for tax evasion indicate the campaign is **helping to support HMRC's work on deterrence.**

10. Appendix A: Additional Data

10.1 Spontaneous advertising measures

Figure 10.1: Spontaneous recall of advertising from HMRC aimed at particular trade sectors or occupations, and if so, at which trade sectors or occupations it was aimed.

Base: All respondents – Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

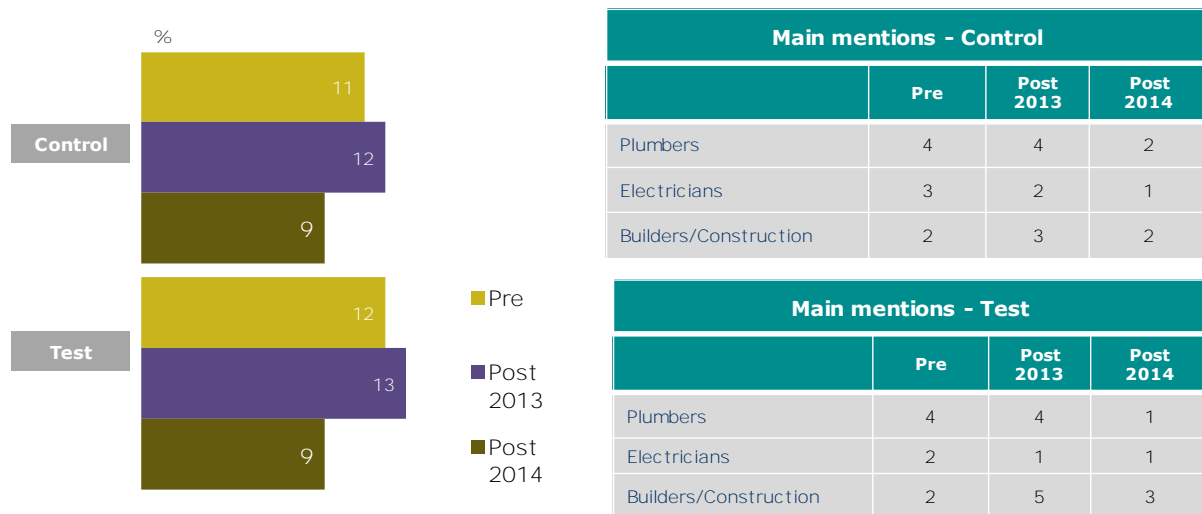


Figure 10.2: Spontaneous recall of campaign sources

Base: All who said they had seen/heard advertising/publicity about tax evasion - Control: Pre 2013 (170); Post 2013 (364), Post 2014 (347) / Test: Pre 2013 (269); Post 2013 (478); Post 2014 (490) **Definition of "Any campaign sources" has changed over time (to reflect each campaign) and now includes advertising on the radio, posters/billboards, telephone boxes, cash machines, trains and in washrooms.*

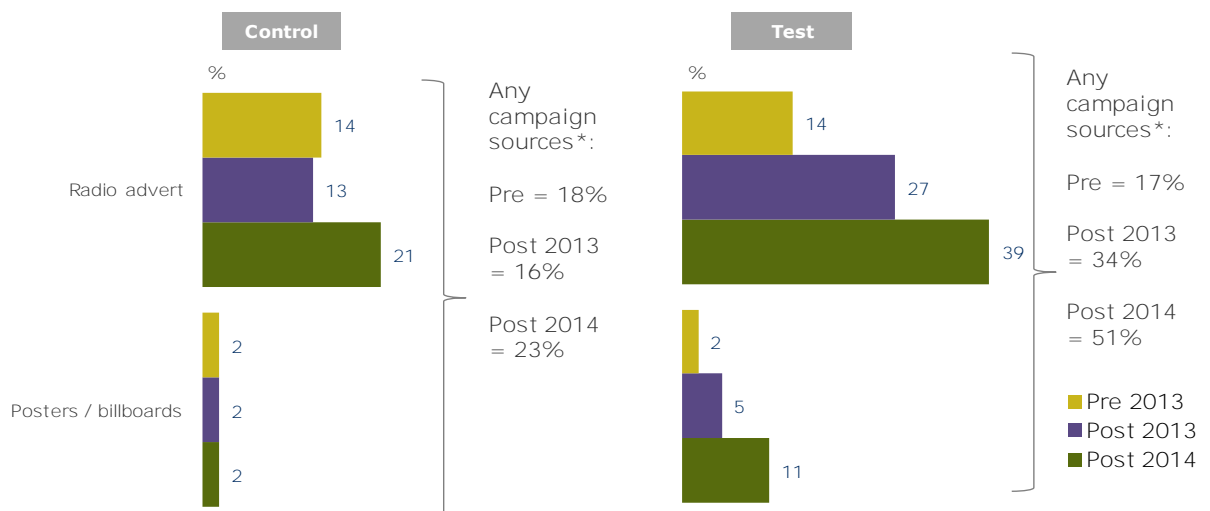


Figure 10.3: Spontaneous recall of commentary sources (not funded by EP campaign)

Base: All who said they had seen/heard advertising/publicity about tax evasion - Control: Pre 2013 (170); Post 2013 (364), Post 2014 (347) / Test: Pre 2013 (269); Post 2013 (478); Post 2014 (490)

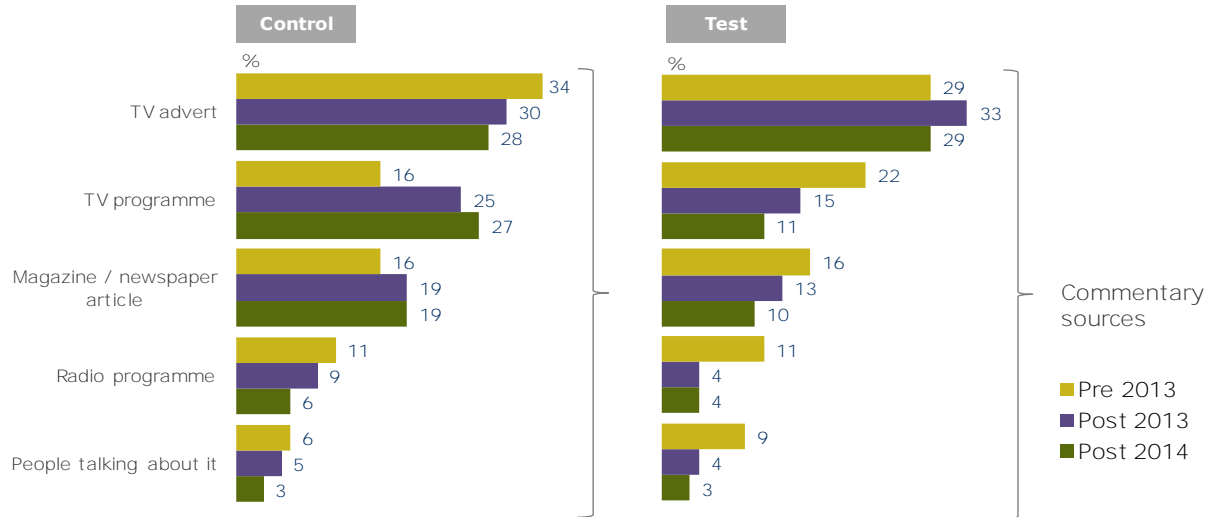
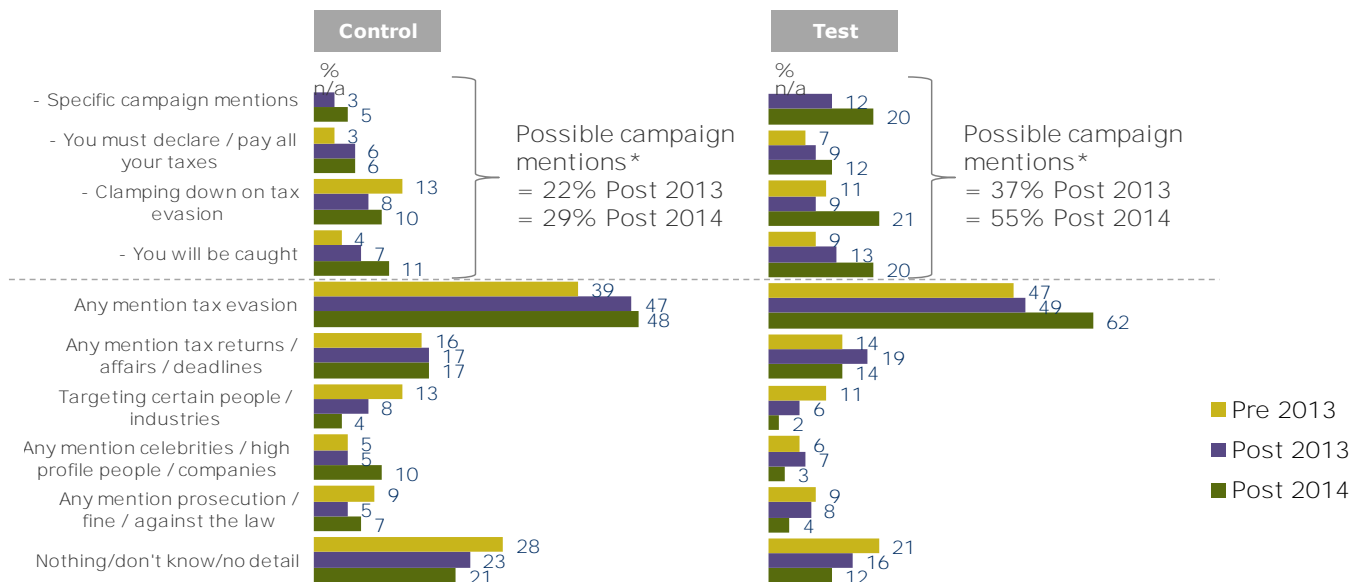


Figure 10.4: Spontaneous recall of advertising or publicity

Base: All who said they had seen/heard advertising/publicity about tax evasion - Control: Pre 2013 (170); Post 2013 (364), Post 2014 (347) / Test: Pre 2013 (269); Post 2013 (478); Post 2014 (490)



10.2 Impressions of the advertising campaign

Figure 10.5: Agreement/disagreement that the advertising was credible

Base: All respondents – Control: Post 2013 (1003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984)

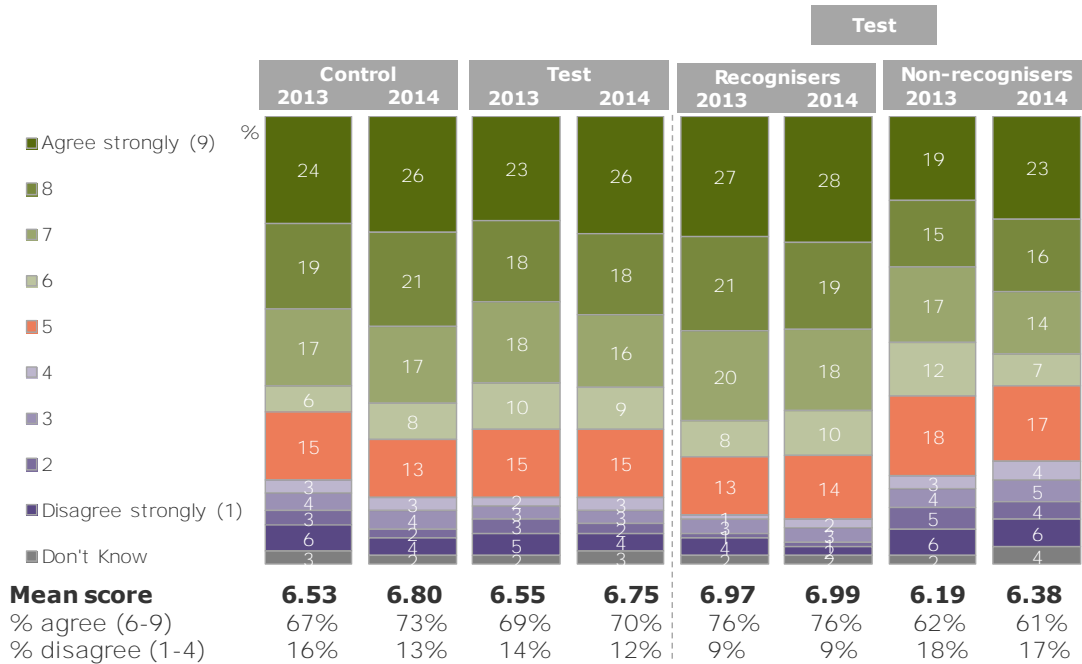


Figure 10.6: Agreement/disagreement that the advertising was threatening

Base: All respondents – Control: Post 2013 (1003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984)

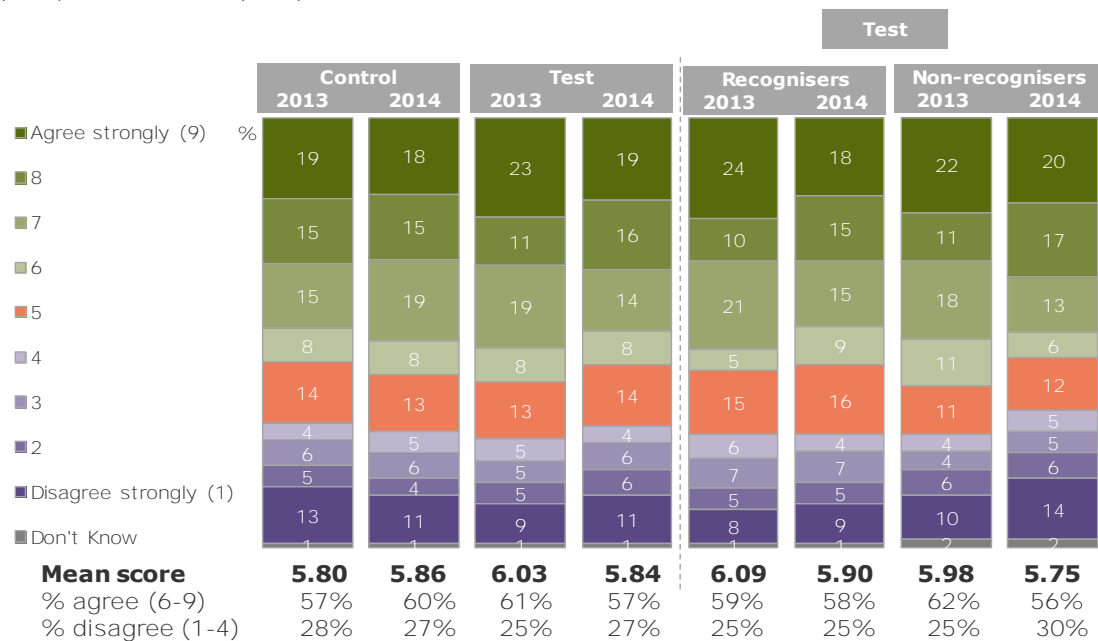
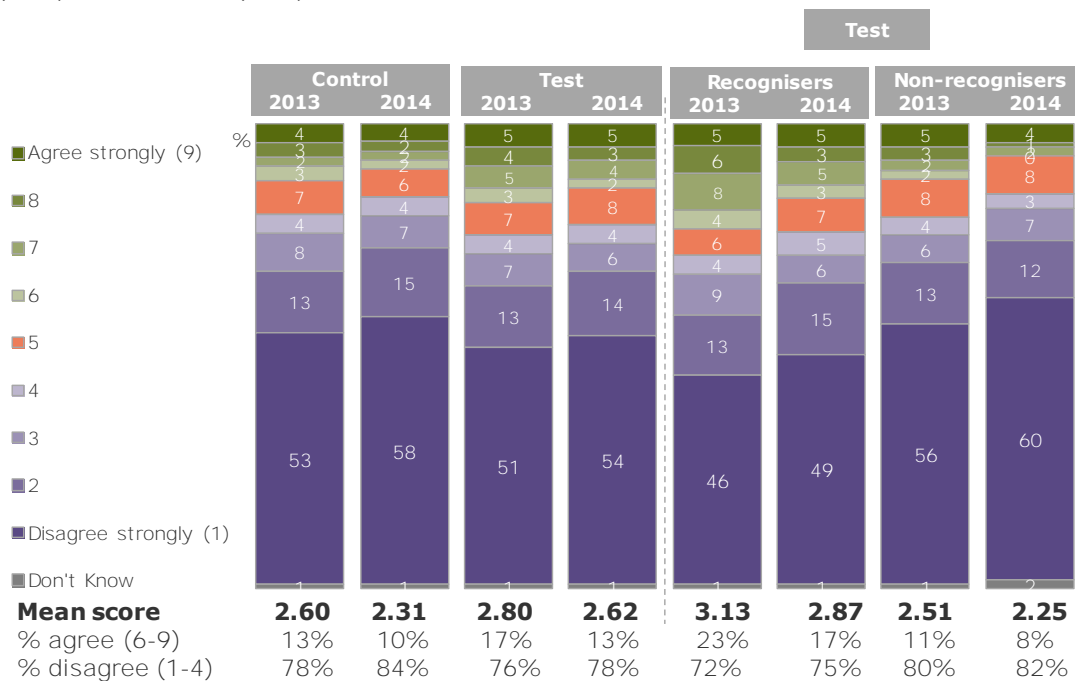


Figure 10.7: Agreement/disagreement that the advertising made you worry about your taxes

Base: All respondents – Control: Post 2013 (1003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984)



10.3 Measuring advertising effectiveness with AdEval™

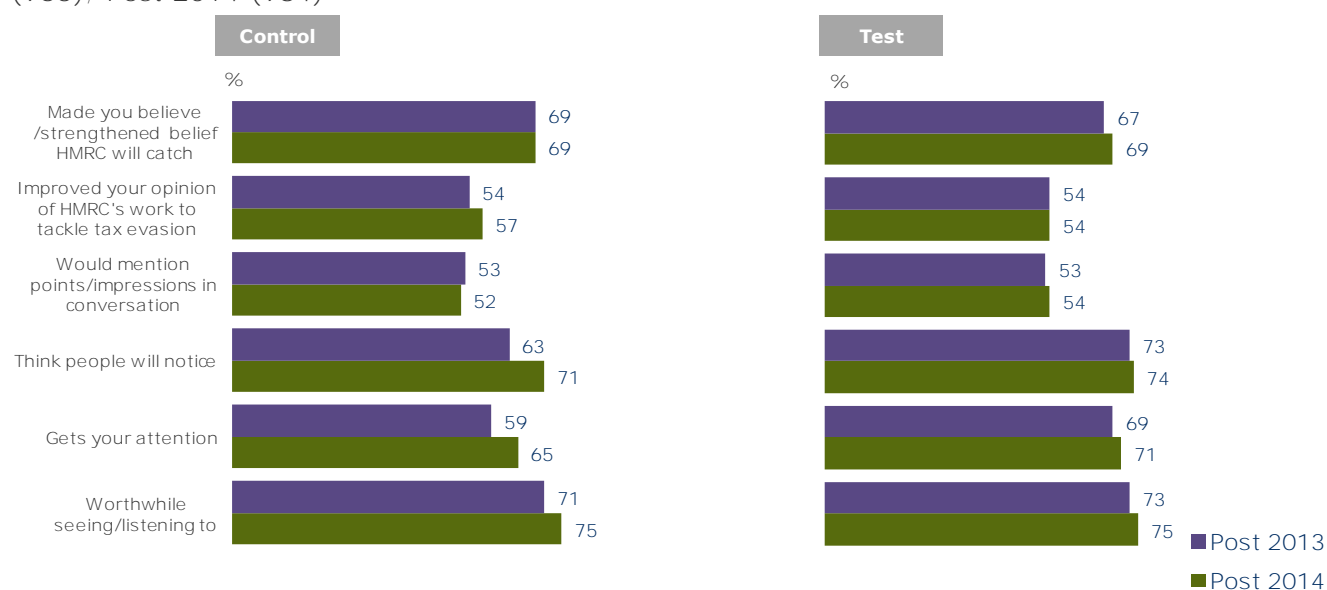
The TNS AdEval™ tool was also used to measure the reaction to the campaign. This tool examines the campaign not only in terms of how relevant or engaging it is found to be, but also whether the campaign strengthens or creates a positive influence on attitudes. In AdEval™, this positive influence is referred 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 results for these questions are shown in Figure 10.8.

Figure 10.8: Percentage agreeing with each of the six AdEval measures

Base: All respondents – Control: Post 2013 (1003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984)



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. The proportions falling into the typologies are shown in Table 10.1 for the total sample in each of the control and test areas, and among campaign recognisers in each area.

Table 10.1: Distribution of AdEval™ typologies

Base: All respondents – Control: Post 2013 (1003); Post 2014 (1024) / Test: Post 2013 (963); Post 2014 (984)

	CONTROL				TEST			
	ALL		RECOGNISERS		ALL		RECOGNISERS	
	2013	2014	2013	2014	2013	2014	2013	2014
Motivated	52	58	61	73	55	55	65	63
Involved only	14	14	16	12	20	21	22	23
Recall only	25	22	17	11	20	18	10	11
Total involved/motivated	66	72	76	85	75	76	87	86

Based on these results the campaign continues to be motivating with the wave on wave results stable in the test area for the overall sample and for campaign recognisers. In the control area the campaign was more likely to be described as motivating in 2014 than in 2013 (58% post 2014 compared to 52% post 2013), driven mainly by improvement among campaign recognisers (73% at post 2014 compared to 61% post 2013).

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 continues to perform well at 55 per cent in the test area. If we were to look just at the norms from the database that TNS has established from other studies evaluating social behaviour change campaigns,¹⁹ the average motivation score increases to 60 per cent. The higher figure reflects the inclusion 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.

10.4 **Attitudes towards tax evasion and the detection of tax evasion**

Respondents were asked to agree or disagree with each attitude statement using a nine point scale. Mean scores were 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.

¹⁹ 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 10.9: 'The fear of getting caught stops you cheating on your taxes'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

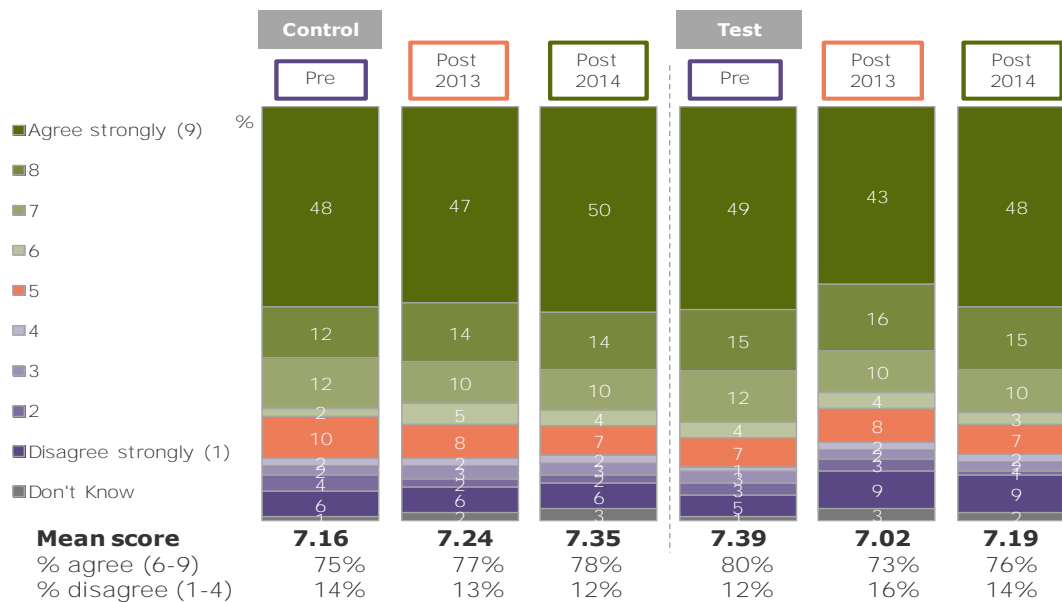


Figure 10.10: 'HMRC is better at catching people than ever before'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

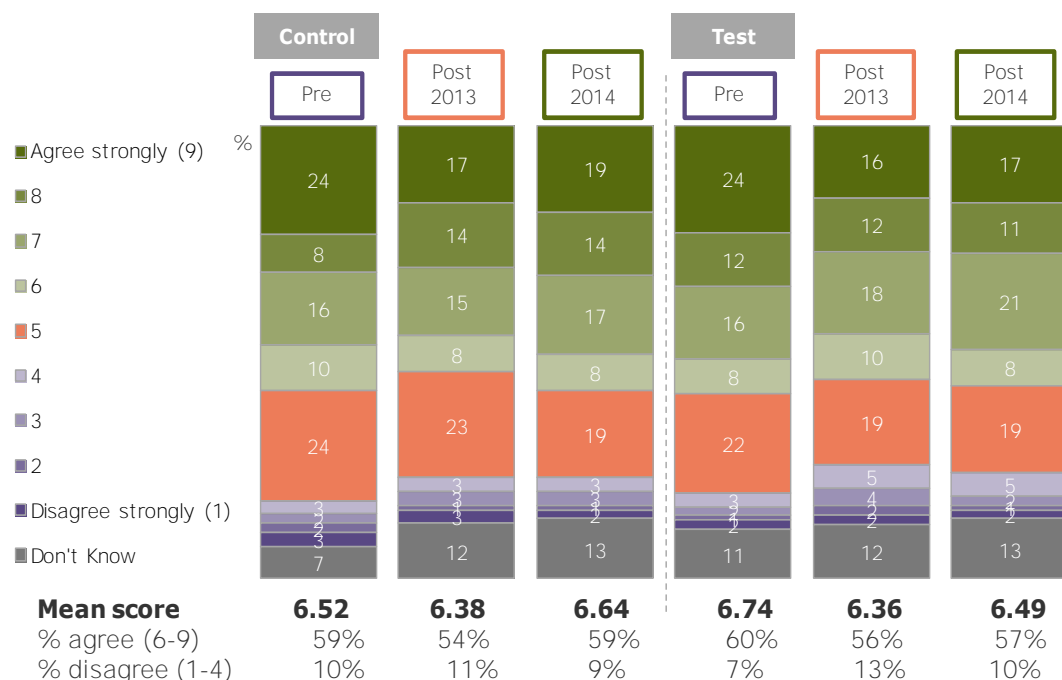


Figure 10.11: 'You believe that HMRC will capture those who don't pay all their taxes'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

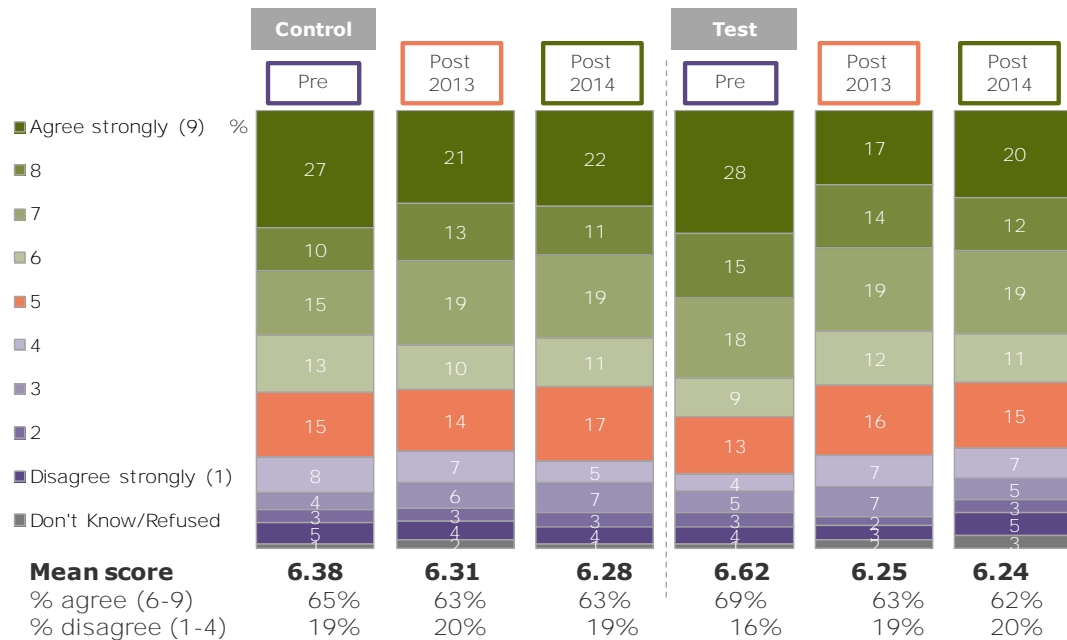


Figure 10.12: 'Likelihood of getting caught compared to couple of years ago'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

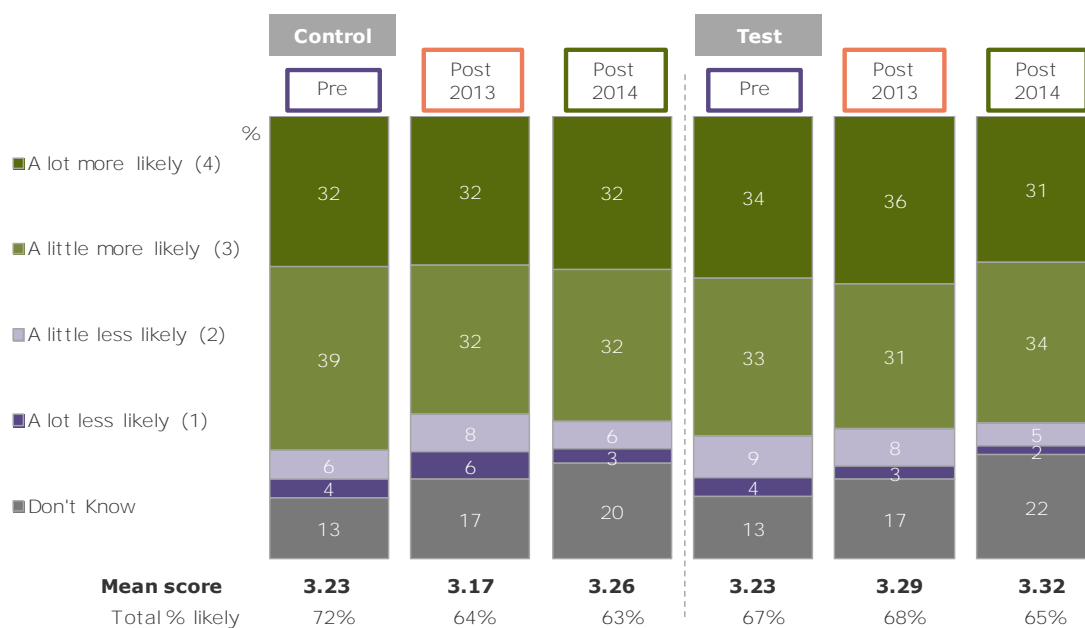


Figure 10.13: 'Perceived chances of detection'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

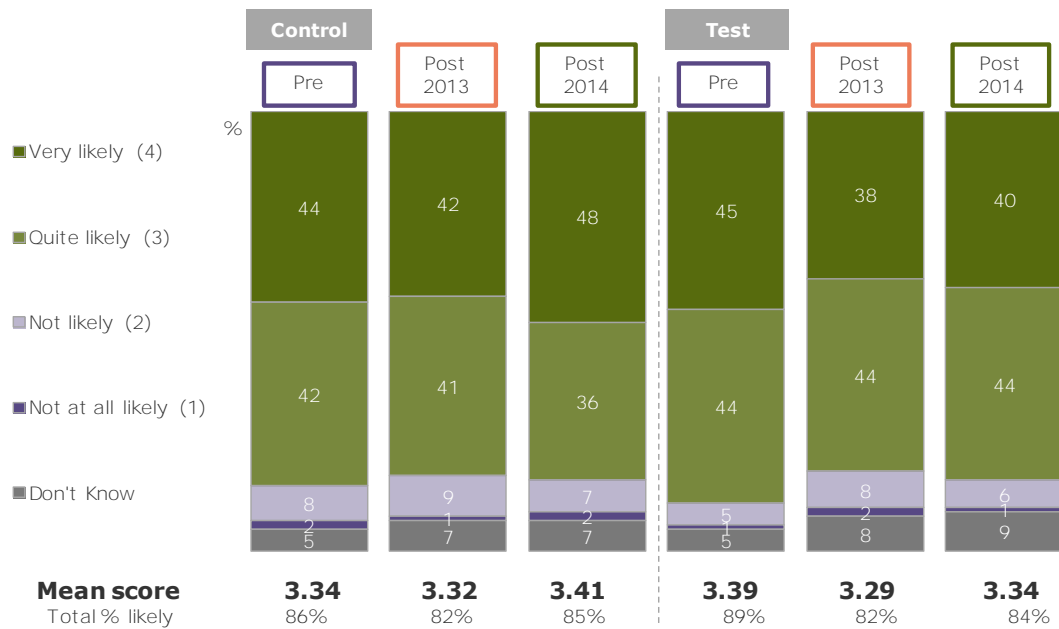


Figure 10.14: 'How widespread tax evasion is amongst SMEs'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

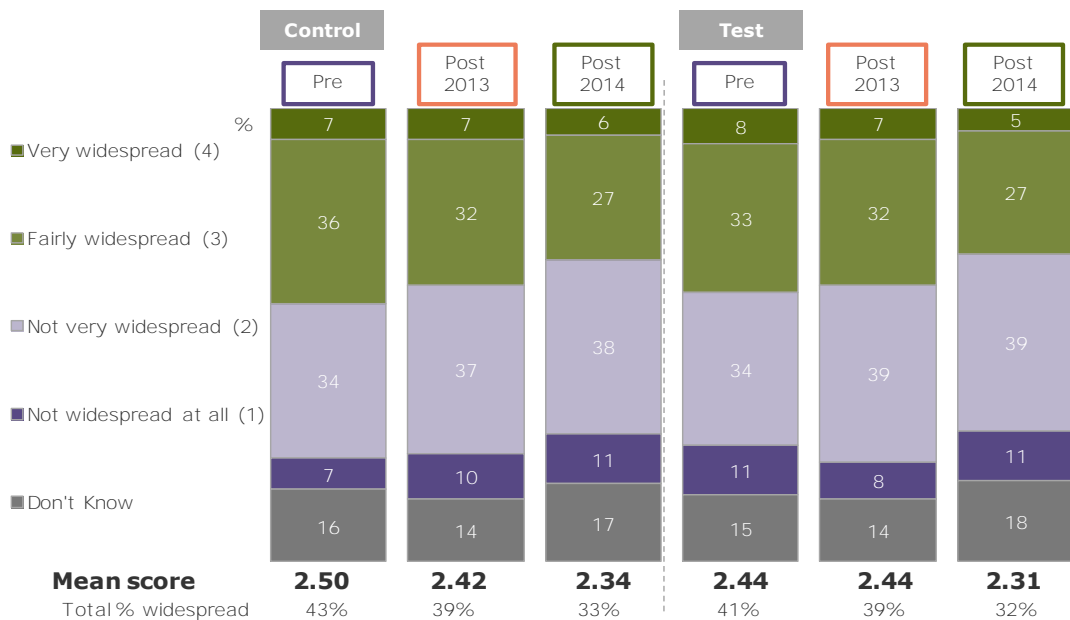


Figure 10.15: 'Main reason why wouldn't regularly evade tax' (multiple answers allowed)

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

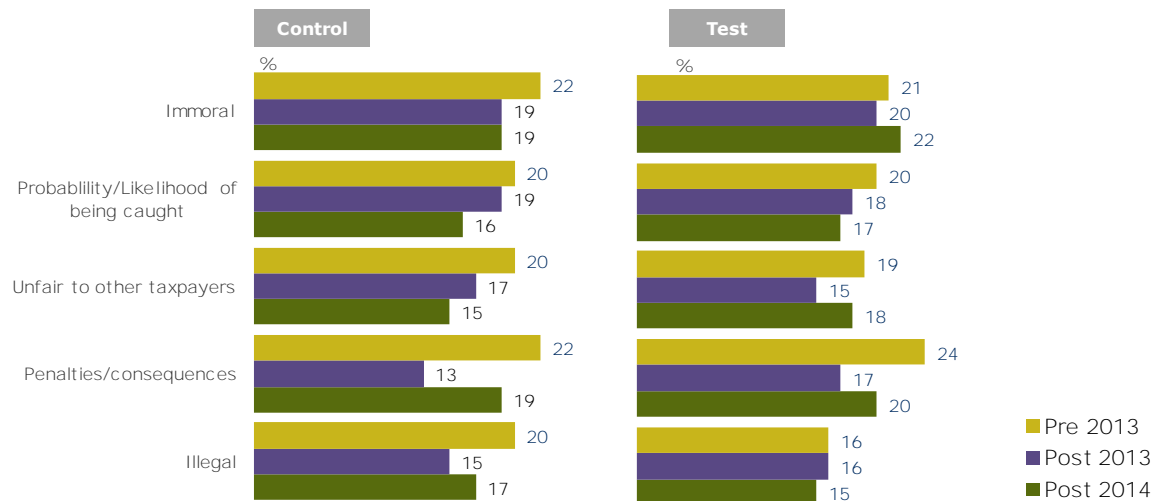
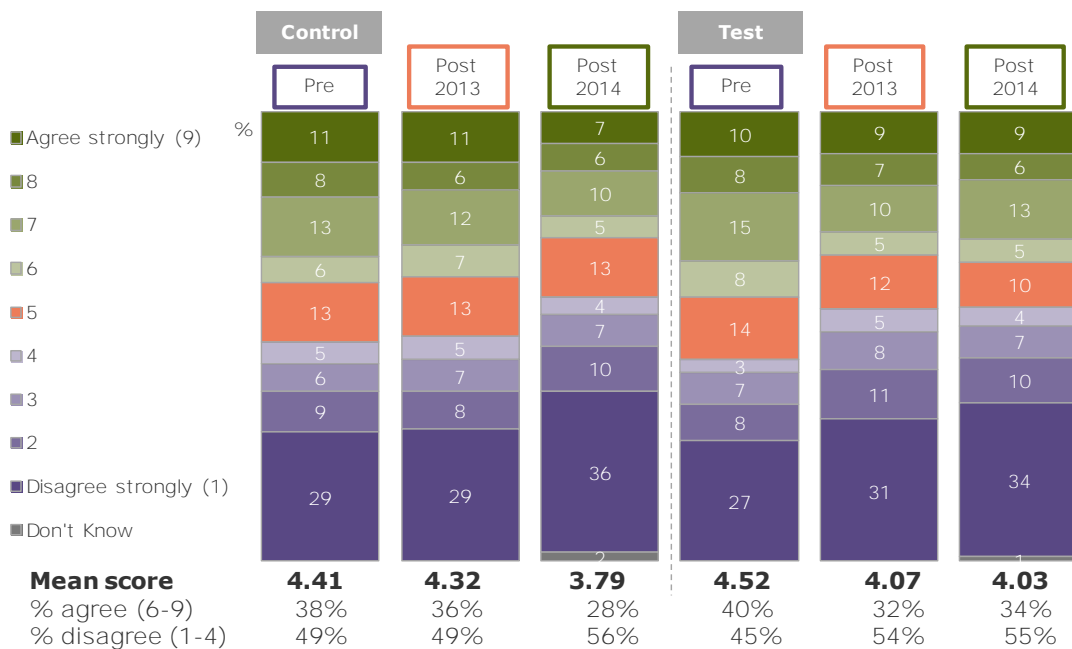


Figure 10.16: 'It's okay to occasionally make tax payments late'

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)



11. Appendix B: Campaign Materials

11.1 Radio- Evasion Publicity

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.

'GETTING CLOSER'

ARE YOU PAYING TAX ON ALL YOUR INCOME?

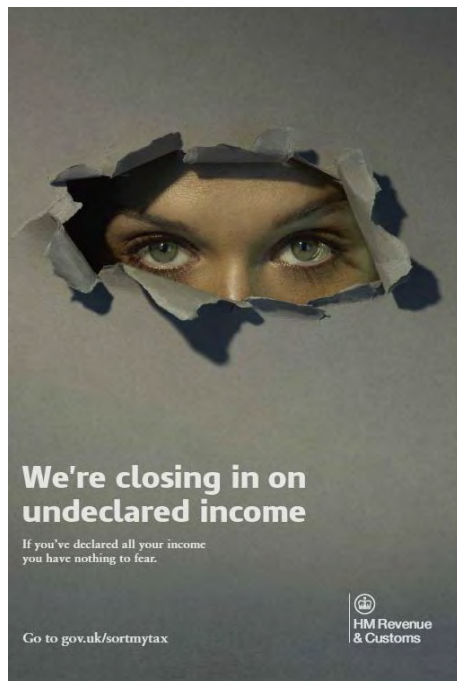
IF YOU'VE DECLARED ALL YOUR EARNINGS YOU HAVE NOTHING TO WORRY ABOUT. If YOU HAVEN'T, WE'RE LOOKING FOR YOU.

REVENUE & CUSTOMS IS CLOSING IN ON UNDECLARED INCOME.

GO TO WWW.GOV.UK/SORTMYTAX.

11.2 Posters / billboards- Evasion Publicity

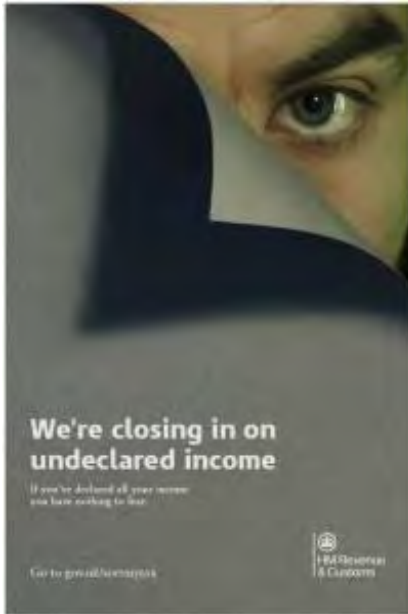
There were five executions in the Evasion Publicity campaign. The three shown in the survey were:



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 two executions were:



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

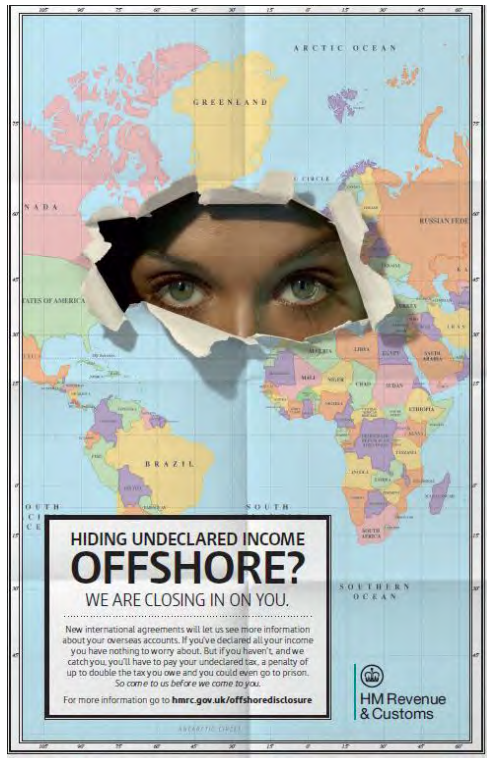
11.3 **Ambient- Evasion Publicity**

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

- Cash point screens
- Posters on trains (London and SE only)
- Posters or stickers in public toilets or washrooms
- Somewhere else.

11.4 Print – Offshore Accounts

The image shown for the Offshore Accounts advertising is shown below:



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

"Another HMRC campaign about offshore accounts has also been running recently in newspapers and magazines, on the internet and via text message. It shows the eyes appearing through a map of the world. However, this advertising is specifically about offshore accounts."

12. Appendix C: Letter sent in advance



THE KEY DECISION MAKER IN THE BUSINESS

<COMPANY NAME>

<ADDRESS_LINE_1>

<POSTCODE>

Date

Our ref:

TNS BMRB

Free Phone

Internet Site 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 working on behalf of TNS BMRB will be conducting telephone interviews over the next three 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 or call the HMRC Research team.

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,

13. Appendix D: Response rates and significance testing

13.1 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 2014.

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

- I = Complete interview.
- UO = Unknown Eligibility.
- NE = Not Eligible.
- DW (deadwood) = 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 £42 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

Summary of response rate calculation	n
Sample issued (S)	7,500
Interview (I)	2,008
Unknown respondent eligibility (UO)	3,846
Resolved sample	1,829
Unresolved sample	2,017
Not eligible - removed from eligible base (NE)	321
Non-working numbers - removed from eligible base (DW)	1,325
Estimated eligibility (EI)*	86%
Estimated response rate (RR)**	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 = $I / (I + EI * UO)$.

13.2 Significance Testing

As a rule of thumb, a result from a single sample of 1,000 has a confidence interval of around +/-3 percentage points at the 95% certainty level. Between post-wave 2013 and post-wave 2014, with almost 1,000 interviews achieved in the test area and in the control area, a change in a result by at least 4.5 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 for the test and control areas.

14. Appendix E: 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 smart phone and ideally we would prefer to call back when you are in a position to do this.

PART 1 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 SOMEONE 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 these bands did your annual sales turnover fall for financial year 2012-2013? 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 £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 £42 million
- Over £42 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 £42 million? (SC)

- No – less than £42 million
- Yes – more than £42 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 £42 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, tablet 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.

PART 2 PERCEPTIONS OF TAX EVASION

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

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

PART 3 CAMPAIGN RELATED MEASURES

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...**

The fear of getting caught stops you cheating on your taxes
HMRC is better at catching people than ever before
You believe that HMRC will capture those who don't pay all their taxes
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)

PART4 SEGMENTATION

ASK ALL

We have a few more questions about attitudes to business taxes in general.

IF NECESSARY SAY: I would like to stress once more that all of your responses will be treated as confidential and not attributed to you.

SEG1 To what extent would you agree or disagree that the business understands what it needs to do to meet its obligations to HMRC? Please use a scale of 1 – 9 where 1 is to not understand at all, and 9 is to understand completely. (SC)

- 1 – Not understand at all
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9 – Understand completely
- Don't know/Refused

ASK ALL

SEG2 Thinking about businesses like yours and using a scale of 1 – 9, where 1 is highly unlikely and 9 is highly likely, how would you rate the likelihood of imprisonment for tax evasion? (SC)

- 1 – Highly unlikely
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9 – Highly likely
- Don't know/Refused

ASK ALL

I'm now going to read out a set of statements and for each statement can you tell me how much you agree or disagree with each on a scale of 1 to 9, where 1 is to disagree strongly and 9 is to agree strongly. So ..

SEG3 [ITEM] IF NECESSARY Please answer using scale of 1– 9, where 1 is to disagree strongly and 9 is to agree strongly... READ OUT.
RANDOMISE. SC FOR EACH ITEM

- d** You are very confident in dealing with your finances
- g** Keeping the company in business is more important than meeting taxation obligations
- h** It is often difficult to pay taxes due to cash flow difficulties
- j** Your business occasionally uses expenses to reduce its tax bill
- k** Occasional under-payments are acceptable
- l** Tax evasion is commonplace
- m** Your business has the financial skills to stay on top of its obligations
- n** It's OK to occasionally make tax payments late

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

PART 5 CAMPAIGN (POST-STAGE)
--

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 / Health and wellbeing
- People or businesses using offshore banking / Offshore accounts
- Electricians
- Targeting the affluent
- eMarketplace traders / direct selling
- Self assessment / My Tax Return Catch Up / VAT Outstanding Returns (Initiative)
- Tax credits
- Alcohol
- Tobacco
- Let Property/ Property Sales
- Taskforces – not specified
- Other (SPECIFY).
- Don't know

CAM1X And have you seen any advertising or publicity from HMRC recently about offshore accounts? SC

- Yes
- No
- Don't know

IF ANY CODED AT CAM1 OR YES AT CAM1X INSERT TEXT' 'Apart from that aimed at certain trades or occupations or about offshore accounts, 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 advertising or publicity recently from HMRC about tax evasion or under-declaring your income?

IF RESPONDENT SAYS RADIO, ASK WHETHER PROGRAMME OR ADVERTISING, FOR NEWSPAPER (ARTICLE OR ADVERTISING), TV (PROGRAMME OR ADVERTISING) AND SO ON. IF RESPONDENT 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
- Washrooms / toilets
- Cash machine screens
- Telephone boxes
- Advertising **on** trains
- 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

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

(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)

THERE IS NO CAM8.

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". Below this another message says "if you have declared all your income you have nothing to fear". We are NOT concerned about advertising with eyes peering through a map of the world at this stage.

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

- Yes
- No
- (Don't know)

THERE IS NO CAM10.

IF YES AT CAM6:

SAY TO RESPONDENT: Please don't close the website down as we will ask you to look at some other images shortly.

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

- Phone boxes
- Cash point screens
- Posters on trains
- Posters or stickers in public toilets or washrooms
- Somewhere else (please specify)
- (None/not seen any – DO NOT READ OUT)
- (Don't know – DO NOT READ OUT)

IF YES AT CAM7 OR CAM9 AND PHONE BOXES OR TRAINS MENTIONED AT CAM11, ASK:

CAM11x As well as seeing the images on[INSERT RELEVANT ANSWERS FROM CAM 11], did you also see them on outdoor billboards?

- Yes
- No
- Don't know

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

CAM12 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 the radio and poster advertising that was just played and shown to you. What do you think is the main message?

OPEN ENDED.

PROBE FULLY. What else?

IF READ DESCRIPTIONS ASK:

CAM13 Please now think about the radio and poster advertising that was just played and described to you. 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 and poster 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, 9 OR 11 (INCLUDING UPDATED CODES AT CAM11) ASK CAM20. 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, SORTMYTAX, 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

IF RESPONDENT HAS MANAGED TO VIEW PREVIOUS ADS ON THE INTERNET AT CAM6:

Please now go back onto the website and where you typed in the web address, add in the number 2 after the forward slash, so the website address is www.playads.info/2

CAM22A Can you see the image on the screen?

- Yes
- No

IF YES AT CAM22A CONTINUE AT CAM22B; ALL OTHERS GO TO CAM22C

CAM22B Please now look at this image from another HMRC campaign about offshore accounts which has been running in newspapers and magazines, on the internet and via text message. Have you seen any of these ads recently?

- Yes
- No
- Don't know

FOR THOSE WHO HAVE NOT BEEN ASKED CAM22B

CAM22C Another HMRC campaign about offshore accounts has also been running recently in newspapers and magazines, on the internet and via text message. It shows the eyes appearing through a map of the world. However, this advertising is specifically about offshore accounts. Have you seen any of these ads in newspapers, magazines, on the internet or by text message recently?

- Yes
- No
- Don't know

IF YES AT CAM22B OR CAM22C and YES AT CAM2, ASK CAM23

CAM23 And thinking back to the earlier point in the questionnaire when you described in your own words the HMRC advertising you had seen or heard, was it the offshore accounts advertising you were referring to?

- Yes
- No
- Don't know

PART 6 CLASSIFICATION

ASK ALL

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

THERE IS NO CLAS1.

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

THER IS NO CLAS3.

ASK ALL

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

- Yes
- No
- Don't know
- Refused

THERE ARE NO QUESTIONS CLAS5 AND CLAS6.

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 GENDER (ONLY ASK IF ABSOLUTELY NECESSARY)

- Male
- Female

CLOSE

15. Appendix F: Sample information and weighted and unweighted profiles

15.1 Sample Information

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 2014 post-wave is shown in Table 15.1 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.

Table 15.1: SME profile and Sample profile

SIC Group*	HMRC %	Sample %
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%
Employees	% HMRC	Sample %
1	74%	45%
2-9	22%	40%
10-49	3%	8%
50-249	1%	8%
Test Region (GOR)	% HMRC	Sample %
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%
Control Region (GOR)	% HMRC	Sample %
East Midlands	8%	4%
North East	13%	6.5%
North West	43%	21.5%
Yorkshire and the Humber	34%	17%
Wales	2%	1%

15.2 Weighting

Tables 15.2 and 15.3 illustrate the achieved profiles in each of the test and control areas respectively compared to the weighted profiles. The latter are based on an up-dated version of aforementioned HMRC profile information for 2010/2011 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 shows the extent of some of the under- and over-representations by employee size. As Tables 15.2 and 15.3 show, weighting has corrected for this.

Table 15.2: Test area: Post-wave 2014 weighted and unweighted profile.

	Unweighted	Weighted
EMPLOYEE SIZE (SCR3)	%	%
0	46	74.7
1-9	40	22.4
10-49	10	2.3
50-249	4	0.6
SIC (2007) – see overleaf for key	%	%
Manufacture inc. agriculture, forestry & fishing (A, C)	10	8.6
Retail (G)	8	7.7
Services inc. education, health and other (H, I, J, K, L, M, N, P, Q, R, S, T, U) – including unclassifieds	61	62.0
Industry (B, D, E, F)	21	21.7
GOR	%	%
East of England	14	12.6
London	17	23.0
Northern Ireland	3	3.4
Scotland (including Yorkshire and North East Test)	9	8.3
South East	23	19.8
South West	13	12.0
Wales (incl. N West Test)	6	5.4
West Midlands	9	9.6
East Midlands	6	5.9
TURNOVER	%	%
<15K	21	45.4
15K to <30K	14	16.2
30K-<50K	11	9.5
50K - <77K	10	6.3
77k - 42m	40	18.6

Refusal	4	4.0
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Table 15.3: Control area: Post-wave 2014 weighted and unweighted profile.

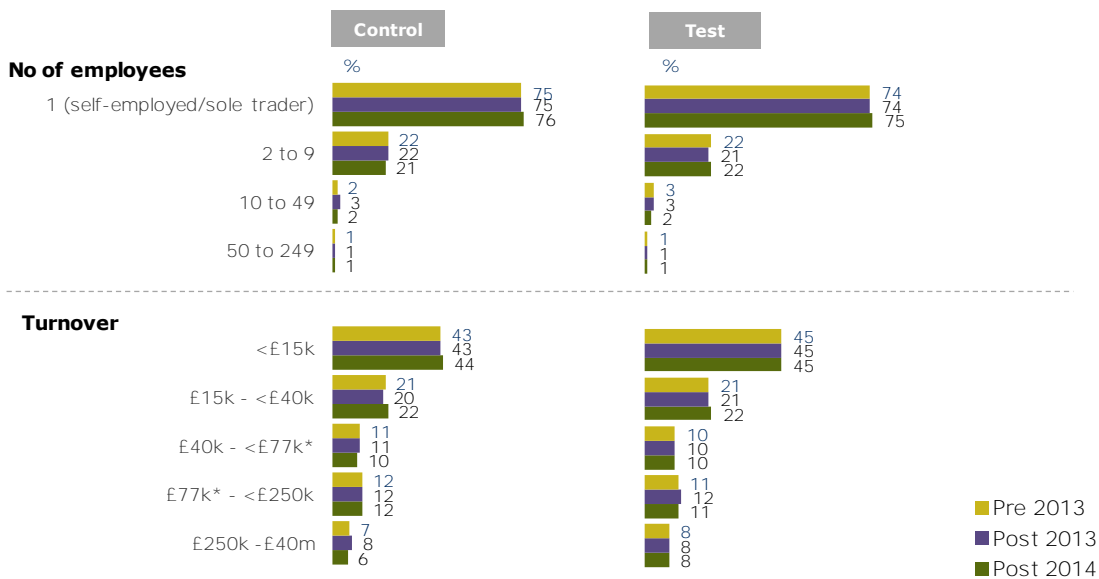
	Unweighted	Weighted
EMPLOYEE SIZE (SCR3)	%	%
0	45	75.7
1-9	42	21.5
10-49	10	2.2
50-249	3	0.6
SIC (2007) – see overleaf for key	%	%
Manufacture inc. agriculture, forestry & fishing (A, C)	12	8.7
Retail (G)	8	9.7
Services inc. education, health and other (H, I, J, K, L, M, N, P, Q, R, S, T, U) – including unclassifieds	62	60.1
Industry (B, D, E, F)	19	21.5
GOR	%	%
East Midlands	9	7.4
North East	12	13.0
North West (incl. Wales Control)	44	45.0
Yorkshire and the Humber	35	34.6
TURNOVER	%	%
<15K	24	43.6
15K to <30K	17	16.6
30K-<50K	9	9.1
50K - <77K	9	6.6
77k - 42m	35	18.1
Refusal	5	6.0

15.3 Sample profiles (weighted)

The figures below show the weighted profiles of the samples, across the three waves of the campaign tracking.

Figure 15.1 Number of employees and turnover (weighted)

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)



* £73k was used at pre-wave 2013

Figure 15.2: VAT registration and SIC (2007) (weighted)

Base: All respondents - Control: Pre 2013 (615); Post 2013 (1003); Post 2014 (1024) / Test: Pre 2013 (894); Post 2013 (963); Post 2014 (984)

