HM Revenue & Customs

*Research report*

# Tax Credits Tracking Wave 27

## Tracking Renewals advertising for Tax Credits

**Corporate Communications - Marketing**

**25th October 2013**

Behavioural Evidence & Insight Team

## *About Marketing*

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

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

## *Contents*

| | |
|---|---|
| Research requirement (background to the project) | 3 |
| When the research took place | 4 |
| Who did the work (research agency) | 5 |
| Method, Data and Tools used, Sample | 5 |
| Main Findings | 6 |

© Crown Copyright 2013 - Published by Her Majesty's Revenue and Customs.
Disclaimer: The views in this report are the authors' own and do not necessarily reflect those of HM Revenue & Customs.

## *Research requirement (background to the project)*

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

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

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

This piece of research covers Wave 27 of the Tax Credits communications tracking and evaluates the 2013 Renewals activity. As with previous Renewals campaigns, the advertising was split in to three distinct phases;

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

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

The same creative style, tone and messaging has been used for a number of years. The main Deadline TV and radio executions were identical to those used in 2012. The radio ad was also aired on Spotify this year. Also this year, there was advertising on mobile devices.

The online partnership with MSN continued this year, helping to educate about Tax Credits. Total marketing investment has gone down over the years, but stayed consistent recently. In 2010 it was £1.44m, in 2011 it was £1.36m, in 2012 and 2013 it was £1.27m. TV delivered

593 TVRs this year, down from the 605 in 2012, but up from the 492 achieved in 2011, and the 514 achieved in 2010. Radio ratings were up this year (following a decline over the last three years, with 1751 achieved in 2013, compared to 1461 in 2012, 1740 in 2011, and 2067 in 2010).

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

- How did the campaign activity cut-through this year? What was the impact of up-weighting media spend in areas of high Tax Credits Claimants?
- What was the impact of the campaign on Claimants' understanding and actions?
- How did Claimants find the renewals process this year?
- Are Claimants aware of upcoming changes to Tax Credits and Universal Credit system?

## *When the research took place*

There were two waves of research, the first was conducted before the campaign and before any renewal forms had been issued (22nd March through to 11th April). The post wave research was conducted between 1st and 18th August 2013, directly after the campaign came off air and after the deadline for renewing (July 31st) had passed. This is in line with previous years. Where relevant in this document, results are compared to previous Deadline campaigns (Aug. '12, Aug. '11, Aug. '10).

## *Who did the work (research agency)*

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

## *Method, Data and Tools used, Sample*

A total of 312 interviews were conducted; face-to-face and in home.

The sample consisted of adults aged 16+ who had at least one child under 16 in their household (or 16-19 if in full-time education) and earned no more than £32,200 per annum (household income). This sample was designed to reflect the wider eligible population for Child Tax Credits from April 2013 onwards, with quotas set on key subgroups to ensure that the research could best meet its objectives (please see table below).

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

The interview took 25 minutes to complete and covered Deadline TV (stills), radio, OOH and mobile advertising.

| **CLAIMANTS SAMPLE PROFILE (Wave 27)** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Gender** | | **Age** | | **Household Income** | | **Marital status** | |
| Male | 29% | 18-34 | 41% | £0 - £9,999 | 23% | With partner | 74% |
| Female | 71% | 35+ | 59% | £10,000 - £19,999 | 35% | Lone parent | 26% |
| | | | | £20,000 - £26,999 | 30% | | |
| | | | | £26,001 - £32,200 | 12% | | |

## *Main Findings*

***How did the campaign activity cut-through this year? What was the impact of up-weighting media spend in areas of high Tax Credits Claimants?***

**Tax Credits Tracking**

The Tax Credits campaign continues to enjoy strong cut-through, and generally performance is in line with previous years.

- *Total advertising awareness was 84% (85% Aug '12, 82% Aug '11, 85% Aug '10).*
- *Again there was a significant uplift from pre to post this year, greater than last year (+45 vs +42 in 2012).*

It continues to have strong presence in mind, with TV and Radio again cutting through strongly.

- *TV was recalled by 70%, down slightly from the 73% of Claimants who saw it in 2012.*
- *Awareness of Tax Credits radio advertising is in line with previous years at 61% (64% Aug '12, 63% Aug '11, 63% Aug '10).*

The outdoor activity introduced this year cut through well (particularly in the South and London). It was however seen in addition to other media, rather than extending reach.

- *Just over a quarter of Claimants' (26%) remember seeing the OOH ad.*
- *Recognition of the outdoor was notably higher in London and the South than the national average (31% recall seeing in London and the South), and comparatively weaker in the North (19%).*

Mobile wasn't recognised by nearly as many as other media; it did however enjoy stronger cut-through in areas where it was tied in more to Outdoor activity.

- *13% of claimants who saw the outdoor advertising also recalled seeing the mobile ad, with just 4% of those who did not see the outdoor ad remembering the mobile ad.*

Overall the vast majority of Claimants were exposed to at least one media channel, with a large proportion being hit by two or more.

- *49% of claimants recall seeing both the TV and radio ads this year (52% Aug ’12, 50% Aug ’11, 48% Aug ’10).*

***What was the impact of the campaign on Claimants understanding and actions?***

Response to the campaign is broadly in line with recent years. The strength of agreement on the importance of renewing has fallen very slightly though.

Perceived salience has declined a little against last year, though it remains strong overall, and in line with previous years.

- *There was a slight decline in the proportion of claimants who agreed that the campaign ‘stuck in their mind’ (84% Aug ’13, 91% Aug ’12, 84% Aug ’11, 77% Aug ’10), and in agreement with ‘ads I have seen or heard a lot’ (76% Aug ’13, 84% Aug ’12, 77% Aug ’11).*

Despite this the ads continue to serve as a useful reminder to renew, with a combination of the TV and radio ads continuing to work best at influencing renewal action.

- *The vast majority of Claimants continue to agree that the ads ‘serve as a useful reminder to renew’ (91% Aug ’13 agree, 95% Aug ’12, 89% Aug ’11).*
- *44% of those recalling the TV ad and 45% of those recalling the radio ad said they encouraged them to renew straightaway.*

Outdoor helped to communicate a sense of urgency.

- *More than half (55%) of those who saw the outdoor ad said they encouraged renewal straightaway.*

***How did Claimants find the renewals process this year?***

A greater proportion of Claimants claimed earlier renewal, possibly linked to the TV being earlier.

- *70% claimed that they renewed before July. (65% in 2012, 75% ’11, 67% ’10).*

There was an increase in the proportion claiming to renew via Post this year.

- *Just under half (49% Aug ’13, 43% Aug ’12, 38% Aug ’11, 47% Aug ’10) claimed to have renewed by post.*

- *Conversely there was a decline in telephone renewals (42% Aug ’13, 46% Aug ’12, 48% Aug ’11, 48% Aug ’10).*

Perceptions of the relative ease of renewing by post declined significantly, though it is still considered easy overall.

- *There was a decline in postal claimants rating the process of renewal as being ‘very easy’ (64% Aug ’13, 76% Aug ’12).*

***Are Claimants aware of upcoming changes to Tax Credits and Universal Credit system?***

Awareness and understanding of the new Universal Credit has increased, but remains low.

- *Around a third (31%, 15% Aug ‘12) are aware of it, half of those by name.*

Perhaps unsurprisingly most don’t appreciate what it is likely to mean to their Tax Credits though.

- *34% (45% in Aug ’12) didn’t have any understanding of the implications on Tax Credit payments when moving to Universal Credit.*

***Moving Forward***

Although the campaign has run for a considerable period of time, there is still no sign of wear out.

- *The purpose of the campaign is to act as a prompt to renew. It continues to do this very well.*
- *In many ways, it is most likely because of the consistency that it continues to do so well.*

The media mix worked very well and there is no obvious need to change the key media used. We may wish to re-evaluate continued use of some of the supporting channels though.

- *Unless objectives change significantly, there is no reason why TV and Radio shouldn't continue to be the main media channels used, as they deliver strong cut-through and resonance.*
- *Outdoor cut through well and helped convey a sense of urgency.*
- *MSN hasn't cut through as well, though appears a worthwhile support to the campaign – further work is maybe required internally to prove whether it delivers the return on investment.*
- *Similarly, more work is required to prove the benefit of mobile, as low base sizes here mean that we can't make conclusive statements on performance.*
- *There is little evidence to support continuing to use Spotify.*

Looking ahead there are two factors that can't be quantified; the impact of increased awareness of Universal Credit, and any potential impact of an improving economy.

- *Both may have some impact in future, which would reinforce the need for clear and familiar prompts.*