

*Research report*

# **Tax for Business Self Assessment Tracking**

Pre & post evaluation of the Tax for Business  
Self Assessment campaign 2012-13

**Corporate Communications - Marketing**

**April 2013**

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## Tax for Business Wave 11

### *About Marketing*

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

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

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Tax for Business Wave 11

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

Self Assessment involves completing an online or paper tax return, generally once a year. Those who are required to complete a Self Assessment form submit details about income and capital gains (profits on the sale of certain assets), and/or claim tax allowances or reliefs. Those who submit returns *on paper* receive the Self Assessment tax return form by end of April and are required to file their return by the paper deadline of 31<sup>st</sup> October. Those who submit returns *online* receive a ‘Notice to File’ and are required to file their return and pay any tax owed by the online deadline of 31<sup>st</sup> January. Penalties and interest charges are incurred for late returns and/or payment.

HMRC (and its predecessor Inland Revenue) has been running the Self Assessment communications campaign since 2002. The campaign’s aim is to encourage people to file their returns and pay any money due by the deadlines, and reinforce the 31<sup>st</sup> January online deadline message and the penalties that will be incurred if actions are not taken in time.

Between 2008 and 2012 the campaign was fronted by Moira Stuart, but in Winter 2012 the campaign was refreshed and new creative was developed. The new creative device suggested that people would feel less stressed and under pressure once they had completed their return and paid monies due. Ads used the strapline ‘I did my tax return early and found inner peace’, and ran from 27<sup>th</sup> December 2012 to 31<sup>st</sup> January 2013. The campaign employed national radio, national press, outdoor and online ads.

Two waves of research were conducted to evaluate the latest campaign burst; a pre-wave (Wave 10) with fieldwork conducted in November – December 2012 which acted as a baseline before the new campaign broke, and a post wave (Wave 11) in February -March 2013, after the campaign burst was complete.



In order to assess the performance of the latest campaign comparisons are made between the pre- and post-burst waves and with previous waves to enable comparisons with previous campaigns.

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## Tax for Business Wave 11

### *When the research took place*

Interviewing for this study took place in November – December 2012 (Wave 10) and February-March 2013 (Wave 11).

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

The research was carried out by:

GfK NOP Social Research  
Ludgate House  
245 Blackfriars Road  
London SE1 9UL

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

Interviewing was conducted in-home by face-to-face interviewers using Computer Assisted Personal Interviewing (CAPI) technology. The sample covered Great Britain and was drawn using random location sampling, as in previous waves of research.

Quotas were set to provide coverage of three main groups who typically complete Self Assessment tax returns: sole traders, micro businesses with 1-5 employees and high earners/individuals. The sample was unrepresented (i.e. all completed and submitted their Self Assessment tax returns themselves).

At wave 11, 326 respondents were interviewed in total, of which:

- 166 were sole traders and 60 were micro businesses: the two groups together are described in this report as small businesses
- 100 were high earners

As at previous waves, weighting was applied to re-balance the sample. The weights used were consistent with previous years:

- 66.7% small businesses, and within this 80% were sole traders and 20% micro-businesses
- 33.3% high earners

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

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**Tax for Business Wave 11*****Main Findings***

The main findings from the research are detailed below:

**Campaign Reach**

Because the 2012/13 campaign was new, it could not build on the strong heritage of the previous Moira Stuart campaign, which had fairly high residual levels of awareness and recognition. In addition, levels of awareness and recognition of the Moira Stuart campaign had been declining over recent years: reflecting declining campaign spend and the removal of TV from the media mix in 2009/10.

At the pre-wave to the new campaign (W10), levels of spontaneous awareness of advertising or publicity about dealing with taxes sat at the lowest levels seen since tracking began (22% of Small Businesses and 25% of High Earners). While there was a significant increase in levels of spontaneous awareness amongst High Earners after the new campaign launch (rising from 25% at W10 to 40% at W11), the increase amongst Small Businesses was not significant (22% W10, 30% W11).

Total awareness remained stable amongst both groups, and at W11 74% of High Earners and 66% of Small businesses were aware of advertising or publicity about dealing with taxes, after considering a list of potential sources. The main sources of awareness for both groups were, however, not linked with the campaign: amongst both groups TV ads and TV programmes were most commonly mentioned as sources of awareness. Unprompted awareness of radio ads was lower for the 'Inner Peace' campaign compared with the end of the previous Moira Stuart campaign burst, and awareness of outdoor advertising was considerably lower amongst High Earners.

- Awareness of radio ads stood at 18% of High Earners at W11 (down from 31% at the end of the last burst of the Moira Stuart campaign), and 15% of Small Businesses (24% at the end of the last burst of the Moira Stuart campaign).
- Awareness of outdoor advertising stood at 2% amongst High Earners: significantly lower than the 19% observed at the end of the last burst of the Moira Stuart campaign.

Reflecting these lower levels of awareness, it is also notable that total proven recall has also declined significantly amongst both groups. In 2012, more than six in ten of High Earners and Small Businesses who were aware of publicity about dealing with taxes described some element of the Moira Stuart campaign, but in 2013, under two fifths (38%) of those aware described any element of the 'Inner Peace' campaign.

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All respondents were shown and played examples of campaign materials, including the following:

- Three radio ads
- Four press ads
- Three outdoor ads
- Two digital ads: the digital advertising was animated and interactive, so respondents were shown short films of the digital ads and asked if they had seen them recently.

Half of Small Businesses (48%) and a similar proportion of High Earners (51%) said that they recognised at least one of the campaign ads. These levels of recognition were significantly lower than for the previous Moira Stuart campaign: after the last burst of that campaign 68% of Small Businesses and 67% of High Earners recognised at least one ad. However, the higher campaign spend on the Moira Stuart campaign in 2011/12 and its considerable heritage from previous years should be noted.

In particular, recognition of the radio ads was lower for the 'Inner Peace' campaign than for the previous Moira Stuart campaigns. Only around a quarter of respondents recognised at least one radio ad (28% Small Businesses, 22% High Earners), compared with half or more at previous bursts (54% Small Businesses and 62% of High Earners recognised a radio ad at the end of the last burst of the Moira Stuart campaign). This may again reflect the fact that the creative is new.

Despite lower spend, recognition of press ads was similar to previous campaigns (30% Small Businesses and 38% High Earners at W11), but recognition of outdoor advertising was lower than at the previous post-wave amongst both groups (High Earners 50% W9, 19% W11; Small Businesses 36% W9, 20% W11).

However, recognition of digital ads was fairly strong, with 12% of Small Businesses and 8% of High Earners recognising a digital ad.

### **Campaign Messaging and Impressions**

As may have been expected given the creative, the 'Inner Peace' campaign worked well at conveying messages that you shouldn't leave it to the last minute to do your tax return (53% High Earners and 39% Small Businesses said the campaign told them this) and that you will feel a sense of relief if you file on time (39% High Earners, 32% Small Businesses)

However, other messages about the 31<sup>st</sup> January deadline for filing online and paying tax owed were somewhat less well conveyed by the 'Inner Peace' campaign than the previous Moira Stuart campaign, as were messages around the penalties for late filing even if no tax is owed, and the daily penalties and interest charges.

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While ad recognisers were more likely than non-recognisers to say that the ads conveyed the key messages, it is notable that messages around deadlines and penalties were less well conveyed to recognisers of the 'Inner Peace' campaign than to recognisers of the previous Moira Stuart campaign.

Despite these lower levels of messaging, the 'Inner Peace' campaign was more likely to give a better impression of Self-Assessment than the Moira Stuart campaign. Almost a quarter (22%) of both groups said that the campaign gave a much better impression of Self Assessment, compared with around one in ten (14% Small Businesses, 8% High Earners) saying this about the Moira Stuart campaign.

In addition, despite lower levels of messaging associated with the new campaign ads, there have not been declines in the proportions saying that they have taken action as a result of the campaign, or taken action earlier as a response. Around four fifths of both groups who recognised at least one campaign ad said they had done something as a result, and similar proportions said they had taken action earlier than they would have done if they hadn't seen the ads.

### Impact of the advertising

Despite lower levels of messaging about the 31<sup>st</sup> January deadline coming through from the campaign, it was notable that there were no associated declines in levels of awareness of the actual 31<sup>st</sup> January online filing deadline. In 2013, around seven in ten of both groups (74% Small Businesses, 67% High Earners) were aware of the deadline, compared with around three quarters (78% High Earners, 70% Small Businesses) in 2012. However, it should be noted that this deadline was additionally communicated by HMRC outside of the campaign (e.g. in direct mail).

Awareness of the 31<sup>st</sup> October paper filing deadline has fallen in 2013, from just under half of both groups in 2012 to around a third in 2013 (38% Small Businesses, 34% High Earners). However, it should be noted that the 31<sup>st</sup> October paper filing deadline was not mentioned in the advertising.

In addition, while the results indicate lower levels of communication about the penalties coming through from the campaign, levels of awareness of penalties for late filing and payment of Self Assessment have actually increased over time. In 2013 over seven in ten of both groups were aware of the penalties (78% of Small Businesses, 70% High Earners), up from around half of both groups in 2012 (51% Small Businesses, 45% High Earners). Further, there have been increases in levels of awareness of the detail of the new penalties: in particular amongst Small Businesses:

- Awareness of the £100 penalty has increased from 63% in 2012 to 78% in 2013
- Awareness that the £100 penalty will be levied even if no tax is owed has increased from 14% in 2012 to 26% in 2013.

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Awareness of other aspects of the penalties remained unchanged, with a quarter of small businesses aware that the penalty goes up by £10 a day and 6% aware that the total penalty amount is no longer capped.

Levels of awareness of these penalties were similar amongst High Earners.

### **Perceptions of online filing**

Around seven in ten of both groups agreed that the obvious place to do tax is online: this proportion has remained largely unchanged since 2009, though there has been a gradual increase in levels of agreement amongst Small Businesses since 2011 (rising from 54% in October 2011 to 72% in February 2013).

As at previous waves, those who had previously filed Self Assessment online were more likely to agree that the obvious place to file is online (83% filers, 52% non-filers 2013).

In addition, those who had previously filed online were more likely than non-filers to say that they were likely to file online again in the future. In 2013, nine in ten of those who had ever filed online said they were likely to do so again, compared with 44% of non-filers. Overall, around seven in ten of both groups said they were likely to do Self Assessment online in the future.

### **Perceptions of HMRC**

Perceptions of HMRC and tax have remained largely unchanged over time.

In 2012 it was noted that the proportion of Small Businesses agreeing that HMRC is here to help with tax declined (from 70% in 2011 to 60% in 2012). However, this decline has now recovered, with 75% of Small Businesses agreeing in 2013: in line with the longer term trend.