



Research report

SME and Agents Concept Test

Identifying compelling propositions for SMEs and agents

Business Customer Unit

Her Majesty's Revenue and Customs Research Report Number 118

Concept Testing

About the Business Customer Unit (BCU)

Business Customer Unit (BCU) is part of Business Tax responsible for ensuring businesses pay the right amount of tax whilst improving our customer's experience and the overall UK business environment.

The BCU role is to help colleagues make customer focus a reality by understanding our Business Customer needs better and using that understanding to design better products, processes and service delivery.

Contents

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

Concept Testing

Research requirement (background to the project)

The research was intended to provide guidance on the service and product concepts that are most likely to deliver the greatest positive impact on business customer experience with HMRC.

Who did the work (research agency)

The research was conducted by Synovate.

When the research took place

The research took place in March 2008.

Method, Data and Tools used, Sample

Quantitative telephone interviews took place with small and medium business (SMEs) and tax agents:

- 452 interviews with SMEs (0 to 250 employees, quota controlled) 200 interviews with tax agents servicing SMEs

Each respondent appraised two concepts in total, one after the other:

- About 129 appraisals of each of seven SMEs' concepts
- About 67 appraisals of each of six agent's concepts

The concepts appraised by both were:

- **Arbitration** - If you have a dispute with HMRC that you can't resolve, you can ask for it to be referred to the Arbitration Team and they will review it independently. Their decision will be binding on HMRC, although you will be able to pursue the matter further if you are still not happy.
- **e-Newsletters** - This is a service tailored by you, providing up to date information that you want to know. When registering simply select areas of interest to you and we will e-mail you with regular updates and news about your chosen subjects.
- **Direct e-Mail Access (Help, I Need Someone!)** - A fast, easy way of getting an answer to your question, send HMRC an e-mail with as much information as you can provide, we'll give you a response within five working days, or if that isn't possible, let you know how soon we can answer you.

Concept Testing

- **Flexible Payment Options** - To help you spread the load of your taxes, you can take advantage of HMRC's flexible payment scheme. Benefits such as extended time-to-pay, payment holidays or payments in advance, will help smooth your cash flow and plan ahead with more certainty.

Those appraised by SMEs only were:

- **Stop Trading Guidance** - This guidance, available in a leaflet or on line, tells you all you need to know about how to close off the tax affairs of your business when it stops trading. Step by step it takes you through each tax implication in easy-to-understand language.
- **Face-to-Face Events** - Tax can be confusing for new and small businesses. Sometimes it is easier to discuss an issue with a person face to face rather than over the phone. Our New Business events will include sessions and seminars on topics relevant to new and growing businesses, and gives you the opportunity to talk to get advice from real people.
- **Technical Briefings** - You can stay up-to-date with our thinking around more complex or technical issues by attending our briefing sessions from subject experts. Designed for more experienced business people and tax experts, these will help you stay on top of current hot topics.

Those appraised by agents only were:

- **Agents' Conferences** - Held regularly all round the country, agents' conferences are your opportunity to find out from HMRC and professional bodies the latest developments in the tax world relevant to you and to exchange ideas with other people in your field. You can also give HMRC your views on their relationship with you and your clients and the services they provide.
- **Expert Point of Contact** - It can often take a long time to get an answer to a complex query from HMRC. Expert Point of Contact is designed for agents, giving you access to in-depth and detailed information, guidance and hot topics that are relevant to you.

Concept Testing

Main Findings

Overall reactions to the concepts were at least warmly positive, and in many cases were very positive indeed:

- At least a third of SMEs would 'definitely' or 'probably' use each.
- At least a half and often as many as three quarters of agents would 'definitely' or 'probably' use each. Agents drove much of the positivity and likely usage and were generally more receptive to the concepts than SMEs. Even if concepts were unlikely to be used (usually due to a perceived lack of relevance), they were generally rated positively, and good points and benefits recognised.

The SME-only concepts were not the most highly rated by SMEs.

- Arbitration had least appeal for SMEs and for agents.
- Stop Trading Guidance had low appeal for SMEs due to significantly lower ratings of relevance.

SMEs showed the greatest interest in e-Newsletters, Direct e-Mail Access and Flexible Payment Options and the least in Arbitration and Technical Briefings. Flexible Payment Options were particularly highly rated by SMEs.

Agents showed high interest in most, particularly Expert Point of Contact, e-Newsletters, Flexible Payment Options and Direct e-Mail Access. Agents gave very favourable ratings to all concepts, and particularly to Expert Point of Contact and Flexible Payment Options. More dislikes were mentioned for Direct e-Mail Access in particular. The majority liked at least one aspect of each concept. There were relatively few specific or frequently mentioned dislikes for each SME concept.

Agents' Conferences disliked if seen as too time consuming or (assumed) too far to travel. Flexible Payment Options was seen to have widest relevance amongst SMEs. Stop Trading Guidance and Technical Briefings had least relevance. All concepts were considered to have relevance to the majority of agents, particularly Expert Point of Contact and e-Newsletters.

Around half of SMEs considered that the concepts would improve HMRC's service to them. Flexible Payment Options was seen to do this the most strongly. Almost all agents considered that almost all concepts would improve HMRC's service to them, particularly Expert Point of Contact.

Most of the concepts had the ability to improve the reputation of HMRC amongst SMEs, particularly Flexible Payment Options. The concepts had the ability to improve the reputation of HMRC amongst agents, particularly Expert Point of Contact.

Concept Testing

For agents Expert Point of Contact was seen to deliver strongly against many priorities. Flexible Payment Options was seen to deliver on 'flexibility'. Arbitration was seen to deliver similarly in terms of priorities for both SMEs and agents.

e-Newsletters were seen to deliver against more priorities for SMEs, in particular, 'active approach'. For agents, the priorities were 'communication' and 'accuracy'. Direct e-Mail Access was seen to deliver against priorities in a similar way for SMEs and agents, apart from stronger delivery on 'consistency' for SMEs.

SMEs considered Flexible Payment Options to deliver strongly against many priorities, whereas agents had a more focused view of benefits. For SMEs, Stop Trading Guidance particularly met 'accuracy' priority, plus 'active approach' and 'expert advice'. Face-to-Face Events met a number of priorities in a similar way, but 'expert advice' in particular was strongest. Technical Briefings particularly delivered against 'expert advice' and 'accurate information' priorities.

Agents' Conferences did not deliver strongly on priorities, but the main ones were 'active approach', 'accuracy' and 'understand needs'. Agents considered Expert Point of Contact to meet a number of priorities very strongly, particularly 'expert advice', 'active approach' & 'accuracy'.

- **Arbitration** was generally perceived to have low relevance amongst SMEs and there was a low likelihood of use.
 - 33% relevant
 - 6% very relevant 39% would use
 - 6% definitely
- It had average to good appeal. 73% good 25% very good
- Also, this over-performed in terms of improving reputation of HMRC 65% improves
 - 22% greatly improves
- **e-Newsletters** had the greatest universal appeal of all the concepts being the number one concept for SMEs and number two for agents. They were seen to deliver 'active approach' & 'accuracy'.
 - The greatest likelihood of use was among SMEs of who:
 - 66% would use
 - 27% would definitely use

Concept Testing

- However it was not the strongest concept in terms of basic appeal (but still rated well).
 - 78% good
 - 29% very good
- It was seen as less (but not least) likely to improve HMRC's service to customers
 - 68% improves
 - 9% greatly improves
- It was also seen as less (but not least) likely to improve HMRC's reputation
 - 61% improves
 - 8% greatly improves
- **Direct e-Mail access** was high (but not highest) in rating of likelihood to use.
 - 54% would use
 - 24% definitely
 - It also ranked high (but not highest) in terms of appeal.
 - 65% good
 - 33% very good
 - And higher ability to improve service.
 - 60% improves
 - 17% greatly improves
 - However it also had the highest percentage of 'poor' rating at 15%. The concept was disliked primarily because of poor response times.
- **Flexible Payment Options** also had wide appeal for SMEs (number two) and for agents (number three).
 - 82% good
 - 51% very good
 - This was the most obviously 'liked' concept, particularly for cash flow control (57%).
 - It was also seen as having the highest relevance to SMEs.
 - 69% relevant
 - 28% very relevant
 - It was seen as the most likely concept to improve service from HMRC.
 - 72% improves
 - 38% greatly improves

Concept Testing

- It was also seen as the most likely to improve HMRC's reputation.
 - 75% improves
 - 37% greatly improves
- There was consequently a higher likelihood of use and it was seen to deliver 'flexibility' and 'understanding needs'.
 - 59% would use
 - 26% definitely

Those appraised by SMEs:

- **Stop Trading Guidance** was the most polarised in terms of likelihood of using the concept. 32% would use
 - 46% would not use
 - 35% definitely not
- It had the lowest perceived relevance.
 - 22% relevant
 - 11% very relevant
 - 63% irrelevant
- It was seen as the least likely concept to improve service from HMRC, or improve the reputation of HMRC. However, it still had a generally positive rating and was not strongly disliked.
 - 64% good
 - 27% very good
 - 11% poor
 - 5% very poor
- **Face-to-Face Events** were the second strongest in terms of appeal among SMEs and were seen to deliver 'expert advice and 'fast resolution' for SMEs in particular.
 - 75% good
 - 36% very good
- They were strong (but not strongest) in potential to improve the service from HMRC and potential to improve HMRC's reputation.
 - 64% improves service
 - 17% greatly improves service
 - 66% improves reputation
 - 27% greatly improves reputation.
- However they were not so likely to be widely used.
 - 46% would use

Concept Testing

- 20% 'definitely'
 - The main dislike was them being time consuming at 13%. There was a significantly greater likelihood to use amongst larger SMEs.
- **Technical Briefings** had the lowest appeal of all the concepts.
 - 61% would use
 - 16% definitely
 - The dislikes were that they are too time consuming and technical.
 - They had the lowest perceived relevance.
 - 39% relevant
 - 10% very relevant
 - They also had the lowest likelihood of use.
 - 33% would use
 - 7% definitely
 -
 - However, there was a significantly greater likelihood of usage among larger SMEs and those that do not employ a tax agent.