



***Research report***

# **Core Messaging**

Testing Core Messages with customers

**Izzie O'Hara**

**20 November 2012**

## *About the Individuals Customer Directorate (ICD)*

ICD manages cross -HMRC areas that affect our customers – such as complaints and diversity strategies- and works with colleagues across the department to understand our customers and their needs when they are designing, delivering or operating services for individual customers.

## *Contents*

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

© Crown Copyright 2011 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)*

Currently HMRC has 60 million customers and in 2008/9 it received over 300 million customer contacts. Servicing and responding to this level of contact from its customers is one of HRMCs biggest challenges. HMRC needs to deliver services that reduce the tax gap and provide a positive customer experience with much less resources over the coming five years. As a result, HMRC needs to radically review its services if it is to live within its means, meet departmental objectives and deliver a service that customers deserve. In doing so, HMRC wants to ensure that it does not lose sight of the need to make its customers feel that the tax system is simple for and that HMRC wants to make it easy for them to get things right.

To meet customer needs in a cost effective manner, HMRC must target the traffic of face to face, phone and other contact more accurately, to drive down what it considers inappropriate and low value contact. HMRC believes that it can target and change customer behaviour by ensuring that all communications are clearer and more direct: this can be achieved by the use of Core Messages.

A Core Message is text within a communication which represents the main purpose of the communication. HMRC commissioned this research in order to test a series of draft Core Messages for individuals in a robust qualitative manner. The aim of this research was to identify which Core Messages and message elements work and which do not, and more importantly, why.

HMRC wants to be able to:

- Identify the potential positive effects of Core Messaging in communications and know whether and to what extent Core Messages may help customers change behaviour to achieve desired business outcomes;
- Transfer skills to colleagues so that they understand which Core Messages drive appropriate behaviour in a given situation and how these Messages can be applied to a range of products.

The outputs from this research delivered a series of viable Core Messages that are ready to be used on HMRC products in real communications.

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

The research was conducted by 2CV Research: [www.2cv.co.uk](http://www.2cv.co.uk).

Fieldwork took place between 8<sup>th</sup> and 17<sup>th</sup> February 2011. The final debrief was delivered to HMRC on 12<sup>th</sup> April 2011.

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

The research methodology consisted of:

- 14 x Focus Groups (up to 2 hrs.): to gather both breadth and depth of feedback around the Core Messages by exploring current behaviour and likely behaviour change in response to the messages
- 8 x Depth Interviews (up to 1.5 hrs.): to generate further depth through individual responses to the messages in an environment where people are likely to encounter these messages.

To understand how the messages will work outside the research environment and the impact they will have in effecting behaviour change in the real world, the Core Messages were explored both 'clean' (messages shown as plain text) and 'mocked-up' (messages mocked-up on letters and forms from HMRC).

As part of the analysis 2CV explored the interplay between Core Messages that were 'liked / preferred' by customers versus those that were genuinely likely to drive behaviour change.

For analysis of the Core Messages, 2CV referred to MINDSPACE where relevant. MINDSPACE is a set of academic principles that explores influences on behaviour change through public policy. The Cabinet Office commissioned the report through the Institute for Government and the full report is available here: <http://www.instituteforgovernment.org.uk/content/133/mindspace-influencing-behaviour-through-public-policy>

The sample design accounted for the fact that the Core Messages could potentially reach all of HMRC's 60 million customers. In order to capture this broad base, but at the same time encourage harmonious group dynamics, the sample was designed to cover different regions while splitting the groups by higher (ABC1) and lower (C2DE) Social Economic Groups (SEG).

The sample was also divided into the five Segments identified by HMRC, namely:

1. Rule Breakers
2. Potential Rule Breakers
3. Unaware
4. Willing but Need Help
5. Willing and Able

## *Main Findings*

### **Understanding the Context: Communication**

#### **Current effective communication felt to have good cut-through**

Customers advocate the need for messages to have a clear meaning, to be direct and relevant to them and to offer an easily identifiable action; these are the fundamental attributes of good communication.

Clarity is achieved most successfully through concise sentences with actions highlighted in bold / larger font and use of formatting (bullet points etc.). The DVLA, utility and credit card bills, and Identity and Passport Service (IPS) are all identified by customers as good communicators.

### **Observations on the Segments**

The research highlights and confirms the key differences between the different segments and relevant differences for the Core Messages are outlined below.

#### **Willing and Able**

The *Willing and Able* customers display high levels of confidence gained from experience and regular interaction with tax material. This segment will reject messages which come across as over-friendly or too informal.

#### **Willing but Need Help**

The low confidence levels among this segment means are they easily intimidated and as such overly aggressive tones of voice often lead to panic. Messages which lack clarity can cause confusion and anxiety. The result is that this acts as a driver for this segment contacting HMRC.

#### **Rule Breakers**

*Rule Breakers* look for opportunities to avoid taxation or pay late. In order to reduce this non-compliant behaviour, the use of clear-cut disincentives is effective.

#### **Potential Rule Breakers**

*The Potential Rule Breakers* are willing to push boundaries and look for opportunities to exploit the system, but display a strong fear of consequences / penalties and are more deferential to authority. As a result, harsh penalties and automatic consequences quickly close down any opportunity, effectively discouraging this segment from participating in rule breaking behaviour.

## Unaware

The *Unaware* have little or no awareness, interest and knowledge of the tax system which builds on an underlying fear of taxation. This means they can be panicked by an aggressive tone of voice in messages. This segment responds well to information, explanation and reassurance.

## SMEs

In general, SMEs behave according to their segment typology: for example, the less compliant segments talk about being able to push the boundaries of payment dates; while the more compliant segments are concerned about investigations from HMRC. When acting in their 'business' rather than personal capacity, this segment look for tailored, business specific messages from HMRC. Their business focus means that this segment also expect a greater level of professionalism in the tonality of HMRC communication. As a result, they expressed strong negative reactions towards over-familiar and perceived marketing parlance.

## Developing Core Messages

In order to craft targeted messages which will drive the required behaviour change, we believe that the following structure will provide a framework for developing effective messages.



**Action:** this refers to the task or behaviour which HMRC want customers to do, and how to do it.

**Reason:** this aspect of the message offers the explanation or context for the action; or it demonstrates the benefit for the customer.

**Consequence:** where relevant this part of the message explains the consequences for failing to comply with the action.

## Language for Core Messages

This section explores the learning around language and specific forms of language which is relevant for creating effective Core Messages.

### Be Direct

Direct language is vital for creating relevance. Customers express a preference for language that feels more direct, as though it is 'speaking to them'. Words such as 'you', 'your', and 'yours' are effective because messages feel personally relevant. Similarly, for SME's, referencing 'businesses' is important to make the message feel relevant to them. In contrast when Core Messages refer to 'people' and 'their', customers often feel that the message is not directly targeting them and as such are more likely to ignore the message.

## Be Positive

Solution driven language which highlights an action and a benefit / consequence in a positive sentence structure resonates most with customers because it outlines the required behaviour in a clear format. As a result, customers feel confident in what they are being asked to do. On the other hand, negative language structures require customers to spend time working out what is needed from them which can be off putting, and for some, anxiety inducing.

## Provide reasons

Core Messages which provide a reason behind an action create empathy. Giving the context and explanation behind the action required evokes a sense of understanding and engagement from customers, who, as a result, are more willing to comply. However, if Core Messages focus too much on processes and procedures, this can make the required action seem longwinded and complicated, driving disengagement and a reluctance to comply.

## Avoid conditional tenses

Core Messages with direct, clear modality are effective because they emphasise the importance of the actions required. Assertive language and a clearly identifiable action help to make Core Messages feel unconditional; the customer has absolute clarity about the required behaviour and so is more likely to conform. Therefore, words such as 'you must' have a much stronger impact on customer behaviour compared to words such as 'you might / may', or 'if you would like'.

In contrast the use of less direct phrases such as 'if you want', 'if you need' and 'you may be' comes across as soft and can obscure a sense of seriousness and urgency.

## Professional Tone

In order to achieve the desired relationship with customers, the overall tone of Core Messages should remain professional. Customers appreciate being treated with respect and expect HMRC communication to be 'professionally polite'. As a result, using 'please' before a positive command makes HMRC feel more 'equal' than 'authoritarian', encouraging further engagement and a stronger relationship.

If the language becomes too informal or over-attenuated, this shifts the tone from 'professional politeness' to patronising; this is particularly the case for *Willing and Able* and SMEs who have the strongest desire for a professional relationship with HMRC.

## Avoiding Insincere and Patronising Language

HMRC should avoid language that sounds insincere or patronising as this drives disengagement with HMRC and the required action. Rhetorical questions such as "*Did you know it can take up to 30 days to process any repayment*" are considered patronising and superior, because they provide information in a manner that is often presented to children. In addition, these Core Messages offer no context from which customers feel they should know the answer, and whether they possess the knowledge or not is considered irrelevant. Customers also become frustrated by a pre-emptive 'thank you' such as "*Thank you for not contacting us until we have had your claim for more than xx days.*" which is felt to sound insincere.

## Avoiding Ambiguity

Unambiguous language and words with a clear, singular meaning help to close down any doubt about the required action, and avoid anxiety or disengagement. Words such as 'complete' and 'accurate' are effective and offer a clear instruction. In contrast, words such as 'correct' and 'right' are highly ambiguous in terms of who is being targeted (i.e. people who make genuine mistakes or people who cheat?), and what is expected of the customer.

## Reciprocation

Messages that ask for customers' understanding (such as *'We receive a million calls a day so please allow us 30 days to process any repayment'*) are interpreted negatively. Mentioning the number of calls received can give the impression that HMRC is inefficient and unable to cope with their workload. It therefore works to undermine HMRC's credibility rather than evoking sympathy and driving behaviour change. Asking not to be contacted and requesting understanding of how volume of work impacts on HMRC processes also angers customers because they feel that HMRC cannot ask to be allowed to do something they would not afford customers.

## The Impact of the Word 'Cheat'

'Cheat' is a powerful and emotive word and its use by HMRC prompted strong polar responses. For the compliant majority, this is an unambiguous word which leaves no misunderstanding about who the message is targeting. It offers reassurance for these customers that they can confidently dissociate themselves from the target audience but also spells out HMRC's determination to reduce non-compliant behaviour.

On the other hand, the word 'cheat' is resented by some segments who conclude that they may be the target but do not consider themselves to be dishonest. The word has strong negative associations of deliberately deceitful which these customers reject because they believe their actions are legitimate. Therefore, while the word is effective in provoking a strong response from all segments, it does allow customers to dissociate themselves from the word and any messages which include it. 'Cheat' reassures the compliant majority but is unlikely to drive the desired behaviour change.

## Numbers and Figures

The use of numbers and figures in describing incentives or fines is found to be motivating when customers can relate to them. Tangible figures, such as £100, are effective because customers can easily identify with the amounts being discussed and can relate them to their lives. In comparison, the word 'penalty' or consequences that appear too removed from the action (such as prosecution for late filing) can seem abstract and undefined, and are therefore less relatable and less motivating.

Similarly for SMEs, the figures used to illustrate penalties need to be immediately relatable to their business. For example, the amounts in the message *"If you pay your PAYE late, we will charge you a penalty. The amount of that penalty goes up if you repeatedly pay your PAYE late. It could cost you as much as £7,000 on a late payment of £50,000"* are felt to be too high for many smaller



businesses. In addition there is not enough information to allow customers to work out what the fines would be on a lower amount of PAYE [Pay As You Earn].

There is a real risk that lower SEG customers will disengage from numerical messages that require any interrogating on their part. HMRC should use numbers with care, generally employing numbers as figures rather than words to ensure that lower SEG customers will be able to understand the implication clearly. Lower SEG customers can struggle with figures. Overall, these customers disliked figures and numbers and can often struggle, or do not even try, to work out the implication. This is especially the case when numbers are used in sentences, such as *'one in three people lose out...'* In contrast, percentages as whole numbers are felt to be clear and more immediate e.g. 80%.

### **The Notion of 'Losing Out'**

The notion of 'losing out' on a well-established benefit can be effective in motivating customers to respond. The research showed that customer response is stronger to messages that present incentives or benefits in terms of missing out. As such Core Messages which employ this notion of 'losing out' can have a stronger impact on driving behaviour change.

### **Impact of 'Norming' Messages**

'Norming' is one of the areas of MINDSPACE and relates to the idea that we are strongly influenced by what other people do, in the case of Core Messages, what 'most people' or a 'majority' would do.

Customers are generally uninterested in the behaviour of the majority, unless that behaviour has explicit advantages for the individual. For example, the message *"Most people now fill their tax return online. Why not join them?"* is felt to offer no benefit to the individual and so customers have no reason to join a group of people who file online. In contrast, the message, *"Most people file their tax return quickly and securely online"* presents explicit individual benefits which motivate the customer and therefore drive behaviour change.

It is clear that "Norming" messages can be more effective if the messages clearly communicate the benefit of being part of the norm as desirable and relatable.

As well as offering a relatable benefit, there is a need to ensure that the norms do not present any 'wiggle room' for non-compliant segments. In particular, when norming figures are open for comparison, care needs to be taken to ensure that the number is not too low. For example, *600 people prosecuted per year* feels too low when it can be compared to the population of the UK; and 10% not paying tax can seem like a high number.

As such these messages are open to interpretation and give *Potential Rule Breakers* and *Rule Breakers* a sense that they might avoid detection and sanction. In addition, it can give compliant segments the impression that HMRC are not committed to preventing non-compliant behaviours.

## Summary

It is clear that the difference in attitudes, behaviours and tax situations across the segments means that it is unlikely that one Core Message will resonate and be relevant across the board. Instead, the research highlighted that segments are more attentive to messages that are targeted and relevant to them.

Therefore, in order to drive the desired behaviour change across the different segments, we believe that the structure of clear *Action*, *Reason* for action and *Consequence* will provide a framework for developing effective Core Messages.

The research also identified some key language structures that are effective in engaging and motivating customers. These insights can be used in conjunction with the *Action Reason Consequence* framework to optimise future Core Messages.

Similarly, the tone of voice needs to be adapted to drive behaviour changes.