



HM Revenue  
& Customs

*Research report*

# EdTrack

Understanding the experience of SMEs  
accessing HMRC education

**Business Customer & Strategy**  
**June 2014**

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## *About Business Customer and Strategy (BC&S)*

Business Customer and Strategy is part of Business Tax.

The goal of BC&S is to maximise Business Customer compliance for HMRC at best cost for both HMRC and the customer. This is done by developing business tax strategies through customer understanding, working with teams in HMRC and across government departments.

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

HM Revenue and Customs (HMRC) commissioned research to better understand the experience of Small & Medium sized Enterprises (SMEs) accessing education about meeting their tax obligations.

The HMRC Business Customer & Strategy (BC&S) Directorate has overarching objectives to improve compliance and the SME customer experience, whilst reducing the overall cost of servicing these customers.

The overall target for the SME strategy is based on providing proactive, targeted education to customers who need help to understand their tax obligations, thereby reducing long term need for help and volume of customer error.

HMRC education channels available to SME customers during the duration of the project included:-

- Intermediary presentations (HMRC & Partner presentations)
- E-learning accessed via trade organisation websites
- Live Webinars
- Recorded Webinars
- HMRC education emails

Intermediary presentations were only available during the first quarter of the research.

Research was initially commissioned in 2011 to form a baseline measure of SMEs experience of HMRC Education channels. Research carried out through 2013/2014 has tracked experience and attitudes of SMEs against this baseline. A Longitudinal survey was commissioned in 2013/2014 to follow-up on customers participating in the Main survey.

The core aims of the research are to:-

- track understanding of customer experience
- understand whether the education given to SMEs is fit for purpose
- assess the impact of education on SME compliance attitudes and customer satisfaction
- evaluate whether education is working at an overall level and comparing individual channels to establish which channel works best for which type of customers
- to follow up on what action customers have taken as a result of completing the education
- to assess whether the education took place at the right time in the life of the business
- to assess whether customers are likely to access HMRC's online education products in the future

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***When the research took place***

- The SME online surveys were completed between 1 July 2013 and 15 March 2014
- Qualitative interviews with consenting survey respondents was conducted throughout the survey fieldwork period

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

SPA Future Thinking: Douglas Dalziel and Joy Mhonda

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

The research comprised three elements:-

**1. Main Online Survey**

Fieldwork was carried out in three quarters of interviewing as follows:-

- Quarter 1: 1 July to 30 September 2013
- Quarter 2: 1 October to 31 December 2013
- Quarter 3: 1 January to 15 March 2014

**2. Longitudinal survey**

- Quarter 1: 10 October to 18 November 2013
- Quarter 2: 8 January to 7 March 2014
- \*Quarter 3: No Wave 3 follow-up

**\*No Longitudinal follow-up for Wave 3 Main due to HMRC 2013/14 end of year cut off for research**

SMEs were invited to participate in the Main survey through an emailed invitation and survey link issued by HMRC. For the Longitudinal survey, SMEs were invited to participate through an emailed invitation sent by SPA Future Thinking.

The final number of surveys completed for each channel differed due to variance in the availability of sample as shown in Table 1.1a and 1.1b.

**Table 1.1a Surveys completed (Main)**

|              | TOTAL        | Intermediary Presentation | E-Learning | Live Webinars | Recorded Webinar | Education Email |
|--------------|--------------|---------------------------|------------|---------------|------------------|-----------------|
| Quarter 1    | 542          | 25                        | 82         | 131           | 95               | 209             |
| Quarter 2    | 231          | -                         | 53         | 89            | 64               | 25              |
| Quarter 3    | 1,151        | -                         | 62         | 255           | 107              | 727             |
| <b>TOTAL</b> | <b>1,924</b> | <b>25</b>                 | <b>197</b> | <b>475</b>    | <b>266</b>       | <b>961</b>      |

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**Table 1.1b Surveys completed (Longitudinal)**

|                  | TOTAL      | Intermediary Presentation | E-Learning | Live Webinars | Recorded Webinar | Education Email |
|------------------|------------|---------------------------|------------|---------------|------------------|-----------------|
| <b>Quarter 1</b> | 91         | 2                         | 8          | 31            | 19               | 31              |
| <b>Quarter 2</b> | 48         | 0                         | 7          | 21            | 16               | 4               |
| <b>TOTAL</b>     | <b>131</b> | <b>2</b>                  | <b>15</b>  | <b>52</b>     | <b>35</b>        | <b>35</b>       |

The questionnaires for the surveys were developed in consultation with HMRC. For the Main survey, questionnaire alterations were made between Quarter 1 and 2 and Quarter 2 and 3.

Where respondents were prompted with a free-response question, they were allowed to skip forward in the survey and choose not to respond.

### **3. Qualitative Interviews**

20 qualitative interviews were conducted throughout the 2013/2014 fieldwork period with survey respondents who gave particularly interesting or negative feedback within their results.

A discussion guide for the qualitative sessions was developed in consultation with HMRC.

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**Main Findings**

**Overall satisfaction**

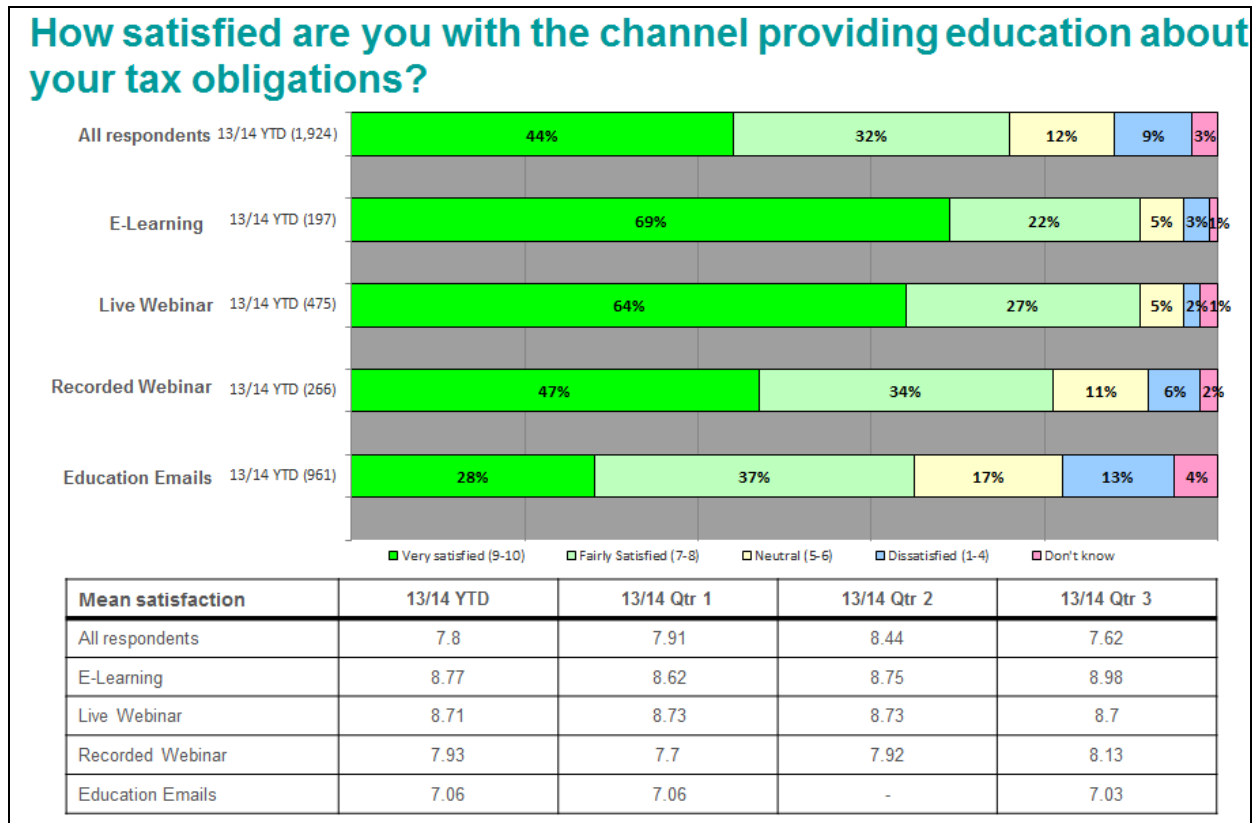
Aggregate findings for HMRC education are very positive; over two out of five businesses rate the channel accessed nine or ten out of ten.

Satisfaction is highest for the following channels:-

- E-Learning
- Live Webinars

Satisfaction levels have remained relatively stable throughout 2013/2014 with some fluctuation for the education email channel.

**Table 1.2: Overall satisfaction with education**



**Overview of Year to Date findings**

Supporting the high levels of satisfaction, attitudes towards all aspects of education are similarly high at an aggregate level as shown in Table 1.3.

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Consistent with the previous year, SMEs are particularly satisfied with the staff they have contact with, where this forms part of the channel offering.

Satisfaction with the ease of navigating the online material scores well in all channels where this applies, in particular E-Learning.

On average, 74% of SMEs agreed that the education made clear what actions were required by them to meet their obligations to HMRC. Furthermore, 73% agree that the education made it clear where they could access further support if required. Agreement was particularly high among those who participated in Live Webinars.

**Table 1.3: Overview of YTD findings**

|   |                                    | Aggregate result | Channel result |              |                  |                  |
|---|------------------------------------|------------------|----------------|--------------|------------------|------------------|
|   |                                    |                  | E-Learning     | Live Webinar | Recorded Webinar | Education Emails |
| Satisfaction with channel   | Mean satisfaction scores out of 10 | 7.8              | 8.77           | 8.71         | 7.93             | 7.06             |
| Satisfaction with content relevance   |                                    | 7.9              | 8.78           | 8.74         | 7.97             | 7.22             |
| Satisfaction with ease of understanding content   |                                    | 8.01             | 8.81           | 8.94         | 8.09             | 7.31             |
| Satisfaction with ease of navigating the online material                                |                                    | 8.5              | 8.84           | 8.72         | 7.87             | -                |
| Satisfaction with clarity of language   |                                    | 8.23             | 8.86           | 9.04         | 8.39             | 7.61             |
| Satisfaction with staff professionalism   |                                    | 8.78             | -              | 9.1          | 8.18             | -                |
| Satisfaction with staff knowledge   |                                    | 8.78             | -              | 9.08         | 8.22             | -                |
| Satisfaction with staff ability to answer questions                                     |                                    | 8.97             | -              | 8.97         | -                | -                |
| Satisfaction with how engaging they were  |                                    | 8.42             | -              | 8.86         | 7.59             | -                |
| Confidence using channel  | Mean confidence score out of 10    | 7.9              | 8.88           | 8.74         | 8.09             | 7.22             |
| Future likelihood to access online products   | Mean likelihood score out of 10    | 7.33             | 7.34           | 7.97         | 7.45             | 7.13             |
| Timeliness of education   | % about right time                 | 67%              | 77%            | 75%          | 74%              | 60%              |
| Extent education met expectations   | % exceeded/met expectations        | 70%              | 82%            | 86%          | 74%              | 58%              |
| Extent education met needs  | % met all/most                     | 57%              | 78%            | 72%          | 57%              | 44%              |
| Extent of agreement education made clear actions required                               | % agreeing                         | 74%              | 93%            | 89%          | 75%              | 61%              |
| Extent of agreement education made clear where further help/education could be accessed |                                    | 73%              | 83%            | 92%          | 68%              | 62%              |
| Action taken as a result of education   | % taken/will take action           | 58%              | 77%            | 69%          | 52%              | 50%              |

**Taking action**

Encouragingly, most businesses take action to meet their tax obligations as a result of the HMRC education they receive (80%). When initially surveyed for the Main survey, just 58% had indicated that they had taken action or intended to do so as a result of the education they received.

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The top actions taken as a result of receiving HMRC education are:

- Changing record keeping/administration processes (36%)
- Using other HMRC business education (27%)
- Started to use online services (19%)
- Registering for an HMRC online account (19%) and
- Registering as self-employed (19%).

**Table 1.4: Actions taken**

|   | Wave 2 Longitudinal | YTD Longitudinal | Channel result                |                                   |                                  |
|---|---------------------|------------------|-------------------------------|-----------------------------------|----------------------------------|
|   |                     |                  | YTD Longitudinal Live Webinar | YTD Longitudinal Recorded Webinar | YTD Longitudinal Education Email |
| <b>Base: All respondents</b>                  | <b>48</b>           | <b>139</b>       | <b>52</b>                     | <b>35*</b>                        | <b>35*</b>                       |
| Change record keeping/admin processes         | 42%                 | 36%              | 44%                           | 26%                               | 37%                              |
| Used other HMRC business education            | 27%                 | 27%              | 27%                           | 23%                               | 37%                              |
| Ensure guidance/support is used               | 23%                 | 17%              | 21%                           | 23%                               | 11%                              |
| Start using online services                   | 23%                 | 19%              | 21%                           | 11%                               | 14%                              |
| Sort out tax return/research into tax matters | 21%                 | 17%              | 17%                           | 9%                                | 20%                              |
| Register for an HMRC online account           | 17%                 | 19%              | 12%                           | 14%                               | 29%                              |
| Revisited the same business education         | 15%                 | 12%              | 6%                            | 14%                               | 17%                              |
| Confirm future actions                        | 15%                 | 12%              | 21%                           | 9%                                | 6%                               |
| Sort VAT registration/issues                  | 13%                 | 8%               | 4%                            | 3%                                | 14%                              |
| Register self-employed                        | 13%                 | 19%              | 15%                           | 14%                               | 23%                              |
| Deal with NI issues/chasing NI information    | 8%                  | 12%              | 8%                            | 11%                               | 17%                              |
| Alter accounting processes                    | 4%                  | 4%               | 4%                            | 3%                                | 9%                               |
| Appoint new accountant                        | 4%                  | 4%               | 4%                            | 0%                                | 3%                               |
| Launch business/arrange business strategy     | 2%                  | 4%               | 4%                            | 3%                                | 3%                               |
| Other   | 4%                  | 4%               | 6%                            | 6%                                | 3%                               |
| <b>Any action taken</b>                       | <b>83%</b>          | <b>80%</b>       | <b>87%</b>                    | <b>69%</b>                        | <b>86%</b>                       |
| <b>No action taken</b>                        | <b>17%</b>          | <b>20%</b>       | <b>13%</b>                    | <b>31%</b>                        | <b>14%</b>                       |

Linked to taking action, businesses' intentions to access HMRC online products in the future are strong, with seven in ten (69%) saying they are very likely to do so.



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**EdTrack*****Conclusions***

- The SME customer research confirms education is working well for customers; and nearly 9 out of 10 customers are satisfied or very satisfied with the service they receive.
- More interactive channels such as Live Webinars and E-Learning are rated particularly highly.
- Across the board, those interacting with staff rate their experience very highly.
- Experiences of Education Emails are more mixed with lower positive responses on key measures. However, Education Emails are at a disadvantage to other forms of education due to their limited content so a direct comparison with other results is difficult.
- The education being provided to SMEs is having the desired impact; with the majority of businesses reporting that they are taking action as a result.
- Furthermore, a high proportion of businesses intend to access HMRC online products in the future.