



***Research report***

# **Evaluating Education for SMEs**

Understanding SMEs experience and the impact of face-to-face educational events and online self-service educational materials accessed via email

**Business Customer and Strategy**

**June 2011**

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## Evaluating Education for SMEs

### *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.

### *Contents*

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

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## Evaluating Education for SMEs

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

#### **Context**

The Business Customer and Strategy Unit (BC&S) in HMRC has developed a strategy for the 4.7 million small and medium enterprise (SME) customers with the overall key aim of improving compliance and the customer experience.

A key element of the SME strategy is to provide education to customers who need it and the two key strands involved in the implementation are:

- face-to-face educational events (workshops) which regularly take place throughout the year targeted at SME customers who need help.
- online 'self-service' educational materials, which customers would be directed to via outbound email.

#### **Research objectives**

The overall objectives for this research programme were as follows:

- To identify what type of SMEs attend face-to-face education, read/ access the educational email
- To understand the customer experience of both face-to-face education as well as emails
- To measure perceived changes in behaviour and attitudes that have happened as a result of these different educational methods
- To understand effectiveness of online 'self-service' educational materials and face-to-face events
- To analyse the results by the bronze SME segments (Aware and Able, Aware and Unable, Unaware)
- To ultimately improve SME education products and services, and to deliver the right ones to the right audiences.

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

The research was conducted by GfK NOP.

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## Evaluating Education for SMEs

### *When the research took place*

This research took place between January and March 2011.

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

In order to assess the face-to-face educational events, research was conducted using a combination of different qualitative techniques, as follows:

#### **Assessment of the face-to-face educational events (workshops):**

<b>Research Method</b>	<b>Customer experience</b>			<b>Customer impact</b>	<b>Non-attendees</b>
<b>Qualitative</b>	39 post - workshop guerrilla interviews (after 8 workshops)	2 focus groups with workshop attendees	18 telephone depth interviews with workshop attendees	18 telephone depth interviews with workshop attendees	4 telephone depth interviews with customers who had booked to go on a workshop, but did not attend

In order to capture the experience of the workshops, short 'guerrilla interviews' with attendees were conducted immediately after workshops to explore top of mind thoughts about the workshop. Focus groups and telephone depth interviews with workshop attendees were then conducted to explore in greater detail the experiences of the workshops. For the impact aspect of the research, telephone depth interviews were conducted with workshop attendees who had attended a workshop during the previous three to six months. In addition telephone depth interviews with non-attendees of workshops were conducted to explore the reasons for their non-attendance.

The customer sample for the focus groups and depth interviews was provided by HMRC from customers who had booked to go on a workshop and agreed to take part in research.

In order to undertake research for the email/ online self-service element of the project, HMRC sent out a pilot email to customers entitled 'Keeping records for business – What you need to know', including web links to further information on the HMRC and Business Link websites. The email was sent to businesses who had called the Newly Self-Employed Helpline and who had agreed to take part in HMRC research.

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## Evaluating Education for SMEs

The research was conducted using both qualitative and quantitative methodologies as follows:

### Assessment of the email and online self-service educational materials:

Research Method	Customer experience	Customer impact
Qualitative	10 telephone depth interviews with customers who had opened the email	10 telephone depth interviews with customers who had opened the email
Quantitative	368 online interviews amongst recipients of the email  124 interviews amongst non-responders to the online survey	No quantitative research

The qualitative research was conducted using telephone depth interviews amongst customers who had opened the email to fully understand the experience of being sent the email. Approximately a month later, further depth interviews were conducted to determine the impact the email had had on recipients.

For the quantitative research, 5,626 customers who were sent the HMRC email were then sent a further email inviting them to take part in the GfK online survey and a six per cent response rate was achieved for this survey. In order to understand the behaviour of non-responders to the online survey, a follow-up telephone survey was also conducted.

The sample for both the qualitative and quantitative research was provided by HMRC.

## *Main Findings*

### 1. Overall key findings:

- The **workshops were rated very highly** by the research participants and had a significant impact in terms of improving opinions of HMRC, providing reassurance and increasing attendees' understanding of tax issues. The workshops gave respondents emotional support, sense of reassurance and confidence.
- Despite not having an emotional appeal, the **email was well received amongst those who recalled it**, with positive views on the look, feel and content, as well as its usefulness. The **email was recalled by less than half of respondents**, and was relatively easy to forget once opened, despite respondents often having an intention to file it and refer back to it when needed.

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### Evaluating Education for SMEs

- Those who recalled the email generally opened it, but only half clicked through on the web links to HMRC and Business Link web pages. The research suggests that **less than a fifth of all recipients followed the links**. Again views were generally positive about the information found on the web pages and intention to re-visit was very high.
- The **Aware and Able segment were more likely to open the email** and read the contents suggesting the method of self-serving is most relevant to this segment.

## 2. Face-to-face educational events:

### Information needs of attendees

- It was the level of customers' financial and business astuteness which determined attendees' information needs and the factors that influenced this were:
  - business life stage
  - experience
  - previous learning/ research.

### Prior to the workshop

- Most participants found out about the workshops through the HMRC Helplines, but there was a perception that HMRC did not promote the workshops effectively.
- Participants would like more detailed information about the workshops prior to attending and there was some criticism of the online booking system due to the inability to book specific dates.
- Some participants suggested the workshops should be tailored towards different businesses such as type or size of business, or rural locations etc.

### Impact of attending the workshops

- The face-to-face interaction was of key importance to assist customers in understanding the perceived complexities of tax-related issues. Attendees had increased understanding and actionable knowledge as a result of attending with three-quarters of those in the quantitative research finding the workshops very useful.
- Attendees intended to change behaviour as a result of the workshop, but individual circumstances and timings affected when these changes might happen, with some concerns raised that they would have forgotten what to do when the time for compliance came.

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### Evaluating Education for SMEs

- Attendees became more aware of the online options available for self-serving to find educational materials and less reluctant to use these sources, but navigation around the HMRC website was not found to be easy. Increased confidence gained from the workshop lead to customers no longer being worried about picking up the phone to HMRC to ask questions and therefore an easier option for many rather than seeking information online.

### 3. Email and online self-service educational materials

#### Recall and actions taken

- In total, just over two fifths of participants (44%) recalled the email, either spontaneously or when prompted with the subject and generally those who recalled it opened it and read at least some of it on the day it arrived.
- The subject matter 'Keeping records for business – What you need to know' was relevant to all, and even to those who did not open the email this time. The subject had a high level of recall with half of participants who read any of the email remembering it was about keeping records.
- The Aware and Able segment were the most likely to recall, open and read the email.
- Qualitatively there was little concern about opening the email due to concerns about its authenticity, with participants also commenting positively on the 'friendly and helpful' tone of the email which was less formal than they expected from HMRC.

#### Opinions of the email

- Overall opinions of the email were very positive in terms of the relevance, content and tone, although recipients were more critical of the layout and look of the email, mentioning as improvements the possible use of colour, headings, and a shorter disclaimer.
- Clarification of where the web links were taking customers would have also been useful as they appeared to customers to be the same link.
- The vast majority welcomed the idea of receiving regular educational emails from HMRC, with some suggesting that they could be sent at key points in the tax calendar (for example, the record keeping information would have been useful at the time that participants were setting up their business).
- The Aware and Able segment were the most positive about the email and the Unaware the least positive, with 'ease of understanding' of most concern in terms of content.

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### Evaluating Education for SMEs

- Everyone was likely to open the next email from HMRC with the majority preferring to receive emails monthly. Subjects of particular interest were expenses & benefits, self assessment, record keeping and online filing.

#### Clicking through on web links

- A fifth of all recipients clicked on the web link in the email, and those who read any of the information on the web page found it useful and easy to understand. However the research estimates only about 14 per cent of all recipients got to this stage.
- Despite low proportions initially clicking through on the links, virtually all participants who did not initially click through either intended to go back and revisit the web pages at a later stage or had already re-visited them.
- The Business Link website includes a record-keeping tool and this was noticed by three quarters of visitors who clicked on the businesslink.gov link and a similar proportion have either used or intend to use it.

#### Impact on behaviour

- A high proportion of respondents (85%) were aware of the need to keep business records and already kept either all or some prior to the email arriving. However, amongst the Unaware segment this figure drops to 66%.
- Confidence and knowledge of tax-related information had improved for three quarters of participants who had read the email and over a third of participants intended to or had already changed the way they conduct tasks.
- A higher proportion of participants named the HMRC website as their preferred main source for information after receiving the email than before (49% versus 40%). In addition over a third of those who recalled the email claimed their opinion of using the internet to seek information had improved.



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## Evaluating Education for SMEs

### 4. Key findings for the Bronze SME Segments

#### Aware and Able

The Aware and Able segment:

- are significantly more likely to open the email than the other two segments
- are more likely to read the contents, be positive about the email and most likely to read the information on the web links.
- generally knew about Business Link prior to email
- are more likely than other segments to expect to open future emails and click through on the links
- are the most likely of all segments to recommend HMRC emails to others.

#### Aware and Unable

The Aware and Unable segment:

- tend to have opinions less positive than the Aware and Able segment, but more positive than the Unaware segment.
- generally read all or most of email if they open it, although recall of the subject matter is not as high as the Aware and Able segment
- are as likely as the Aware and Able segment to click on the links, but less likely to read the information on the web pages
- generally knew about Business Link prior to the email
- had the most increased preference for using the HMRC website in the future, along with the Unaware segment.

#### Unaware

The Unaware segment:

- are significantly less likely to have been on an HMRC workshop
- generally do NOT read all/ most of the email if they open it
- are less positive on all aspects relating to the content of the email, but in particular on ease of understanding

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### Evaluating Education for SMEs

- are the least likely to recall the email was about keeping records compared with the other segments
- are the most likely to follow the link (if they open the email) but then stop
- have the lowest awareness of Business Link prior to receiving the email
- are the least likely to currently have business records and many were not aware they needed them.