



Research Report

One Click

Qualitative Research Supporting Communication Needs for Business Start-Ups and SMEs

BT SME Programme

September 2011

BT SME Programme

The 'BT SME Programme' is part of the wider Business Tax Change programme within HMRC and aims to improve the way HMRC engages with business customers, helping them 'get it right first time'. The Programme will deliver improved online channels that will:-

- enable business customers to self serve
- design out error through simplification of rules and processes
- provide educational support.

The aim is to minimise unnecessary customer contact, ultimately benefitting both the customer and HMRC.

The Programme is aligned with HMRC's Business Customer Segmentation and Customer Centric strategies.

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Research Requirement

The Business Tax Change Programme was charged with delivering a number of products for business customers with the aim of providing new/developing new businesses with better guidance and help from the outset.

Qualitative research was required to explore two of these products with customers – the Online Tax Registration Service or wizard (RegWiz) and a Single Business Identifier called Business Tax Dashboard (or customer facing summary of an SME customer's financial position across the four main business taxes). A key objective of the research was to establish which intermediaries would be most effective in reaching customers and to generate as many intermediaries as possible.

The research took place in five stages and was designed to develop concepts, for communications messaging, which would address customers in a meaningful way. The stages were: Stage 1 Literary Review; Stage 2: Exploratory Interviews with customers: Stage 3: Internal Insight and Innovation Session to generate concepts: Stage 4: Qualitative Testing Phase 1; Stage 5: Qualitative Testing Phase 2.

More specifically, the research objectives were as follows:

To better understand both Pre Start-Ups and New Businesses in order to identify:

- Their customer journeys and their needs, attitudes and behaviours on the journey
- Where they stand with regard to using online:
- Where they derive their information, in terms of setting up their businesses and meeting their various legal responsibilities:
- How to best communicate the 'go online' messages (using concepts generated in the Insight and Innovation workshop)

Who Did the Work

Sally Churcher and Mike Donovan of Stimulating World Research were responsible for conducting the research.

When the Research Took Place

The fieldwork took place between 19th May and 11th August 2011. The research took place at each stage in London, Birmingham and Leeds. Two interviews were conducted in Wales at Stage 2 (Exploratory Interviews) and one workshop was conducted in Scotland (Stage 1 Qualitative Testing).

Method, Data and Tools Used, Sample

Stage 1: Literature Review

- Review of literature provided by HMRC
- Six interviews with representative organisations (Federation of Small Businesses, London Business Support Service, Manchester Business Support Solutions, Association of Accounting Technicians)
- A small scale survey conducted by Association of Accounting Technicians

Stage 2: Exploratory Interviews

- Fourteen interviews conducted with pre start-ups and new businesses, each lasting one and a half hours
- Two interviews in Brecon, Wales

Stage 3: Internal Insight and Innovation Session

- With internal team and Stimulating World

Stage 4: Phase 1 Qualitative Testing

- Seven workshops of two hours duration conducted in London, Birmingham, Leeds and Kirriemuir Scotland

Stage 5: Phase 2 Qualitative Testing

- Six workshops of two hours duration conducted in London, Birmingham and Leeds

Main Findings

This was a five stage project. Learning from each stage was carried through to the next and helped inform the project as a whole. This section outlines the research journey taken from beginning to end.

Stage 1: Literature Review

The literature review informed the exploratory interviews by identifying the possible types of customers the research would come across and what their communication needs might be. Specifically, these were: The *role of axes* (Business Focus v Activity Focus) evident in customers attitudes and behaviour (Pre-start customer profile for Business Link, Databuild); the *Role of IT confidence* (Small VAT trader and employers Segmentation, GfK NOP), which was thought important to consider in more detail; *journey types* (New business – Working for Yourself, KSBR BrandFutures); *information sources*, which at this stage were quite small and needed to be extended

Stage 2: Exploratory Interviews

In the Exploratory Interviews the role of the Activity Focus v Business Focus and the role of confidence in IT skills were verified as very important in defining customers' attitudes and behaviour. Using these two axes, a segmentation of emotional territories was developed showing how customers were likely to approach their legal/tax obligations. These territories were:

- **Seeking Rescue** (often start ups and the least confident and likely to rely on another to deal with tax)
- **Considered Delegation** (those who knew their limitations and actively engaged an accountant to deal with tax)
- **Rising to the Challenge** (often start-ups but more confident in their IT skills and prepared to tackle tax themselves)
- **Self Reliant Action** (the most confident in IT and business skills, may have previous business experience)

Interviews with representative bodies (e.g. Federation of Small Businesses) confirmed a number of different types/areas, organised by type of business, which corresponded to the territories.

At this stage, different sources of information were identified, namely more 'formal' sources such as known organisations and intermediaries (Business Link, Federation of Small Businesses, HMRC) and 'informal' sources such as friends, family and friendly clients or bosses.

Different sources of information were likely to be used by the territories, with the more confident (Rising to the Challenge and Self Reliant Action) using formal sources. The less confident (Seeking Rescue and some Rising to the Challenge) were more likely to use informal sources such as friends and family. Considered Delegation always used their accountant as their source of information.

Stage 3: Internal Insight and Innovation Session

Fourteen concepts were developed from the outputs of the Internal Insight and Innovation Session. These were based on the key emotional drivers for customers identified in the Exploratory Interviews: time, confidence, control, delegation, value and understanding. It was hypothesised that these concepts could be mapped to the emotional territories. This hypothesis was explored in the qualitative testing phases.

Stage 4: Qualitative Testing Phase 1

At this stage eight successful concepts were identified to take forward to Phase 2 testing. Collectively they demonstrated the following characteristics which worked well with customers: the 'buzz' of a new business; a positive match for the territories; a sense of goodwill and an understanding attitude from HMRC; a sense that you could 'do it yourself'; a simple and straightforward statement of the product/services for Seeking Rescue and Considered Delegation; a more detailed account of product and service offerings for Rising to the Challenge and Self Reliant Action; a sense that the product could help prevent you making mistakes.

Phase 1 testing also showed that there were a number of areas of confusion for customers that needed to be addressed. These were as follows: Registration – What is it, is it the same as registering at Companies House? When do I register?; Different taxes – what are they?; Registration and online filing – what is the difference?

Stage 5 - Qualitative Testing Phase 2

At this stage five successful concepts were identified for further progression. These were based on the areas of time, confidence, value and control and mapped by territory. The concepts were mapped by territory as follows:

- A GOOD START, YOU CAN BE CONFIDENT and THE BASIC INFORMATION were mapped to Seeking Rescue and Considered Delegation territories
- WE CAN HELP YOU GET IT RIGHT and STAYING IN CONTROL were mapped to Rising to the Challenge and Self Reliant Action territories

Findings showed that additional information should be used to support these concepts and eliminate remaining confusion in customers' minds about registration. The additional information focused on: clarifying for pre start-ups and new businesses that they must register; making it clear that registering and online filing are two different activities; explaining what will happen if you make a mistake.

Information Sources (vehicles for communications)

A large number of information sources (or potential vehicles for communication) were generated throughout the stages. Many were generated in common between customers and the internal team. Customers also generated more sources (often specific to their region or work).