HM Revenue & Customs

Research report

Digital Communications Research

Exploring the communications preferences of different audience groups to support the take-up of new HMRC digital services

27th January 2016

Customer Insight & Knowledge Team

About Chief Digital Information Office (CDIO)

CDIO Group leads HMRC's journey to become a digital business, in line with the Government Digital Strategy.

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Research requirement

As it becomes a digital business, HMRC plans to give all of its 50 million customers (individuals and businesses) their own online tax account. This will enable the vast majority of customers to deal with HMRC through a range of modern digital services.

Good communications will be key to raising awareness of HMRC's digital capabilities and driving take up of new services. Communications will need to cater for a number of difference audience groups. With this in mind, a programme of customer research was needed to gather insights to inform communications plans and help optimise the Department's take-up strategy.

The objectives of the research were as follows:
- To explore the needs, attitudes and likely behaviours of different customer audiences towards HMRC offering digital services. Audiences included PAYE customers, customers in Self Assessment, Small and Medium Enterprises (SMEs), customers requiring digital help (Assisted Digital), Pensioners and Agents
- To develop, refine and test statements/messages for different audiences against the following criteria:
  - Content
  - Tone of voice
  - Effectiveness
  - Ability to motivate
  - Clarity
  - Consistency
  - Effectiveness of call to action
- To identify the most appropriate channels to reach each customer group, including social media
- Explore customer reactions to 'rationalised' communications

When the research took place

The research was carried out in three phases, as follows:
Phase 1 fieldwork 5-12 February
Phase 2 fieldwork 5-18th March
Phase 3 fieldwork 23-26 March

The Phase 3 debrief was on 7th May 2015.

Who did the work (research agency)

The research was carried out by Jigsaw Research

Method, Data and Tools used, Sample

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This was a qualitative research study. Customer audiences were interviewed in focus groups, agents were interviewed in depth interviews.

The method was agile and iterative. Before each phase of fieldwork a workshop was held to develop and refine proposition descriptions and communications messages to be tested.

Fieldwork was carried out across the three phases as follows:

Phase 1
8 focus groups (PAYE, SA, Assisted Digital and SME customers)

Phase 2
14 focus groups (PAYE, SA, Pensioners, Assisted Digital and SME customers). 9 depth interviews with Agents

Phase 3
6 focus groups (PAYE, SA, Assisted Digital and SME customers)

Fieldwork was carried out in London, Cardiff, Edinburgh, Birmingham, Manchester and Reading.

Main Findings

Overview of appeal

The appeal of digital services varied across the different audiences. It was strongest amongst Agents and weakest amongst the Assisted Digital group.

- Agents, SME and most Self Assessment customers will embrace HMRC's new digital services. High usage of existing online services and a high appetite to do more digitally mean that these groups will naturally migrate to using the Business Tax Account ('Your Tax Account') and the Personal Tax Account.
- For SME customers the combination of 'everything being in one place' and general convenience were immediately apparently through the stimulus they saw. There is no requirement to 'sell' the Business Tax Account service to them.
- SA customers are similar to SME customers. Many already use the digital tools on offer and are keen to see these extended. If anything they tended to be slightly underwhelmed by the concepts presented to them. Some of those who file their tax return via paper or use an Agent currently were open to using an enhanced digital service, however, others remained reluctant.
- There is no requirement amongst these audiences for a large scale communications campaign implying wholesale changes to the digital offer. They see what is proposed as a natural evolution from the current digital offer and a large and loud campaign would run the risk of raising expectations beyond what the proposed service will deliver

in the short term. The benefits of the proposed service are self-evident to these customers and can be communicated via existing digital channels

- Many PAYE customers do not see a need or want to take more active responsibility for dealing with their tax affairs. Their affairs are simple and they rely on their employer to take care of their tax for them. They would therefore need to make an active choice to use the proposed Personal Tax Account and many said they would not do this. The only exceptions to this rule are those with more complicated tax affairs, those with a history of contact with HMRC and a minority who are keen to understand tax better. These groups were keen to engage digitally and were more interested in the Personal Tax Account and should be the target for any communications

- A minority of customers in the Assisted Digital category are keen to use HMRC's proposed digital services and would do so with help. They regret being 'behind the curve' in terms of technology and would like to catch up as they can see clear benefits in being able to use HMRC's digital services. However, the majority of this group lack the combination of tax competence and computer confidence to interact digitally.

Overall the audiences can be categorised into three groups: EasyWin/Early Adopters, The Persuadable Middle Ground and Digital Rejectors. Agents, SMEs and some SA customers are generally in the EasyWin/Early Adopter category. Some PAYE and Assisted Digital customers are in the Persuadable Middle Ground category, with the rest falling into the Digital Rejector category.

Communications Implications
Distant relationships, ingrained perceptions of HMRC as an 'enforcer' and lack of day to day involvement with tax mean that traditional communications methods and channels will be required for PAYE customers. A prominent above the line campaign may be necessary to convince this group to try the Personal Tax Account

SME and SA customers are already engaged with and in communication with HMRC digitally. Communication with these groups can be direct and digital.

Of the various communications themes tested 'A quicker and easier way to get your tax right' is the most compelling overall. However, beyond this different themes need to be emphasised with different audiences. For example, SMEs and SA customers responded well to 'All in one place' and PAYE and AD to 'Easier than you think'.

SA and PAYE customers want their online experience to be integrated (in other words they want just one online account). However, customers who are both SMEs and in SA want both separate accounts and separate communication about them in order to avoid confusion and mistakes.

Reactions to the digital propositions by audience
Agents use and are heavily dependent on the current agent online services. They are

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keen for these services to be extended and enhanced in line with the digital offer provided by other organisations that they routinely deal with and they are not concerned that if HMRC's digital service was improved it would mean that their customers would self-serve.

They are particularly keen to be able to:
- Communicate directly with HMRC specialists by email
- Manipulate and filter multiple client records
- Communicate and file everything digitally (removing the need for paper copies transmitted by post)

The tables below summarise the digital needs of each audience, the resonance of the digital proposition we showed them and any barriers to using HMRC's digital service.

Agents	
Needs met by the proposition	• Improved ability to make simple updates • Less paperwork • Easier registration • Integration of accountancy software
Needs not met by the proposition	• Ability to communicate directly with HMRC by email • Ability to analyse data within their online account
Appeal of proposition	Strong appeal
Barriers to Adoption	None

SMEs	
Needs met by the proposition	• Assist/ensure compliance • Quick payments • Digital records • Integration of accountancy software • Reduce time/effort
Needs not met by the proposition	• Tool for planning and forecasting
Appeal of proposition	Strong appeal
Barriers to Adoption	Few barriers Some concerned about HRMC competency/track record and ability to deliver

SA Customers	
Needs met by the proposition	• Reduction in time and stress involved in managing tax affairs • Move towards 'real time' tax management (away from annual tax return process)
Needs not met by the proposition	• Information about entitlements (allowances, reliefs) • A tool for receipt management

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	• Mechanism for faster repayment
Appeal of proposition	Medium to strong appeal. Most liked what was included but tended to want more
Barriers to Adoption	Some concerns about system security. Some are wary of change and likely to stick to old methods (e.g. paper based tax return, use of agent)

PAYE customers	
Needs met by the proposition	• Ability to correct mistakes • Ability to change circumstances • A way of improving their understanding of tax • Repository for their tax information
Needs not met by the proposition	• Information about entitlements (allowances, reliefs) • More reasons to use
Appeal of proposition	Weak to medium
Barriers to Adoption	Many do not perceive a need for a digital account Many do not see tax as their responsibility Some have concerns about system security

Assisted Digital customers	
Needs met by the proposition	• Help improve IT skills • Support available • Reduce stress of SA (if relevant) • Ability to change circumstances • Help understand tax better • Repository for their tax information
Needs not met by the proposition	• Information about entitlements (allowances, reliefs) • More reasons to use
Appeal of proposition	Weak to medium.
Barriers to Adoption	Many do not perceive a need for a digital account Concerns about system security Concerns about complexity Prefer other channels

Communication themes, statements/messages and tone of voice
A series of themes and messages were tested during the research programme.

The process was as follows:
Stage 1
- An audit of previous communications relating to digital service and of relevant research about HMRC's digital services
- Desk research to explore communication best practice

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Stage 2
- Stimulus development workshop (Jigsaw and key HMRC stakeholders) to create descriptions of the key features of the Business Tax Account and Personal Tax Account and draft a series of messages around the key intended benefits

Stage 3
- Phase 1 research. Exploration of customer behaviours, digital needs and reactions to intended benefits. Evaluation of messages and development of improved messages based on understanding of customer needs

Stage 4
- Full stimulus development workshop (Jigsaw, key HMRC stakeholders and copywriter). Feedback from Phase 1 research. Development of potential above the line messages and refinement of below the line messages

Stage 5
- Phases 2 and 3 of research exploring appeal and resonance of messages with short pause between phases to further refine messages.

The above the line messages tested were:
- Know your tax is under control
- Make sure your tax is under control
- A quicker and easier way to get your tax right
- Manage your tax all in one place
- Check your tax at your convenience
- Find out more about how your tax works with your Personal Tax Account
- Keep up to date with your tax affairs online in real time
- Your personal tax account will make it simpler and easier for you to get your tax right
- Your Personal Tax Account: more than just your tax return
- Get to grips with tax
- Tax online – it's easier than you think
- Save the hard work for your business

The above and below the line messages that were most successful overall (by audience) were:

SME

Above the line themes:
- Manage all your tax in one place
- Get it right
- Get it done quickly and easily

Below the line messages:
- Use our calculators and forecasting tools to see how much tax you could owe

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- Get confirmation emails and texts, so you know we're dealing with your information
- Know exactly what tax relief you're entitled to
- Keep a record of your past and current tax details, including tax returns, correspondence and payments
- Learn more through webinars, YouTube links and Business Support emails
- Avoid explaining things twice, thanks to our records of any previous conversations
- By doing everything online, spend less time on the phone to us and more time on your business
- Access your account on the go, using your smartphone
- Deal with us any time that suits you, day or night

SA

Above the line themes
- A quicker, easier way to get your tax right
- Manage all your tax in one place
- Spend less time on tax

Below the line messages:
- Keep a record of your past and current tax details, including tax returns, correspondence and payments
- If you have different sources of income, manage all your tax liabilities through one simple online account
- Make sure you're getting all the tax relief you're entitled to
- Let our experts resolve your queries quickly through our live chat and screen sharing
- Access your account on the go using your smart phone
- We keep track of all our conversations with you, so we can pick up where we left off
- Our intelligent systems mean we won't ask you for the same information twice
- Update your personal details just once, instantly – for instance, if you move house of change jobs

PAYE
Above the line themes:
- Tax online is easier than you think
- Learn what tax means for you
- Check your tax, quickly and easily

Below the line messages:
- See whether you're entitled to tax rebates and credits
- Get a full breakdown of how your tax is calculated and how it's spent
- Find out whether you should be filling in a tax return

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- Update your details instantly if your benefits in kind change: things like company car or private medical insurance
- Keep all your tax details in one place, including P60s, P45s and your National Insurance number
- Store past and current tax information, like benefits you've received and payments you've made
- Access your account at any time that suits you, day or night
- Check your tax on the go using your smartphone
- Feel confident that your data is safe in our secure systems
- Get confirmation texts and emails so you know we're dealing with your information.

Assisted Digital
Above the line themes:
- Tax online is easier than you think
- Get to grips with tax
- Manage everything in one place

Below the line messages:
- We'll give you all the support you need to get started with your online tax account
- We'll help you to stay up to date with technology and be with you every step of the way
- If you get stuck don't worry, we're just a phone call away and happy to help
- Since we keep track of all our conversations with you, we can always pick up where we left off
- Access your account any time that suits you, day or night.

The table below summarises the responses by audience.

Audience	SME	SA	PAYE	Assisted Digital
Key benefit themes	• Efficiency • Control	• Control • Personalistion • Efficiency	• Education • Empowerment • Control • Improved service experience	• Reassurance
Key statements/ messages	• Quicker and easier way to get your tax right • All in one place	• All in one place • Quicker and easier way to get your tax right	• Tax online – it's easier than you think • Go online to see how your tax is calculated	• Get to grips with tax • Tax online – it's easier than you think
Tone of voice - styles to avoid	• Too personal	• Talking down • Over selling	• Threatening • Talking down	• Taking away choices • Intimidating

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			Challenging	
	• Over selling		• Challenging	

Communication channels and preferences

A range of channels was tested both for communication of the initial launch of new and revised digital accounts and for ongoing digital communication between HMRC and its customers. The table below summarises the findings by audience.

Audience	SME	SA	PAYE	Assisted Digital
Above the line	• Not required but used to seeing communication of key changes tailored to SMEs (e.g. pension reforms, RTI)	• Expect some activity but anticipate most communication to be direct	• Expect a high profile above the line campaign to bring the online account to their attention and provide reasons to use	
Letter	• Little requirement for formal letter, but letter/booklet by post would be read and would help promote benefits		• Important to provide credibility and relevance to these groups as not used to digital contact from HMRC	
Email	• Strong appetite for email to be default contact channel		• Not possible as initial contact channel, but could be accepted over time	
Telephone/live chat	• Willing to use Live Chat	• Some interest in Live Chat • But need to continue to offer phone as back up channel for those who prefer phone		• Use of Live Chat likely to be limited • Strongly prefer telephone
Text	• Not popular	• A minority are willing to give permission for reminders to be sent by text	• Cannot see reasons why HMRC would need or want to text them	• A minority in SA willing to give permission for this
Social Media	• Low expectation for activity here. Possibly Twitter	• Anticipate that HMRC will have a social media presence and heavy social media users can envisage some communication via Facebook and Twitter		• Low usage of social media – very unlikely to use

Rationalisation

HMRC is keen to optimise its communications across the various customer groups to maximise their effectiveness whilst removing or minimising the cost to HMRC.

We tested various approaches to rationalisation, to establish the most efficient and effective way of communicating to taxpayers about upcoming digital services and to answer the following questions:

- Are SME customers happy to receive information about their personal and business taxes in one communication?
- Are customers happy to receive information about different taxes in the same communication?
- How many pieces of information are customers happy to receive within a single communication?
- Would customers prefer to receive more information within one communication less frequently or less information within one communication more frequently?
- Is it possible to combine essential/need to know/need to action information with less essential/update/news information within the same communication?
- Do customers want to be informed only about services that are 'live' now or do they want to hear about services that will be available in the future?

We found that across all audiences customers ideally only want HMRC to communicate with them about topics that are relevant to them at the time they need to know the information concerned. In the case of a major change or product launch most customers would prefer to receive all the key information in a single communication just before the launch. Generally customers would prefer only to receive information about services that are live now or coming on stream in the near future. They do not want to know about services too far in advance.

Customers who have both a personal and business relationship with HMRC would prefer separate communications for each of their two sets of tax affairs.