



HM Revenue  
& Customs

*Research report*

# Tax Credits Communications Campaign Tracking 2016

Tracking advertising for Tax Credits Renewals

**Corporate Communications - Marketing**

**November 2016**

Behavioural & Customer Insight Team

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## Tax Credits Communications Campaign Tracking 2016

### *About Marketing*

Marketing plan and deliver integrated campaigns and products to enhance awareness of HM Revenue & Customs (HMRC) products and services, to influence our customers' behaviours and help deliver HMRC strategic objectives.

We support our colleagues in delivering our Vision. We influence product design, distribution channels, our working environment and all other areas of our customers' experience through our work on printed material, signage, environments, intranet and internet and tone of voice.

### *Contents*

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

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## Tax Credits Communications Campaign Tracking 2016

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

HM Revenue & Customs (HMRC) administers tax credits (child tax credit and working tax credit) to provide financial incentives to work and help low income families with children. Claimants must finalise/renew their application each year to ensure that all details of household income and circumstances are kept up-to-date. The yearly finalisation and renewal deadline is 31 July. HMRC wants to encourage claimants to notify them of any changes in household income or other circumstances as soon as possible, in order to avoid the claimant finishing the year with an overpayment.

Each year, HMRC runs a national advertising campaign to encourage on time renewal, and more recently also to highlight the benefits of renewing online. The latest burst of advertising ran in June and July 2016 on television (including video on demand), radio, online and via mobile apps.

The Tax Credits Renewals campaign creative, which focussed heavily on the deadline, was changed in 2015, after running for over 10 years. The new campaign adopted a new creative style, tone and messaging, with a primary focus to encourage online renewals online; “Your life isn’t nine to five, so neither’s ours”.

The 2016 campaign was the second year of running the new creative. The channels remained the same as 2015, with the exception of outdoor posters which were not included in 2016.

The campaign’s key objectives were to:

- encourage claimants to renew early and before the 31 July deadline
- encourage claimants to renew online

Historically, research has been undertaken to track previous Tax Credits campaigns. The purpose of this research was to measure the effectiveness of the 2016 Tax Credits Renewals advertising campaign amongst current Tax Credits claimants. The research aimed to evaluate the following:

- whether the new campaign cut-through
- whether claimants understood they could renew online
- whether the campaign had a positive impact on claimants’ understanding and actions

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## Tax Credits Communications Campaign Tracking 2016

### *When the research took place*

Research was conducted using a pre and post campaign design:

- the pre-wave was conducted between 4 - 18 May 2016, before the campaign aired (and avoiding the Purdah periods for local elections and the EU referendum)
- the post-wave research was conducted between 1 - 16 August 2016, shortly after the campaign came off air and the 31 July deadline for renewing had passed

Where relevant in this document, results are compared with waves from previous years.

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

The research was carried by the GfK UK Ltd, in accordance with the requirements of ISO 9001 and ISO 20252.

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

The interviews were conducted in-home and face-to-face using Computer Assisted Personal Interviewing (CAPI). 316 interviews lasting approximately 15 minutes were conducted at the pre-wave, and 323 interviews lasting approximately 20 minutes were conducted at the post-wave.

At the post-wave, respondents were shown and played examples of campaign materials, including the following:

- five TV ads (each respondent was shown two TV ads)
- four radio ads (each respondent was played one radio ad)
- a montage of digital ads
- a montage of mobile app ads

The sample covered the UK and was drawn using random location sampling, as in previous waves of research. It included men and women aged 16 and over who are currently claiming tax credits. Quotas were set on key subgroups to ensure that the sample was representative of the tax credits claimant population. The data was weighted by age, gender, parental status and income to ensure that waves could be compared fairly.

Differences in response between groups, or from wave to wave, have been significance tested using two-tailed tests at the 95% level of significance. Significant differences are noted in the commentary.

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## Tax Credits Communications Campaign Tracking 2016

### *Main Findings*

#### **Campaign performance**

Total advertising awareness (the proportion of claimants who said they had seen or heard any advertising or media coverage about tax credits in the last few months *either spontaneously or after prompting*) was significantly lower than in previous post-waves. It should be noted that the 2016 campaign ran shortly after the EU Referendum, meaning there was a significant amount of ‘noise’ during this period likely to affect levels of awareness. However, two-thirds of claimants (64%, down from 73% in 2015) still recalled some advertising about tax credits.

- The decline in advertising awareness was driven by a smaller proportion recalling having seen a TV advertisement compared with last year, as well as lower mentions of a form/email or a reminder letter from HMRC
- Nonetheless, TV advertising (40%) remained the most commonly mentioned source of advertising awareness

Campaign recognition (the proportion recalling at least one of the ads after they were shown materials from the campaign at the post-wave) was in line with the previous year at 70%. Although overall, campaign recognition did not increase from the previous year, this was due to the removal of outdoor (poster) advertising from the 2016 campaign; directional increases were seen for three of the four individual channels used in 2016, with recognition of the:

- TV ads increasing from 52% to 58%
- Radio ads increasing from 29% to 33%
- Mobile app ads increasing from 13% to 18%

Recognition of the fourth channel - online ads - increased significantly, from 11% to 20%.

Both advertising awareness and campaign recognition were higher amongst females and White British claimants, as well as those that already carried out government transactions online. Whilst differences between these groups were also apparent in 2015, overall levels of awareness/recognition fell amongst men and non-White British claimants; analysis suggests that this may have been linked to the removal of outdoor (poster) advertising. However, it should be noted that males do not represent the key audience for the campaign.

Claimants were read out a list of messages that the tax credits advertising contained and asked to state how much they agreed that the advertising conveyed each message. Messaging about the “deadline for renewals” continued to come through most strongly (91% of those who recognised at least one element of the campaign agreed strongly or slightly that the ads told them to renew by July 31 to ensure that payments don’t stop).

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## Tax Credits Communications Campaign Tracking 2016

Messaging about having “made it easier to renew” and “renewing online” also came through at high levels again (around eight in ten agreed that the ads conveyed those messages). The proportion *strongly* agreeing that the ads conveyed the message “I can now renew my claim at a time that suits me” increased significantly from 54% in 2015 to 65% (with 84% of those who recognised at least one element of the campaign agreeing overall). Those who renewed online in 2016 were more likely to *strongly* agree with all four statements.

Claimants were later shown phrases that described how people might feel, or things people might do, after seeing or hearing these ads, and asked how relevant each phrase was to them after seeing or hearing the ads. The ads were most commonly seen as encouraging online renewal (which is the desired outcome); 48% of claimants who recognised at least one element of the campaign felt that they “encouraged me/my partner to renew online”, a slight (but not significant) increase from 43% in the previous year. Whilst in previous years messages related to renewing straight away came through more strongly (with 46% citing this message at the post-wave in 2014 in relation to the previous campaign), the proportion thinking the current campaign encouraged them to do this continued to fall, from 25% in 2015 to 15% (amongst claimants who recognised at least one element of the campaign).

### **Impact of the campaign on claimants’ understanding & actions**

At the 2016 post-wave, total awareness of the tax credits renewal deadline was in line with the 2015 post-wave (both 58%), although this remains lower than the previous high-point in 2014 (83%). Those who said they recognised at least one element of the campaign were more likely to be aware of the deadline (61% amongst recognisers compared with 48% amongst non-recognisers).

All were asked how they renewed their most recent claim. Over a quarter of claimants (27%) said they renewed their 2016 claim online – significantly higher than the 2015 post-wave (19%) – with the proportion renewing on a smartphone or tablet doubling from 3% to 8%. In comparison, the proportions saying they renewed their claim via paper and telephone both fell (directionally rather than significantly) over the same period.

Claimants were also asked what prompted them to renew their claim in 2016. The proportion saying that they were prompted to renew by advertising dropped (although not significantly) compared with the previous post-wave, from 28% to 21%. However, much of this was due to a fall in the proportion of campaign non-recognisers mentioning advertising in 2016. The renewal packs/postal reminders continue to be the main prompt to renewing tax credits (51%).

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## Tax Credits Communications Campaign Tracking 2016

### Perceptions of online renewal

At both the 2015 and 2016 post-waves, 87% of claimants said they found the renewal process easy. Those that renewed online were most positive (60% of whom said it was *very easy*, and 92% thinking it was either *very* or *fairly* easy) and significantly more so than those renewing using the paper form (43% *very easy*, 79% *very* or *fairly* easy).

When asked about their reasons for using their 2016 renewal method, online was seen as an easy, quick and convenient method of renewal, with perceptions of ease appearing to be growing over time; at the 2016 post-wave, 61% of claimants that had renewed online felt it was the easiest way to renew, compared with 48% at the 2015 post-wave and 54% at the 2016 pre-wave. Habit and a lack of knowledge of other options formed a large part of the reasons given by those that had renewed on paper in 2016.

Claimants were shown a list of things that people have said about tax credits and asked how much they agreed with each statement. Whilst levels of agreement of most statements remained on par with previous years, there were directional increases since the 2016 pre-wave in the proportions agreeing that renewing online is easier (from 36% to 41%), and that it is good that they can renew at a time that suits them (from 59% to 68%).