HM Revenue & Customs

Research report 536

Tax Credits Communications Campaign Tracking 2018

Tracking advertising for Tax Credits Renewals

Corporate Communications - Marketing

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Behaviour, Insight & Research Team

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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.

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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 tax credit awards 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 claimants to renew their tax credit award on time, and more recently to highlight the benefits of renewing online. The latest burst of advertising began on June 18 with below the line channels (digital, search and social activity), with TV (including video on demand) and radio starting from 1 July. The campaign ended on 31 July 2018.

The previous 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 renewals online; “Your life isn’t nine to five, so neither’s ours’’.

The 2018 campaign was the fourth year of running the online focussed creative. The channels remained the same as 2017, with the removal of traditional digital display ads (banners, MPU’s etc.), instead running only native digital display ads. New creative ads ran across digital and social channels this year. Overall spend this year was almost identical to 2017, though TV budget came back up to similar spend levels to those in 2016, after a slight drop in 2017.

The campaign’s key objectives were to:

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

The purpose of this research was to measure the effectiveness of the 2018 Tax Credits Renewals advertising campaign amongst current Tax Credits claimants. The research aimed to evaluate the following:

- Awareness of the campaign
- Understanding of the key campaign messages
- Whether claimants understood they could renew online
- Whether the campaign had a positive impact on claimants’ understanding and actions

When the research took place

Research was conducted using a pre and post campaign design:

- The pre-wave was conducted between 28 May – 17 June 2018, before the campaign aired
- The post-wave research was conducted between 1 – 26 August 2018, 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). There were 309 interviews lasting approximately 15 minutes at the pre-wave, and 316 interviews lasting approximately 20 minutes at the post-wave. Respondents were shown the following examples of campaign materials on the CAPI machine to accurately test levels of advertising:

- Two out of the four TV ads
- Two out of the seven radio ads (each respondent was played one 30 second and one 20 second radio ad)
- A montage of the new digital 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 were claiming tax credits. Quotas were set on key subgroups (gender, age, income and parental status) 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.

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*) remained stable this year, following a significant decline in 2017. Just over half of claimants (56%) recalled some advertising about tax credits, compared to 55% last year. There were no notable changes in advertising awareness across the different channels – with the exception of “magazine / newspaper article”, which has increased significantly since the 2017 post wave, now at 4% awareness.

Campaign recognition (the proportion recalling at least one of the ads after they were shown materials from the campaign at the post-wave) has remained stable since 2017. Recognition now stands at 65%, compared to 67% last year. Though stable, recognition remains significantly lower than that seen when the current campaign began in 2015 (down from 74%). There were no notable changes in recognition for any of the individual channels this year (TV, radio and online).

TV recognition stands at 56% in 2018, which is a slight increase on 51% in 2017; similarly, radio has crept up to 29% from 26% last year – both stable results but indicating slight improvements year on year. The new digital ads which ran this year achieved 24% recognition. Though this is a decline from the online ads shown in 2017 (31%), comparing this to the launch of the old digital ads (16%), this is a significant improvement.

In terms of recognition amongst individual groups in 2018:

- In 2017, gains were made among men and black and minority ethnic (BAME) claimants in both recognition and awareness, at the same time as losses in awareness for women. These worked to close the gap between men and women / White British and BAME respondents. This year, the slight shift in TV buy towards a more traditional prime time mix, has recovered the dip amongst women, but led to a fall in recognition amongst men, older claimants and heavy internet users
- This year has seen further increases in recognition gains among BAME claimants, who again seen to have benefited from the online elements of the campaign. Though White British claimants are still more likely to recognise the campaign overall, BAME claimants show slightly higher levels of online recognition

Campaign messaging and impressions

Message take out has remained stable, which is unsurprising given the campaign remains broadly unchanged. Messaging about the “deadline for renewals” continues to come through the most strongly (with 89% of those who recognised at least one element of the campaign agreeing that the ads told them to “renew by July 31st to ensure that payments don’t stop”). This was followed by messaging about renewing online (with 81% of ad recognisers agreeing that the ads told them to “renew online at gov.uk/managetaxcredits”). There were no significant changes to levels of agreement for messages this year.

Generally, feelings after seeing/hearing the ads were similar to those in 2017**.** The ads were again most commonly seen as encouraging online renewal, reflecting the focus of the current creative. Just under half (47%) 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 since 2017 (43%). The proportion of respondents who said that the ads encouraged them to do anything at all has decreased – from 76% in 2017 to 69% now. A third of respondents (33%) agreed with the statement “they did not encourage me / my partner to do anything”, again slightly (though not significantly) up from 29% in 2017.

Impact of the campaign on claimants’ understanding & actions

Total awareness of the tax credits renewal deadline has remained stable again this year – now at 54%. There has been no significant change in deadline awareness since the launch of the new campaign in 2015, though the proportion has continued to very gradually decline since then (from 58%). Women are still more likely than men to be aware of the correct deadline date (57% compared to 48%), though the proportion has dropped slightly among both groups (from 61% & 40% in 2017). Campaign recognisers were no more likely to be aware of the correct deadline date than those with no exposure.

All respondents were asked how they most recently renewed their tax credits claim. There has been another slight increase this year in the proportion who said they renewed online – now at 33%, which is the highest proportion seen since tracking began. Online is now the most frequently reported renewal method amongst respondents. BAME respondents have seen a significant increase in online renewal this year and are now no less likely than White British claimants to say that they renewed online. The proportion of claimants who say that they renewed on paper this year has fallen significantly – from 31% in 2017 to 26%. This is now the least popular renewal method.

In terms of prompts to renew, the renewals pack / postal reminders remain the most commonly mentioned prompt by some way and has increased significantly (up ten percent) since last year to 57%. Mentions of advertising or conversations with friends or family were more stable this year – with 18% of claimants mentioning advertising and 4% conversations with friends and family.

Perceptions of online renewal

Nine in ten respondents (90%) said that they found the renewal process easy this year, consistent with results since 2015. Those who had renewed online this year reported slightly higher levels of agreement – 92% compared to 86% of paper renewers.

As has been the case in previous years, online renewers were the most likely to see their renewal method as being convenient. Just under six in ten respondents (58%) agreed with the statement “I thought it was the easiest way to do it” while 37% said that “I thought it was the quickest way to do it” – both significantly higher proportions than for either paper or telephone renewal. Around a third (36%) agreed “I could do it at a time that suited me”, though this has dipped from 56% in 2017. There has been a significant increase in the proportion of paper renewers who said “I always renew that way” (from 16% to 47% this year[1]) – indicating that whilst the proportion of people using this method has dropped, those who still do, tend to out of habit, rather than a specific benefit or convenience of the method. Conversely, the proportion of paper renewers who said “the renewals form told me to do it” has dropped significantly, from 17% to 2%. This would suggest that though the form still acts as a prompt to renew, it no longer seems to be specifically driving paper renewal.

Claimants were shown a list of things that people have said about tax credits and asked how much they agreed with each statement. The proportion of claimants agreeing “I find it easier to renew my tax credits claim online” has remained stable this year at 50%, maintaining the significant increase seen in 2017. The proportion agreeing “it is good that I can renew my claim online at a time that suits me” has also retained recent increases, stable now with 2017 at 68%.

[1] NB base size for paper renewers >100 – please treat findings as indicative only