



HM Revenue
& Customs

Research report 590

Tax Credits Communications Campaign Tracking 2019

Research tracking advertising performance for tax
credits renewals

October 2019

Behaviour, Insight and Research Team

OFFICIAL

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1. Research Background

HM Revenue & Customs administers tax credits to provide financial incentives to work and help low income families with children. There are two types of tax credits available: Child Tax Credits; and Working Tax Credits. Child tax credit is paid independently of Child Benefit and can be claimed whether people are working or not.

Tax credits change in response to changes in household circumstances and operate on an annual basis. Claimants must renew their application each year to ensure that all details of household income and circumstances are up to date. The annual finalisation and renewal deadline is 31 July.

Each year, HMRC runs a national tax credits renewals advertising campaign. The last burst of advertising ran on television (including video on demand), radio and digital channels.

Between 2015 and 2018 the campaign creative focused predominantly on encouraging people to renew online. This year (2019) the creative changed and focused on the deadline. The new creative aimed to act as a light-hearted reminder to people who hadn't already renewed their claim, whilst also encouraging them to think of their tax credits renewal as 'too important to forget'.

1.1 Research Objectives

The purpose of this research was to measure the effectiveness of the 2019 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 the campaign had a positive impact on claimants' understanding and actions.

1.2 Methodology

Ipsos MORI's Social Research Institute carried out the research, using face-to-face quota surveys. As in previous years, the sample was drawn using random location sampling. Interviewing was conducted in-home using CAPI (computer-assisted personal interviewing) technology.

Two waves of research were conducted to evaluate the 2019 campaign: a pre-wave, which acted as a baseline prior to the campaign running, followed by a post-wave after the campaign ended. Interviewing for the 2019 pre-wave took place between 28 May and 23 June 2019. For the 2019 post-wave, interviews took place from 1 August to 4 September 2019. Interviews took place across the UK.

In the post wave research, each respondent was shown and played examples of campaign materials:

- two television adverts;
- two radio adverts;
- a selection of images of digital adverts;

In this report, comparisons are made between the pre- and post-waves of the survey, as well as with previous years. Differences in response between groups or across waves have been significance tested at a 95% level of significance.

The 2018 campaign evaluation was carried out by GfK Social Research, so comparisons with earlier years should be taken as indicative due to potential differences in working practices between the two agencies.

1.2.1 Sample Composition

Quotas were set to achieve a robust sample size for each key subgroup (gender, age, parental status and household income) as shown below.

Table 1. Sample

	Total	Male	Female	Aged 16-34	Aged 35+
Pre-wave: Number of interviews	348	86	262	147	201
Pre-wave: % of completes	100%	25%	75%	42%	58%
Post-wave: Number of interviews	317	68	249	145	172
Post-wave: % of completes	100%	21%	79%	46%	54%
Population Profile	100%	30%	70%	40%	60%

	Total	Couple	Lone parent	£0 - £9,999	£10,000 - £19,999	£20,000+
Pre-wave: Number of interviews	348	212	136	110	152	86
Pre-wave: % of completes	100%	61%	39%	32%	44%	25%
Post-wave: Number of interviews	317	175	142	70	143	104
Post-wave: % of completes	100%	55%	45%	22%	45%	33%
Population Profile	100%	61%	39%	21%	38%	41%

The sample design changed slightly from the previous wave of research to better reflect the current audience composition. Both the pre wave and post wave data was weighted by age, gender, parental status and income to ensure that waves could be compared fairly. As the

2019 data were weighted to a different profile to the 2018 data, statistical comparisons are indicative only.

2. Summary of findings

The 2019 campaign appears to have been successful in raising awareness of the renewal deadline as awareness of the deadline is significantly higher in the post-wave than in the pre-wave (60% aware in the post-wave, up from 51% in the pre-wave). Ad recognisers are significantly more likely to be aware of the renewal deadline without being prompted (54%) than non-recognisers (31%), suggesting that the creative effectively communicates this information.

Levels of overall campaign recognition are consistent with those seen in 2018, with around two thirds (65%) reporting to have seen some form of the advertising presented. A quarter (27%) report being prompted to renew by advertising, the highest proportion doing so since 2015.

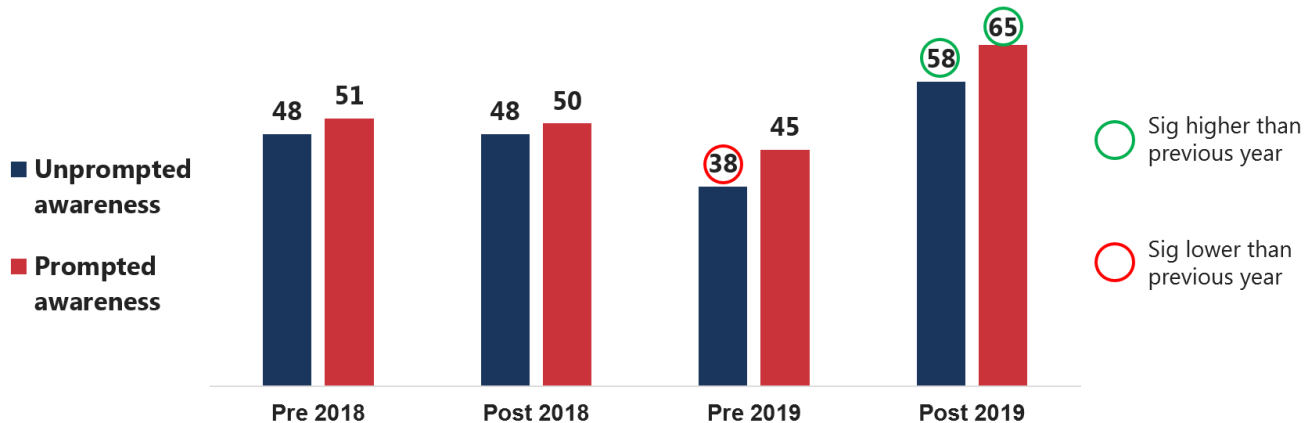
There does appear to be some positive relationship between recognising the campaign and positive sentiment towards HMRC, as well as in unprompted raised awareness of key campaign messages, such as potential consequences of failing to renew (95% among ad recognisers, compared to 83% among ad non-recognisers).

There is a continued shift towards renewing online, mirrored by a gradual decline of those renewing by phone. Online is seen as the easiest method of renewal - with 91% of those renewing online agreeing it is easy, significantly higher than those renewing by telephone (80%).

3. Campaign Performance – Awareness and Recall

3.1 Ad recall

During both the pre and post wave survey, respondents were first asked about whether they remembered seeing any advertising about tax credits in the last few months, without being prompted with a list of places where they might have seen the adverts. Almost six in ten of 2019 post-wave respondents (58%) spontaneously recalled seeing some form of advertising. Once prompted with a list of places they might have seen the adverts, awareness rose to 65%. This represents a significant increase on the 2019 pre-wave, when spontaneous awareness of advertising was 38% and prompted awareness was 45%. The higher spend on advertising in the 2019 campaign appears to be associated with a positive impact on recall of advertising, with significantly higher spontaneous and prompted awareness than in 2018 (48% and 50% respectively).

Figure 1: Unprompted and prompted awareness of any advertising about tax credits

Those who claimed to have seen advertising about tax credits in the past few months were asked what aspects of the advertising they recalled. The message 'renew your tax credits by the deadline' was most commonly mentioned aspect (33%). The second most recalled aspect was the message 'renew your tax credits or your credits will stop' (23%).

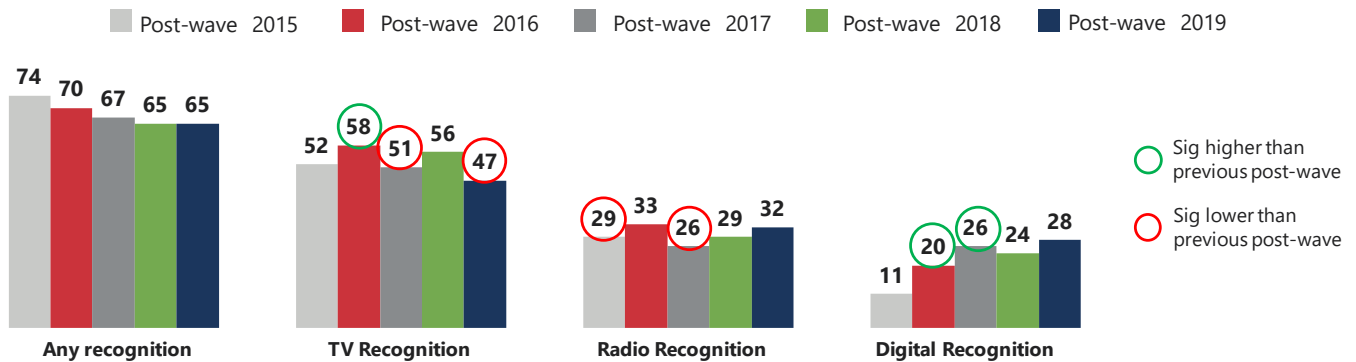
At a later point in the survey, respondents were shown the creative in different forms, and asked whether they recognised the adverts. Levels of overall ad recognition are consistent with the 2018 post-wave, with 65% of respondents saying they recognised the ads in at least one of the formats.

3.2 Ad recognition and take-out

Almost a third (32%) of respondents said that they had heard the radio ads, compared to three in ten (29%) in 2018. This was higher among those in employment (38%) than the unemployed (24%).

Nearly three in ten (28%) of respondents reported having seen the digital advertising, compared to 24% in 2018.

Recognition of TV advertising was slightly lower than in 2018, with just under half (47%) of respondents saying that they had seen the ads, compared to 56% last year. TV ad recognition was lower among BAME respondents (33%).

Figure 2: Ad Recognition (% recognise by advert type)

After being shown the creative, respondents were asked what they thought the main message of all the adverts was. Over eight in ten (85%) mentioned campaign-related messages: 44% percent of respondents mentioned the deadline message ‘renew your tax credits by 31st July’ and 42% mentioned the message ‘renew your tax credits or your payments will stop’. This suggests that the creative has been effective in delivering the key messages.

4.4. Deadline Awareness and Renewal behaviour

4.1 Deadline awareness

Without being prompted by a list of dates, almost half (46%) of customers in the 2019 post-wave were aware of the correct deadline for renewing tax credits, a significant increase on 41% in the pre-wave. This was significantly higher among ad-recognisers (54%) than non-recognisers (31%), suggesting that the campaign has been effective in raising awareness. Spontaneous awareness was also higher among women (52%) than among men (32%).

Respondents who were not spontaneously aware of the deadline were prompted with a list of possible dates and of these 34% identified the correct deadline date. Combined spontaneous and prompted awareness was 60%. Again this was higher among ad recognisers (67%) than non-recognisers (47%), and among women (65%) than men (48%). The combined measure of spontaneous and prompted awareness was lower among those that had been claiming for less than two years (35%) than those who had been claiming for longer (65%).

4.2 Renewal behaviour

Of those who renewed their claim themselves or with a partner, over half (54%) said that they had been prompted to renew by receiving the renewals pack in the post or a postal reminder. Over a quarter (27%) said that had been prompted to renew by advertising – the highest proportion since the previous campaign launched in 2015. Those who report being prompted to renew by advertising were more likely to have renewed whilst the campaign was live in July (48%) than those who did not mention advertising (27%), suggesting that the campaign was effective in driving renewals.

There appears to be a trend towards online renewals, with those who had already renewed their tax credits in 2019 being significantly more likely to say they had done so online (42%) than the proportion who said they had already renewed online in 2018 (33%). Couples (47%) are more likely to renew online than lone parents (33%). The trend towards online renewals is mirrored by a similar decline in the share of those renewing by paper (at 19%, down from 26% in the 2018 post-wave). Just under a quarter (23%) renewed by phone in 2019, compared to 30% in 2018.

Perceived ease and convenience are the main determinants of the choice of renewal method. Sixty-three percent of those who renewed online said they did so because they thought it was the easiest way to do it, and 31% renewed online because they thought it was the quickest method. Those who renewed by phone are less likely to say they thought this was the easiest way to do it (34%), but 12% of those renewing by phone said they feel reassured they are doing everything correctly (compared to 7% of those renewing online and 2% of those renewing on paper). Eighty-five percent of respondents agreed that renewing was either fairly or very easy. Those renewing by phone were more likely to say they found the renewal process very or fairly difficult (19%, compared to 4% online and 11% on paper).

Overall attitudes towards renewal remain consistent with previous waves but ad recognition does seem to have an impact in several areas. Around nine in ten respondents agree that renewing your tax credits is too important to forget (88%). This was significantly higher among ad-recognisers (92%) than non-recognisers (81%). Similarly, 91% agreed it is important to renew by the deadline every year, again this was higher among ad recognisers (95%) than non-recognisers (83%). Ad recognisers were also more likely to agree that it's important to renew as early as possible (89%, compared to 78% among non-recognisers), and that it's important to renew to ensure they receive the right money (88%, compared to 77% of non-recognisers).

5. Campaign Performance – Attitudinal Impact

5.1 Perceived ad attributes

As part of the survey, claimants were shown a number of different adverts from the campaign, including television, radio and digital versions, and were asked to share their overall impressions. The campaign was seen to effectively communicate key messages about renewal, with almost all (96%) claimants agreeing that the advertising clearly communicated the deadline for renewal. This is significantly higher than 2018 (79%).

Three quarters of claimants (75%) agree that the adverts told them something worth knowing. In addition, the majority (84% compared to 71% in 2018) of claimants felt that the adverts acted as a useful reminder to renew.

The new campaign creative was well received by claimants. The majority found them relatable (78%), reported that the adverts stuck in their mind (73% compared with 58% in 2018), described them as 'an unforgettable reminder' (70%) and felt that they stood out from other advertising they had seen or heard (68%).

The general feeling after seeing the adverts was positive. Three quarters (74%) felt that the adverts were supportive and encouraging and almost six in ten (58%) felt more positive about their tax credits after being shown the advertising. Those earning under £10,000 per year were more likely to say the adverts made them feel more positive about tax credits than the population overall (73% compared to 58% overall). A small but significant minority thought the adverts were irritating (21%) and patronising (16%).

The feeling of being told something new has remained stable (34% in 2018 and 36% in 2019). This may reflect the claimant profile as they are now mostly experienced with the tax credits process, with almost three quarters (72%) of respondents having received tax credits for three years or more.

5.2 Impact on attitudes and feelings towards renewal

After being shown the adverts, almost all claimants agreed that it was important to renew by the deadline to avoid their payments being stopped and agreed that remembering to renew their claim was too important to forget (95% and 94% respectively). The adverts were also seen to encourage a sense of urgency around renewal. Over a quarter of claimants (26%) felt that the ads encouraged them to renew their claim straightaway after seeing the adverts, in comparison to 12% in 2018. When asked how they might feel after seeing or hearing the ads, those who renewed their claim closer to the deadline were more likely to say they felt that they should renew their claim immediately (36% among those who renewed after the campaign launch, compared to 23% among those who renewed before this). The same proportion (27%) felt they should not put off renewing their claim.

The campaign materials seem to support positive feelings towards the renewals process amongst claimants. Over a third (37%) reported that the adverts made them feel good because they had already renewed their claim and 16% felt less stressed about the renewals process. A small proportion reported feeling anxious about renewing on time (8%) and under pressure (6%).

5.3 Actions taken around renewing tax credits due to ad exposure

Whilst the new campaign's emphasis on the deadline has encouraged people to take action sooner, the proportion of claimants who said the advertising made them want to renew online dropped significantly since the 2018 survey (45% in 2018 to 22% in 2019). This reflects the change in messaging used in the new campaign which placed less emphasis on online renewal and greater focus on the deadline. Eight percent said that the adverts encouraged them to renew on paper, compared to 12% in 2018. The proportion of those who say the adverts made them want to renew over the telephone is consistent with last year (10% in

2019 compared to 11% in 2018). Only eight percent said the adverts didn't encourage them to do anything.

6. Attitudes towards HMRC

6.1 Agreement with attitudinal statements about HMRC

Before being shown the advertising, respondents were asked whether they agree that HMRC helps them to get their tax credits renewal right. Over two-thirds (69%) agreed that HMRC helps them to get their renewal right. Agreement was higher among those who renewed by phone (81%) than those who renewed on paper (58%). The same proportion (69%) agreed that HMRC helps them to renew on time. Ad recognisers were more likely to agree that HMRC helps them to renew on time (77%) than non-recognisers (56%).

6.2 Advertising impact on attitudes and feelings towards HMRC

After being shown the ads respondents were also asked how they might feel after seeing or hearing the ads. Almost one in five (18%) said that they would make them feel more positively about HMRC. Those who recalled receiving a reminder from HMRC were more likely to mention this (28%).