

Research report

Tax Credits Tracking Wave 23

Tracking Renewals advertising for Tax Credits

8th November 2011

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Research requirement (background to the project)

Tax Credits are a flexible award which varies according to changes in people's personal or financial situation. Within this system, all Claimants need to renew their Tax Credits annually.

Over recent years, HM Revenue & Customs have regularly communicated two different messages:

- The need for Claimants to renew their claim before the Renewals deadline
- The need for Claimants to inform HM Revenue & Customs about any changes in their personal or financial situations in between periods of renewal

However, in 2011, no advertising relating to the need for Claimants to inform HM Revenue & Customs about any changes in the personal or financial situation aired. Therefore the last advertising relating to Tax Credits was the Renewals campaign which aired between May and July 2010.

This piece of research covers Wave 23 of the Tax Credits communications tracking and evaluates the 2011 Renewals activity. As with previous Renewals campaigns, the advertising was split in to three distinct phases;

- ***Announcement phase*** (radio) – informing of the need to renew (May)
- ***Prompt phase*** (radio) – encouraging Claimants to take action and renew (June)
- ***Deadline phase*** (TV, radio and online) – warning about the deadline and encouraging swift action (July)

During the final week of the Announcement phase and during the first week of the Prompt phase, an additional radio advert, *Take Care*, was aired to promote accuracy during the renewals process.

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The executions used during the Deadline phase were identical to those used during the 2010 campaign.

As with last year, no operational reminder in the form of a letter was sent to Claimants.

Overall spend on the media tracked was £1.4m, which is in line with spend in 2010 (£1.4m).

The overall objectives of the research were to determine how the communications activity performed, whether it had the desired impact on behaviour, and to better understand Claimants' actions and perceptions of the Renewals process in general. Specifically, this year, the research sought to answer the following key questions for the business:

- How did the campaign activity perform this year? Is there any evidence of wear-out in the creative?
- What was the effectiveness of each of the media channels in the Deadline campaign?
- What was the impact of the campaign on Claimants' understanding and actions?
- What can be done to encourage Claimants to renew earlier?
- How did Claimants find the renewals process this year?

Who did the work (research agency)

This research, and all previous waves, was conducted by Synovate UK.

When the research took place

The research was conducted between the 2nd August to 22nd August 2010, directly after the advertising came off air and the deadline for renewing (July 31st) had passed. This is in line with previous years. Where relevant in this document, results are compared to previous Deadline campaigns (Aug. '10, Aug. '09, Aug. '08).

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Method, Data and Tools used, Sample

A total of 329 interviews were conducted, face-to-face and in home.

The sample consisted of adults aged 16+ who had at least one child under 16 in their household (or 16-19 if in full-time education) and earned no more than £41,000 per annum (household income). This sample was designed to reflect the wider eligible population for Child Tax Credits from April 2011 onwards, with quotas set for key subgroups to ensure that the research could best meet its objectives (please see table below).

In previous years, those with a household income of up to £58,000 per annum were eligible for Tax Credits. From April 2011, the eligibility for Tax Credits was readjusted to those with a household income of up to £41,000 per annum. Therefore the data from previous waves (Aug. '10, Aug. '09, Aug. '08) has been rebased on only those with a household income of up to £41,000 per annum to reflect this new criterion.

The interview took 25 minutes to complete. The campaign stimulus used was Deadline TV (stills) and radio advertising, and stills from the renewal online help video.

CLAIMANTS SAMPLE PROFILE (Wave 23)							
Gender	Age	Household Income			Marital status		
Male	29%	18-34	42%	£0 - £9,999	22%	With partner	72%
Female	71%	35+	58%	£10,000 - £19,999	36%	Lone parent	28%
				£20,000 - £29,999	30%		
				£30,000 - £41,000	12%		

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Main Findings

How did the campaign activity perform this year?

Overall awareness of the campaign is in line with last year, even with no Change in Circumstances (CiC) advertising airing in the interim.

- *Total advertising awareness was 84% (85% Aug. '10, 80% Aug. '09, 77% Aug. '08).*
- *In February 2010, following CiC advertising, advertising awareness was 55%, which increased to 85% following the Deadline advertising; an increase of 30%. In March 2011, advertising awareness had fallen to 43%, prior to the Deadline advertising (and with no prior CiC advertising). Following the Deadline advertising, advertising awareness had risen to 84%, an increase of 39%.*

Awareness of TV & radio advertising relating to Tax Credits was as strong as last year.

- *The majority of Claimants were aware of TV advertising. This continued to be above two thirds (70% Aug. '11, 68% Aug. '10, 65% Aug. '09, 61% Aug. '08).*
- *Radio advertising also continued to be well recalled (prompted radio awareness = 32% Aug. '11, 35% Aug. '10, 31% Aug. '09, 24% Aug. '08).*

Recognition of the specific Deadline TV & radio adverts was as strong and in line with the previous year despite having fewer GRPs this year (2232 GRPs delivered May – Aug. '11, 2589 GRPs delivered May – Aug. '10).

- *71% of Claimants recognised the TV advert. This was comparable to last year (69% Aug. '10, 64% Aug. '09, 68% Aug. '08).*
- *Recognition of the Deadline radio advert also remained in line with the previous year at 62% (63% Aug. '10, 57% Aug. '09, 51% Aug. '08).*

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Overall campaign cut through and media overlap was similar to last year.

- *The majority of Claimants recognised at least one part of the campaign (either TV or radio) (84% Aug. '11, 83% Aug. '10, 79% Aug. '09, 79% Aug. '08, 70%).*
- *Half recognised both the TV and radio adverts, again in line with last year (49% Aug. '11, 48% Aug. '10, 42% Aug. '09, 41% Aug. '08).*
- *One in five recognised only the TV advert (22% Aug. '11, 21% Aug. '10, 22% Aug. '09, 27% Aug. '08) and around in one in seven recognised only the radio advert (13% Aug. '11, 15% Aug. '10, 15% Aug. '09, 11% Aug. '08).*

Prompted response to the campaign showed some increases on the previous year's results. Perceived presence of the campaign in Claimants mind has continued to increase year on year.

- *Amongst Claimants who recognised any part of the campaign there was an increase in those who strongly agreed the advertising stuck in their mind. This continued a trend observed over the past four years (43% Aug. '11, 38% Aug. '10, 32% Aug. '09, 29% Aug. '08).*

Irritation levels with the campaign fell this year back to those observed in 2009 and 2008.

- *Those strongly agreeing that the advertising was irritating fell to 5% (10% Aug. '10, 5% Aug. '09, 5% Aug. '08).*

On trend with previous years, there was a significant increase in the proportion of Claimants who associated the voice and music with Tax Credits.

- *Two thirds of Claimants who recognised any part of the campaign agreed strongly they knew the ad was for Tax Credits when they heard the voice (66% Aug. '11, 52% Aug. '10, 42% Aug. '09, 42% Aug. '08).*

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- A similar proportion also strongly agreed they knew the ad was for Tax Credits when they heard the music (65% Aug. '11, 57% Aug. '10, 46% Aug. '09, 46% Aug. '08).

Although Claimants increasingly claim year on year to be more knowledgeable about the system, the Deadline campaign is still considered to be relevant.

- Those strongly agreeing the campaign told them something they already knew significantly increased (55% Aug. '11, 47% Aug. '10, 41% Aug. '09, 39% Aug. '08).
- Those agreeing that the campaign told them something worth knowing remained stable (84% Aug. '11, 83% Aug. '10, 80% Aug. '09, 84% Aug. '08).

The key messages spontaneously taken out from the campaign were similar to previous years and were predominantly related to the deadline. This year however there was a significant increase in Claimants who recalled messages relating to the possibility of their payments stopping if they failed to renew.

- The key message takeaway remained, as it was last year, related to the deadline and the need to renew by July 31st (62% Aug. '11, 54% Aug. '10, 60% Aug. '09, 61% Aug. '08).
- Two in five spontaneously recalled a message related to reminding people to get their claim in (40% Aug. '11, 48% Aug. '10, 64% Aug. '09, 40% Aug. '08).
- There was a significant increase compared to last year in those replaying 'renew your claim or payments will stop' (31% Aug. '11, 18% Aug. '10, 17% Aug. '09, 13% Aug. '08).

Prompted actions after seeing the campaign were lower this year. However, within our sample, those claiming to have renewed before the Deadline phase was higher which meant less action was required for some.

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- *The key action Claimants claimed to have taken after seeing the campaign was to renew before the deadline (42% Aug. '11, 42% Aug. '10). Three in ten (28%) renewed straightaway and just over one in seven (16%) renewed over the phone after seeing the campaign.*
- *A third (32%) said they did nothing as result of seeing the campaign.*

Stills from the online renewals help video were also shown to respondents. One in twenty recognised them. This is in line with recognition levels during last year's tracking.

- *Online help video recognition was 5% (5% Aug. '10).*

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What was the effectiveness of each of the media channels in the Deadline campaign?

Those exposed to the campaign activity have generally been Tax Credits Claimants for a number of years.

- *83% of campaign recognisers have been Claimants for more than two years. This is in contrast to 60% of non recognisers of the campaign who have been Claimants for more than two years.*
- *Those recognising both TV and radio advertising or TV advertising only were more likely to have been claiming Tax Credits for more than two years (Claiming Tax Credits for more than two years: 82% recognised TV only, 89% recognised both TV and radio). Just under two in three of those claiming Tax Credits for more than two years recognised the radio only (64% Aug. '11)*

The impact of the aural triggers is clearly amplified across both media channels, reinforcing the value of the integrated campaign.

- *Three quarters (75%) of Claimants exposed to both the TV and radio adverts agreed strongly they 'Know it's for Tax Credits when I hear the music'. This was significantly higher compared to those who recognised a single media channel (50% TV only, 53% radio only).*
- *Similarly, 74% of respondents who were exposed to both the TV and radio advertising agreed strongly they 'Know it's for Tax Credits when I hear the voice'. This was also significantly higher compared to those who recognised a single media channel (54% TV only, 56% Radio only).*

The campaign was more memorable for those who recognised both the TV and radio advertising.

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- *Almost half (49%) who were exposed to both TV and radio adverts agreed strongly that the advertising ‘stuck in my mind’. This was significantly higher than those who recognised a single media channel only (36% TV only, 36% radio only).*

The radio advertising was deemed to contain a slightly newer message.

- *Claimants who saw the radio advert only were significantly less likely to strongly agree that it ‘Told me something I already knew’ (58% TV and radio, 58% TV only, 38% radio only).*
- *Respondents who recognised the radio advert only were more likely to strongly agree that it ‘told me something worth knowing’ (50% TV and radio, 50% TV only, 58% radio only).*

Prompted call to action worked best amongst those exposed to multiple media strands.

Claimants who recognised both TV and radio were more likely to say the campaign drove them to take action, particularly in terms of encouraging them to renew straightaway and to renew before the deadline.

- *43% of Claimants who recognised the TV and radio adverts said the campaign encouraged them to renew before the deadline compared to 36% TV only recognisers and 33% radio only recognisers.*
- *Significantly more recognisers of both Deadline TV and radio adverts claimed the campaign encouraged them to renew straightaway, compared to those recognising TV only or radio only (43% TV and radio, 28% TV only, 33% radio only).*

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What was the impact of the campaign on Claimants' understanding & actions?

Perceptions of the importance of renewing remained largely unchanged compared to last year.

- *The majority of Claimants continued to agree strongly that 'It is important to renew my claim to ensure it is not based on out of date information' (83% Aug. '11, 82% Aug. '10).*
- *An increasing number of Claimants strongly agreed that 'It is important to renew my claim, even if I haven't experienced any changes in my situation, to ensure I receive the right money' (81% Aug. '11, 78% Aug. '10).*
- *Likewise an increasing percentage of Claimants strongly agreed that 'It is important that I renew my claim every year otherwise my payments will stop' (85% Aug. '11, 80% Aug. '10).*

The importance of taking time when renewing to make it accurate continued to be understood by Claimants.

- *The vast majority of Claimants agreed strongly that "When renewing my claim it is important to take the time to get it right" (84% Aug. '11, 78% Mar. '11, 82% Aug. '10).*
- *It was also found that 87% of Claimants agreed strongly that 'It's important to be careful when renewing in order to ensure all the information I provide is complete and accurate' (new statement added Aug. '11).*

Spontaneous awareness of the deadline has fallen slightly compared to last year. However, the majority remained aware of the July deadline.

- *Just under three quarters of Claimants were aware that the deadline for renewing their claim was July (73% Aug. '11, 79% Aug. '10, 73% Aug. '09, 71% Aug. '08)*

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There is a suggestion that an increasing percentage of Claimants are renewing earlier. As before though, some will always leave it until the last minute to renew.

- *This year 74% of Claimants claimed to renew before TV advert aired (67% Aug. '10, 61% Aug. '09, 62% Aug. '08)*
- *Just below one in five claimed to have waited until July to renew (18% Aug. '11, 27% Aug. '10, 31% Aug. '09, 31% Aug. '08)*

Despite some leaving it until the last minute, the majority of Claimants understand the importance of renewing as early as possible.

- *When asked to what extent they agreed with the statement 'The earlier I renew my claim the better it is to ensure I receive the correct payment', 77% of Claimants strongly agreed, significantly higher than last year (68% Aug. '10).*
- *77% agreed strongly that 'It is important to renew my claim as early as possible to ensure HM Revenue & Customs don't estimate my claim and I don't have to pay money back' (76% Aug. '10,) whilst 79% agreed that 'It is important to renew my claim as early as possible to ensure I don't lose all the money I've had since April' (vs. 75% Aug. '10).*

In addition, the majority of Claimants continued to be aware of the consequences of not renewing their Tax Credits.

- *Just under three quarters of Claimants were aware that 'Your reward would stop and you would not receive any money', an increase from March (72% Aug. '11, 60% Mar. '11, 71% Aug. '10).*

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What can be done to encourage Claimants to renew earlier?

A quarter of Claimants (26%) agreed they 'I am the type of person who puts things off until the last minute', whereas just under half (47%) disagreed with the statement. A higher proportion of those agreeing that they are the type of person who puts things off until the last minute were Claimants who had received Tax Credits for less than two years (24% of newer Claimants who put things off versus 13% of newer Claimants who do not put things off). Claimants who put things off are also more likely to be lone parent families (40% who put things off versus 22% who do not put things off) or from low income households (among those with a household income up to £9,999 per annum, 29% put things off versus 18% do not put things off).

Whilst there was slightly more uncertainty about the renewal date amongst those who put things off, the majority were aware of it. Therefore, the issue of encouraging earlier renewal does not appear to be one of educational.

- *65% of those people who put things off spontaneously knew that the date of the renewal was in July compared to 76% of people who do not claim to put things off.*

It is not necessarily that the phasing of sending out renewals needs to be changed either, more that attitudes need to be affected.

- *Time when received the renewals form was similar amongst those who put things off as for those who do not put things off, but twice as many of the former renew in July (29% put things off versus 14% do not put things off).*

Those who put things off do understand the implications of failing to renew, just to a slightly lesser extent than those who attitudinally do not put things off.

- *73% of Claimants who put things off strongly agreed that 'The earlier I renew my claim the better to ensure I receive the correct payment' which was significantly*

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lower than the 82% of Claimants who do not put things off and who strongly agreed with this statement.

- *Fewer amongst those claiming to put things off strongly agreed that 'It is important to renew my claim as early as possible to ensure HM Revenue & Customs don't estimate my claim and I don't have to pay money back' (71% vs. 85% who do not put things off).*
- *Similarly, three quarters of Claimants claiming to put things off strongly agreed that 'It is important to renew my claim as early as possible to ensure I don't lose all the money I've had since April' which was significantly lower than those who do not put things off (75% put things off versus 88% do not put things off).*

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How did Claimants find the renewals process this year?

Overall, Claimants have maintained their preferred renewal method. There was a slight increase in Check and File customers and a fall in paper renewals.

- *37% renewed by paper this year (46% Aug. '10, 47% Aug. '09), 49% renewed by telephone (47% Aug. '10, 43% Aug. '09), and 13% renewed by Check and File (6% Aug. '10, 8% Aug. '09).*

Whilst renewal by telephone was still generally considered easy, it did not appear to have been considered as easy as in previous years.

- *60% of those renewing by telephone said it was very easy compared to 71% in August 2010 and 77% in August 2009.*

The decline in ease of telephone renewals did not appear to be driven by increased difficulty in getting through to the renewals line.

- *Over half of Claimants who renewed by telephone managed to get through on the first call, although one in ten claimed to have called five times or more (57% first time versus 58% Aug. '10; 11% 5 times or more versus 7% Aug. '10).*
- *Those Claimants who renewed by paper showed the same ease in renewing to previous years (68% Aug. '11, 65% Aug. '10, 56% Aug. '09).*