PAYE Customer Survey 2009 – 2010

Results and Analysis

Research and Analytics Branch
DATA - INFORMATION – KNOWLEDGE

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

Table of Contents

Figures

Tables

Executive Summary

Revenue Commissioners' Research and Analytics Branch (RAB) conducted a postal survey[1] of 'Pay As You Earn' (PAYE) customers between November 2009 and March 2010. A similar survey was conducted for the first time in 2007 (this will be indicated throughout this report as PAYE07).

The survey was carried out in two issues. The first issue was sent in November 2009 (PAYE09) and the second one in March 2010 (PAYE10). This was done to allow for comparison of the results at two different points in time to study if there is a difference in results, usage and satisfaction rates, measuring possible seasonality effects in the responses. A reminder was sent for both issues after approximately 4-5 weeks.

The PAYE customers were selected from live cases registered in October 2009 for the first issue (PAYE09) and January 2010 for the second issue (PAYE10). Two valid samples of 2,650 and 2,600 cases respectively for the first and the second issue were produced[2].

The valid sample response rates were 15% for PAYE09 and 23% for PAYE10, which enables robust analyses of the PAYE population to be carried out.

The survey was conducted to gather information on a number of key areas relating to

- ➢ Customer satisfaction with the service from and experience of Revenue;
- ➢ Communication channels between customers and Revenue;
- ➢ Feedback in relation to the PAYE anytime[3] service;
- ➢ Attitudes to tax compliance.

Where relevant, this report includes a direct comparison between the results of this survey and PAYE07. Further analysis was carried out on the results using data mining techniques to improve Revenue's understanding of the PAYE population. This involved the segmentation of the respondents in order to profile the PAYE population.

RAB also used the survey to carry out two exercises on behavioural response, using treatment and control groups to test for different responses in the population. The first exercise consisted of testing responses when sending either a one-page or a two-page survey. The second exercise tested the response rate where the covering letter used a different content style.

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[1] A copy of the survey questionnaire is reported in Appendix 1.
[2] Of two original samples of 2,698 cases for PAYE09 and 3,990 cases for PAYE10 a number of categories were deselected, e.g. Revenue employees, directors, Non-residents and cases recorded as recently deceased.
[3] PAYE Anytime is Revenue's On-Line Service for employees

Key Findings

Customer Service

Respondents expressed overall high satisfaction levels which indicate that PAYE customers have a positive attitude towards Revenue. Satisfaction with customer service delivery both at the overall level and specific to various communication channels is high, with around **91%** of respondents either *very satisfied* or *satisfied* with overall customer service delivery. This represents an increase on the 88% recorded in PAYE07.

Feedback on the PAYE anytime service

The majority of respondents who had used this particular service indicated that *PAYE anytime* is easy to use. Among the various services offered, *Amend Details* and *View Tax Records* were indicated as being easy to use by about **90%** of respondents.

Attitudes towards tax compliance

Responses to attitudinal questions relating to tax compliance and compliance with other regulations were analysed both on a question-by-question basis as well as collectively. The results indicate that fraud and tax evasion are not acceptable to the large majority of the PAYE population. Segmentation of the responses to the attitudinal questions was also carried out and the results are categorised and presented.

1: Introduction

Revenue's Research and Analytics Branch (RAB) conducted a postal survey of PAYE customers between November 2009 and March 2010. More than five thousand survey forms were issued. These were issued on two separate occasions to allow for comparison of the results at two different points in time, specifically before the end of 2009 and in the first months of 2010. This was done in order to test for any seasonal variations particularly in relation to usage and satisfaction with the channels of contact, as customer contacts with Revenue tend to be higher in the first quarter of the year.

The response rate was 19.2% on average (15%[4] and 23% for issue one and issue two respectively) giving an effective sample of 1,009 cases. This response rate allows robust conclusions to be drawn about Revenue's PAYE customer base. The results obtained are compared, where relevant, with those of a similar survey carried out in 2007 (PAYE07).

1.1   Objectives

The survey was conducted to try to quantify a number of aspects relating to PAYE customers. The two broad areas covered by the questions asked were '*Customer Service*' and '*Attitudes to Tax Compliance*'. This report focuses on four themes that can be explored within these areas with the evidence gathered from the survey. These are:

> ➢ Customer satisfaction with the service from and experience of Revenue;
>
> ➢ Communication channels between customers and Revenue;
>
> ➢ Feedback in relation to the PAYE anytime service;
>
> ➢ Attitudes to tax compliance.

There are interrelations between these themes, which are also explored. Certain demographic information about respondents was captured in the survey and was added to the analysis, such as age, gender, occupation and education level.

1.2   Methodology Used in the Survey

1.2.1   Objectivity and Confidentiality of the Survey

As the survey was conducted directly by RAB, a number of steps were taken to ensure objectivity and assure confidentiality to respondents.

> ➢ A covering letter was issued with each survey, which invited the customer to participate. The survey was entirely voluntary. In the second issue, the sample was randomly split into two subsets and different letters were sent to each group to test for response rate (see Appendix 2).

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[4] The responses to the reminders from the first issue have been omitted from the analysis due to a technical error that occurred in the issuing process.

- The covering letter explained the reasons for conducting the survey, that RAB of the Revenue Commissioners was conducting it, and that all responses would be treated confidentially. These points were repeated on the survey form itself. Data from respondents were captured and analysed by RAB and are only accessible to the Branch.

- Contact names and telephone numbers for RAB staff members were clearly provided in the covering letter. Respondents were advised to contact RAB if clarification regarding any aspect of the survey was required.

- The questions were worded in a neutral way so as to minimise bias in the responses of the respondents.

- Comment boxes were offered in relevant sections of the survey.

1.3 A Note on the Results in this Report

The results presented in this report will generally be aggregated for the two separate issues of the survey PAYE09 and PAYE10 and they will be indicated as PAYE09-10. Where relevant, any specific distinction between the two will be detailed.

The questions asked in the survey often allowed respondents to indicate more than one category as a response. Thus categories are not mutually exclusive in many instances. This is particularly relevant when considering percentages and total figures in this report. Most results using percentages have been rounded for clarity.

1.4 Exercises on Behaviour

RAB used this survey to also conduct some behavioural exercises using treatment and control groups. Two separate exercises were conducted.

It could be argued that the response rate could change if a survey is too long. To test this, the two initial samples were randomly split in two subgroups of equal size. Group 1 received only one page while group 2 received two pages. The first exercise tested responses where those surveyed received a one page or a two page survey. The one page survey form concentrated on customer service and the two-page survey had an additional set of questions relating to attitudes towards taxation.

The results show that there was not a significant difference in the number of responses received from the two groups suggesting that a two-page/ four-page survey does not significantly impact the response rate. It also indicates that customers are willing to provide attitudinal information.

The second exercise was applied to the second issue of the survey in 2010 and involved testing a different approach to the covering letter in terms of content and font style. No difference in response rates was detected in using the different approaches to the covering letter.

1.6 Acknowledgement

RAB would like to thank all those who responded to the survey. The information produced will be used to review and improve Revenue's service to its customers.

2: Customer Satisfaction with Revenue

Revenue invests considerable resources in maintaining and improving customer service delivery. It is therefore important that Revenue measures usage and reviews satisfaction levels with the service and experience it provides to its customers. Thus, one of the main focuses of this survey was an attempted quantification of PAYE customer satisfaction and to compare, where relevant, the current results to those of the survey carried out in 2007 (PAYE07).

Those surveyed were asked to indicate a level of agreement/ disagreement with the following statement *'I am satisfied with the overall service I get from Revenue'*. Of the total respondents 91% indicated that they somewhat agree, agree or strongly agree with the statement. In PAYE07 an overall satisfaction of 88% was recorded. The results are presented in Figure 1.
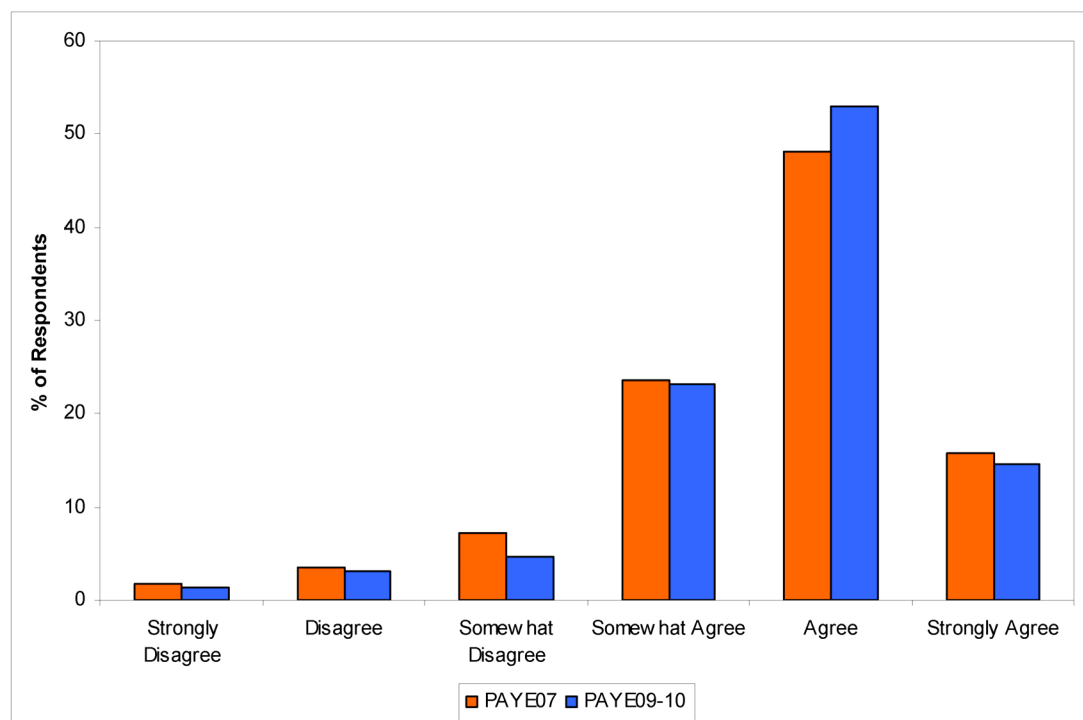
Figure 1. Overall satisfaction with Revenue service and comparison with PAYE07 results.

It can be noted here that the results of both surveys are very similar. This is a consequence of the fact that the sample has been randomly chosen and, while some fluctuations in the overall satisfaction can be expected, the overall distribution remains quite similar through the years, as it takes time to change people's opinions once established. The strong similarity between the two distributions also indicates that the results of these surveys are very robust and quite reliable from a statistical point of view. It is important to note that the only significant difference in the data between PAYE07 and PAYE09-10 is in relation to the *Agree* value, which has increased by about 5% and the *Somewhat Disagree* value, which has decreased by 2.4%.

3: Source of Information

The first question in the survey asked customers to indicate what source of information about tax credits and relief entitlements they use. A list of 11 choices was provided, as well as the option to indicate other sources used that were not listed. 96% of all respondents indicated at least one preference for this question. The results are presented in Figure 2.
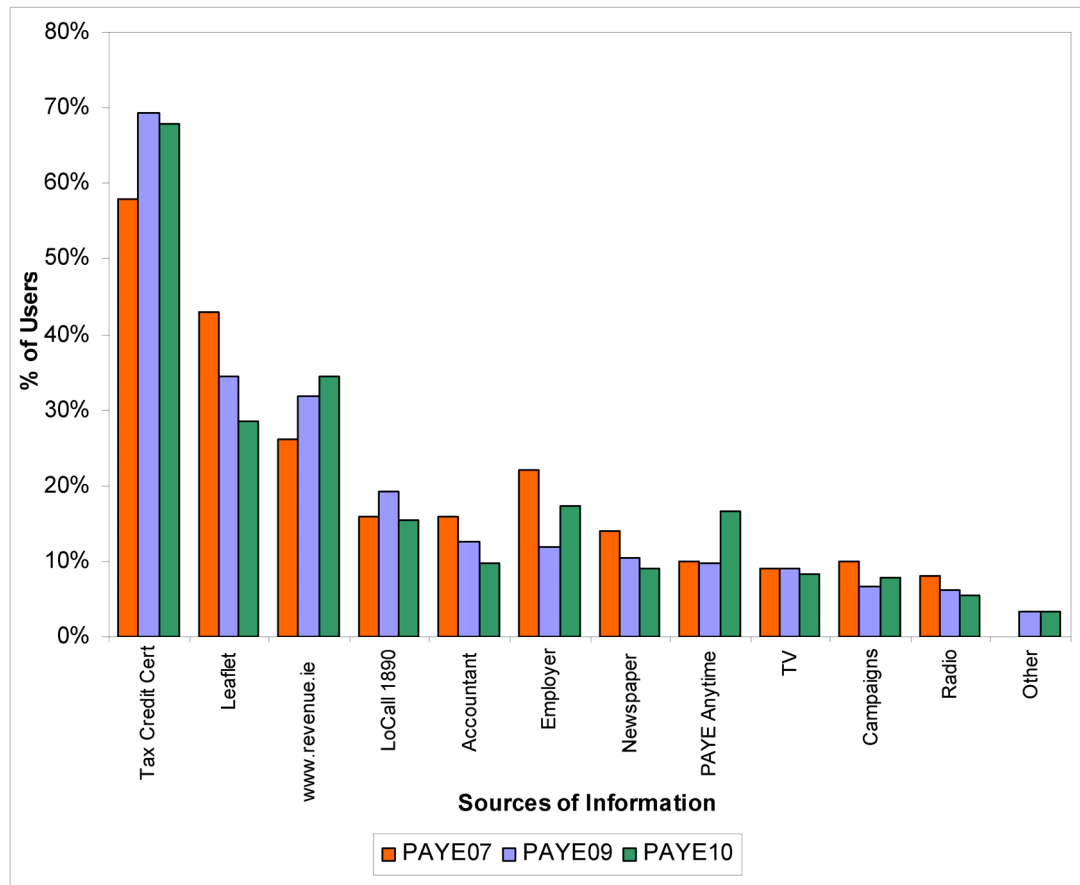
Figure 2. Source of information used and comparison between PAYE07, PAYE09 and PAYE10.

PAYE09 vs PAYE10

There is no significant difference in the responses of the two issues of PAYE09-10, with the exception of the *PAYE anytime* channel that is indicated as being used significantly more in the second issue and the *Leaflet*[5], that shows the opposite variation. Customers tend to contact Revenue in the first quarter of the year so the increase in take-up of PAYE anytime is expected and encouraging. While the employer is less used when compared to PAYE07 respondents do continue to refer to their employer as a source of information.

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[5] The explanatory leaflet that issues with a Tax Credit Certificate. A Tax Credit Certificate is a statement that Revenue issues showing PAYE customers their tax credit and standard rate bands.

PAYE10 vs PAYE07

In comparison with PAYE07, while generic media channels such as *TV* and *Radio* do not show a significant change in usage, the Revenue *website* shows a significant increase as well as the *Tax Credit Certificate (TCC)*. The *Leaflet* is the only source of information that shows a decrease in usage for information purposes.

The second question asked customers to rate the helpfulness of the Revenue sources of information used. All Revenue sources were indicated as helpful by the majority of respondents (at least 80%). As Figure 3 shows, the results are broadly comparable with those obtained in PAYE07. PAYE anytime was not included in PAYE07, therefore it is not reported in the graph. The fact that PAYE anytime and the website are rated in the 90% range is a very encouraging measure of the helpfulness of Revenue's electronic sources of information.
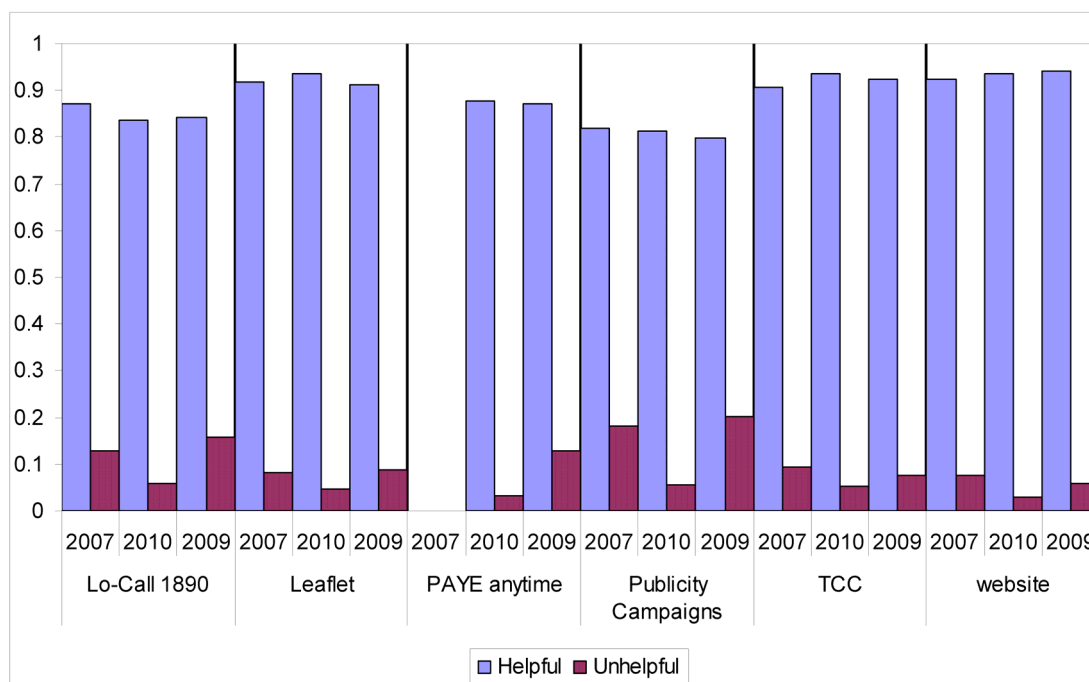
Figure 3. Helpfulness of Revenue's sources of information.

4: Channels of Contact: Usage and Satisfaction

4.1   Contact Methods and Usage Rates

Of the 1,009 respondents, 72% indicated that they had made personal contact with Revenue in the last year. This represents a significant increase in comparison with PAYE07 when only 46% of the respondents had contacted Revenue. This could be attributed to the economic downturn and associated increases in unemployment related tax queries. Changes introduced in the Budget, such as the income levy, would have also led to an increase in customer contacts.

Most Common Channels of Contact

The methods of contact most commonly used are the *Lo-call 1890* service and *Sending in a Form*. More than half of the respondents used these channels at least once in the year preceding the survey. In comparison to PAYE07, usage of the *Lo-call 1890* service has decreased, while *Sending in a Form* has increased. The next most used channel was *Calling in Person to a Revenue Public Office*, with 35% on average between the two issues of PAYE09-10 indicating that they had used this contact channel. *PAYE anytime* was used by about a third of the respondents, a significant increase from PAYE07.
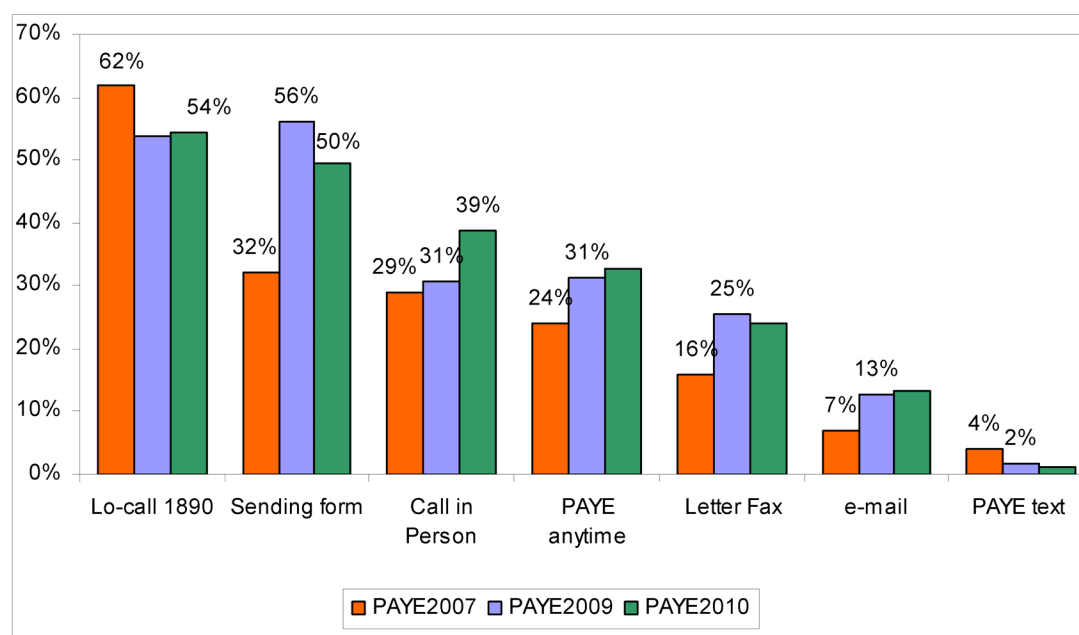
Figure 4. Most Common Channels of Contact.

In comparison to PAYE07, all channels with the exception of *Lo-call 1890* and *PAYE text messaging* recorded an increase in usage. While *Sending in a Form* has increased by about 20%, all other channels show an increase of 6% - 9%.

Respondents in the higher age bands (45 and older) tend to contact Revenue more than their younger counterparts. This represents a difference in comparison to PAYE07 when the most active age group was 26-44.

Frequency of Usage

Those surveyed were asked if they contacted Revenue and, if yes, to indicate how many times for each of the channels of contact provided in the list of options: *Didn't use*, *Once, 2 to 3 Times, 4 to 6 Times* and *More than 6 Times*. The results of both issues PAYE09 and PAYE10 are broadly comparable which indicates that there is no statistical difference between the results of the two issues in relation to frequency of usage of the channels of contact. They are presented in Figure 5. Those that responded *Didn't use* were not included in the graph for clarity.
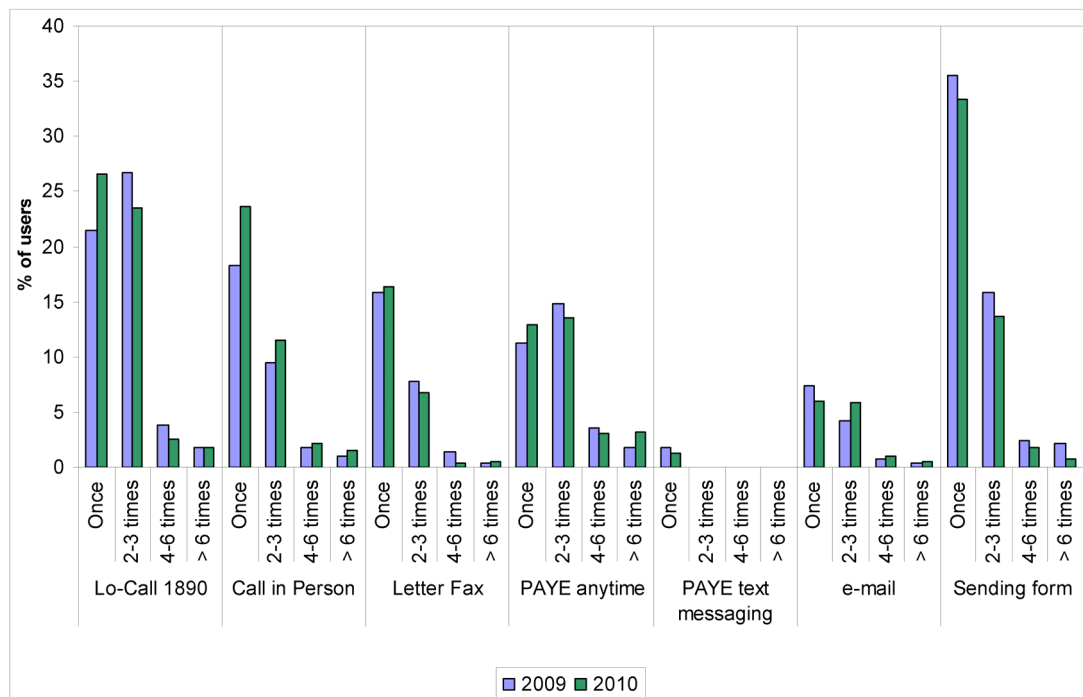
Figure 5. Usage frequency for each channel of contact.

The usage patterns of the different channels of contact depend on the type of channels. In fact, it can be seen from Figure 5 that two types of patterns are evident: the first is that for *Sending in a Form*, *Call in Person* and *Letter/Fax*, that is a unimodal distribution with *Once* as the most common value by far. The second pattern is that shown by *Lo-Call 1890*, *PAYE anytime* and *e-mail* and is a bimodal distribution where *Once* and *2-3 times* score very similar usage.

Increase in the Levels of Contact

The measured increase in the levels of contact with Revenue is also evident by comparing the minimum number of contact events recorded in the Survey in 2009-10 in comparison with PAYE07, presented in Table 1. This is calculated considering the lower end of the options provided to those surveyed[6].

Table 1. Minimum number of contact events and proportion for each relevant year.

	2007	2009	2010
Minimum number of contact events	2,687	1,047	1,604
Number of respondents	885	284	443
Minimum number of events per respondent	3	3.7	3.6

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[6] As an example *2 to 3 Times* is considered 2 times

The increase in the minimum number of events per respondent reflects the increase in the engagement of the PAYE population with Revenue. As stated earlier this could be attributed to a number of factors associated with the economic downturn for example increases in the number of customers with unemployment taxation queries and queries arising from budget changes introduced.

Satisfaction with the Channels of Contact

Those surveyed were asked to rate their satisfaction with the channels of contact that they used indicating a preference from the list of: *very satisfied*, *satisfied*, *somewhat satisfied*, *somewhat dissatisfied*, *dissatisfied* and *very dissatisfied*. The majority of respondents were generally satisfied with all channels, as presented in Table 2. Satisfaction levels are quite similar to those recorded in PAYE07, except for the *PAYE anytime* method, which shows a large increase in the mean satisfaction level from 76% to 91% between 2007 and PAYE09-10 issues. The *Lo-Call 1890* and the *Letter/ Fax also* show a smaller but still significant increase. These are very positive results for Revenue when one considers that in 2009 just over two million contact events used the 1890 telephone service for PAYE taxpayers and almost 500,000 customers registered for PAYE anytime.

Table 2. Satisfaction levels with each contact channel per each relevant year. In the table, total percent of *Very Satisfied*, *Satisfied* and *Somewhat Satisfied* are indicated.

Method of Contact	2007	2009	2010	Mean 2009-2010	Variation 2007-2009/10
Lo-Call 1890	83%	87%	91%	89%	6%
PAYE anytime	76%	88%	93%	91%	15%
e-mail	86%	94%	83%	88%	2%
Sending in a Form	90%	94%	92%	93%	3%
Letter Fax	82%	88%	92%	90%	8%
Call in Person	90%	90%	91%	91%	1%
PAYE text messaging	73%	100%	88%	94%	19%

Breakdown of Satisfaction Levels for each Channel of Contact.

Figure 6 illustrates the breakdown of the satisfaction levels into the six categories from *very satisfied* to *very dissatisfied.* For all channels, the mode is generally *satisfied* or *very satisfied*. Similar results are recorded for PAYE09 and PAYE10.
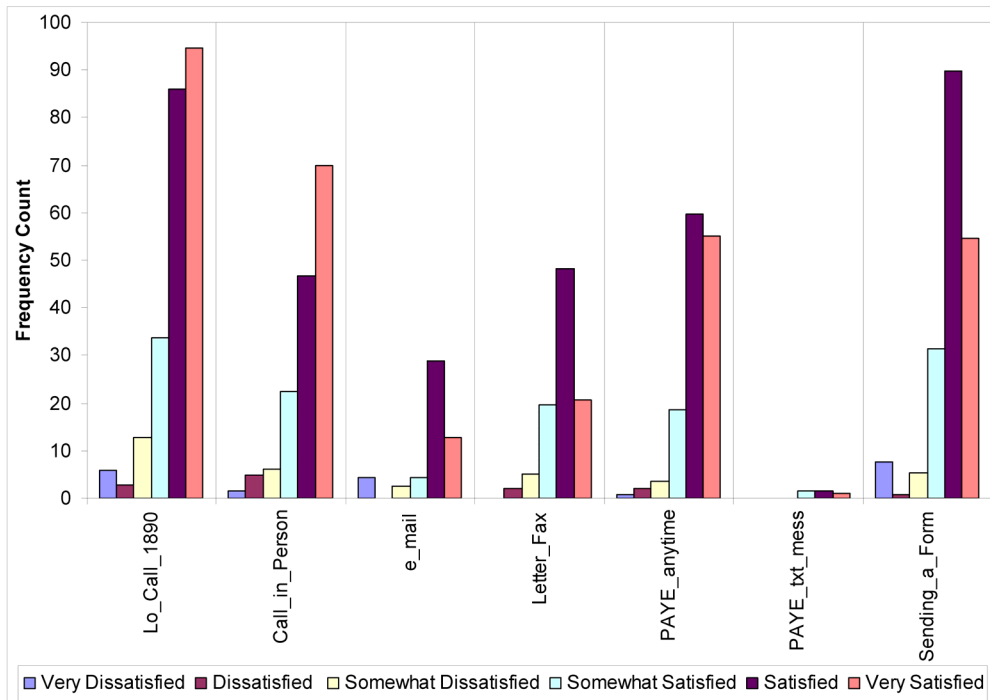
Figure 6. Satisfaction with the various Channels of Contact with Revenue.

Waiting Times

Questions six and seven asked those surveyed to indicate how long they were prepared to wait for a Revenue staff member to answer a phone call or to deal with a query when calling to a public office. The results are presented in Figure 7 and show that overall, the majority of respondents are willing to wait for five minutes for a phone call and between five and ten minutes for calling in person to a Revenue office.
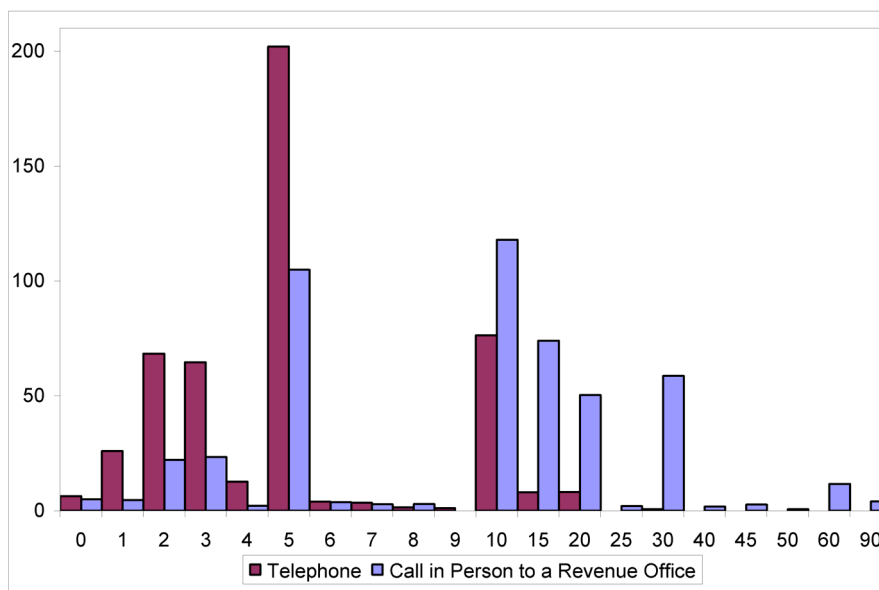
Figure 7. Waiting times in relation to the telephone and calling in person to a Revenue public office.

Preferential method of contact with Revenue.

One of the questions included in the survey asked the respondents to indicate which channel they would prefer to use from a list provided. The list included the channels already discussed, namely:

- ➢ www.revenue.ie
- ➢ Letter / Fax
- ➢ Calling in Person
- ➢ Telephone
- ➢ PAYE anytime
- ➢ e-mail.

The preference was indicated by rating the channels from 1 to 6 where 1 indicated the most preferred method while 6 the least preferred one. The results are presented in Figure 8 and show that the preferred channel is the Telephone, closely followed by Calling in Person to a Revenue office. The least preferred method is Letter/ Fax. These results have to be cautiously interpreted, as it seems that part of the respondents did not understand the question as they have indicated the same rating for more than one channel.
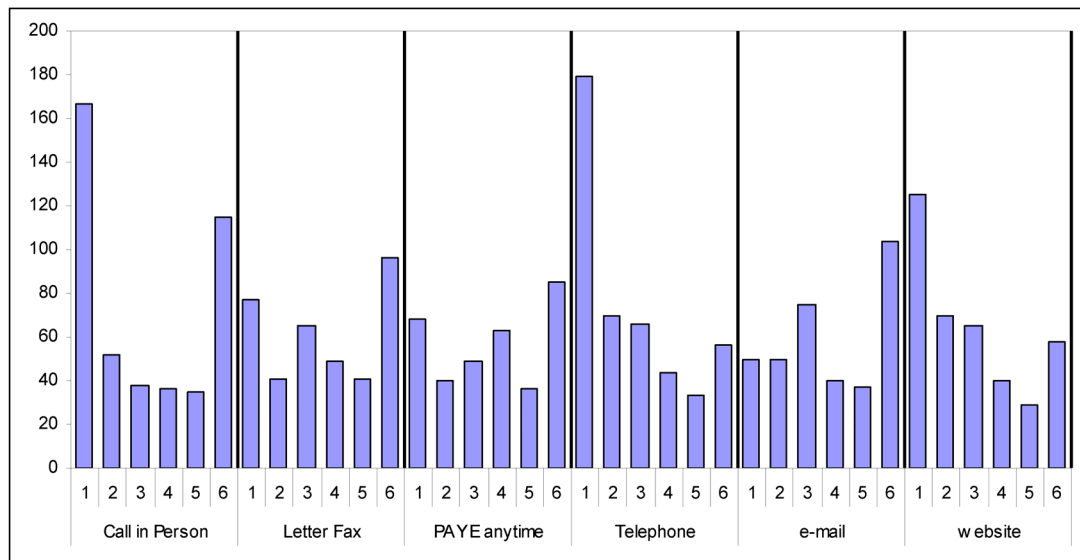
Figure 8. Preferred Channels of Contact with Revenue.

PAYE anytime

A section of the survey was dedicated to *PAYE anytime*, Revenue's on-line service for employees. This interactive facility offers employees a quick, secure and cost effective method to manage their taxes online. Its benefits include efficient processing times and the flexibility to do business with Revenue at a time and location that is convenient. This section of the survey was designed to obtain views from those respondents who had used it. The information will be used to inform strategies aimed at increased take-up of PAYE anytime.

The first question in this section of the survey (question 8) asked *How did you hear about PAYE anytime?* Those surveyed were given an open text field to answer[7]. Almost 40% of the total respondents replied to this question. There are not statistically significant differences in the respondents from the PAYE09 and PAYE10 issues, therefore they are presented jointly in Table 3. The majority indicated *Revenue Correspondence*, *Advertising*, the *Internet and Associates*. This is a very encouraging result for Revenue, as specific resources are dedicated to increasing awareness and take up of *PAYE anytime*.

Table 3. Answers to question 8: *How did you hear about PAYE anytime?*

How did you hear about *PAYE anytime*?	% of respondents
Revenue Correspondence	30
Advertising	19
Internet	14
Associates	12
Uncertain	9
Did not hear	8
Work	7
Accountant	2
Other	2
Calling to Public Office	1

The next question asked the respondents to rate a list of services offered through PAYE anytime on how easy they are to use. The options offered were *Didn't Use*; *Easy to Use*; *No Opinion* and *Not Easy to Use*. The respondents, 24% of the total, indicated that PAYE anytime is generally easy to use. The results between the two issues PAYE09 and PAYE10 are presented in Figure 9. The differences between the two issues vary in relation to the specific service. In particular, *Tracking your Correspondence* service shows a large increase in ease of use compared to PAYE09. With the exception of *Dividing Tax Credits between Yourself and your Spouse* service, there was an increase the number of respondents that considered the services easy to use in the PAYE10 issue.

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[7] The answers were categorised using the software SPSS Text Analysis for Surveys (STAfS).
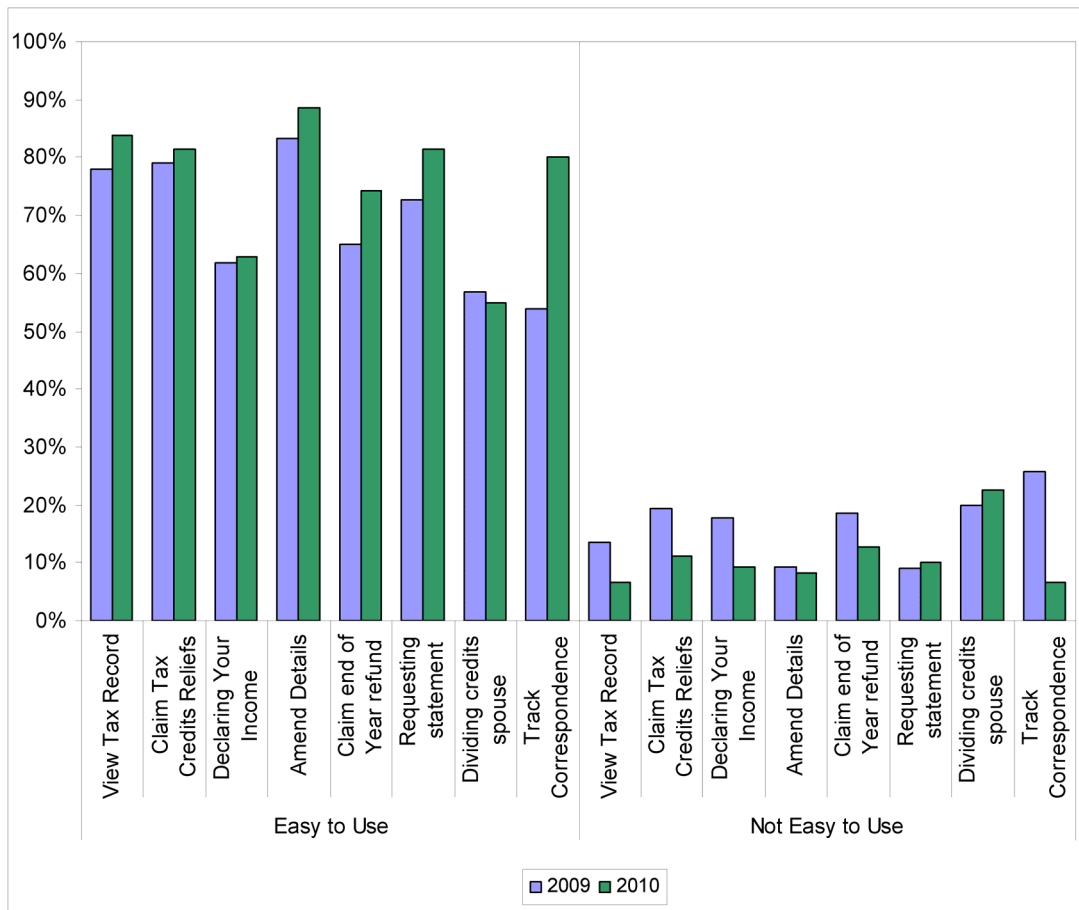
Figure 9. Ease of use of PAYE anytime services

The focus of questions 10 and 11, was to measure if customers would use PAYE anytime again, and if they would suggest it to friends, family members and work colleagues.
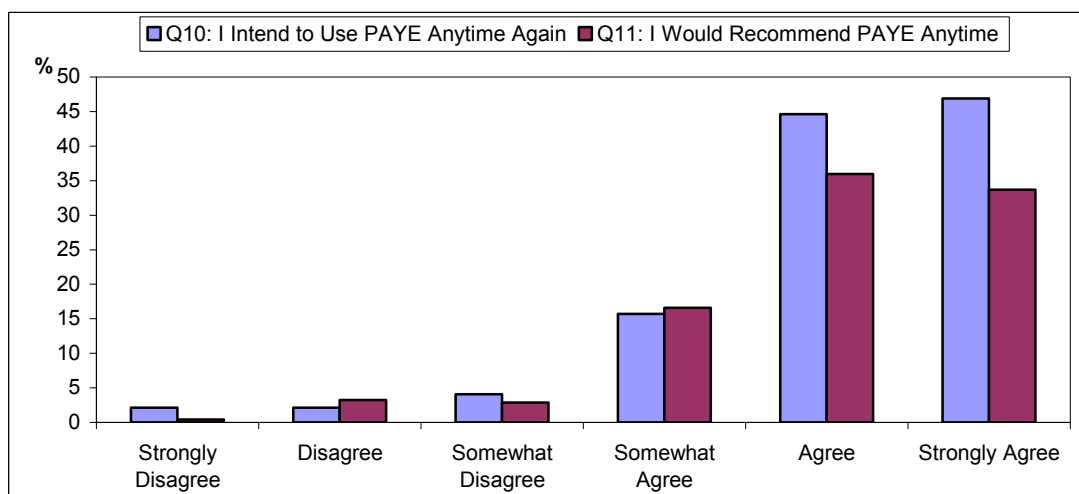

Figure 10. Answers to questions 10 and 11.

Table 4. Cross tab analysis of questions 10 and 11. (Frequencies have been rounded)

			Q10: I intend to use PAYE anytime again		
			Disagree	Agree	Total
Q11: I would Recommend PAYE anytime to friends, family members, work colleagues.	Disagree	Frequency	13	8	20
		Expected	1	19	
		Chi-Sq	99	7	
	Agree	Frequency	3	225	228
		Expected	14	213	
		Chi-Sq	9	1	
		Total	16	232	248
Frequency Missing = 361					

The cross tab analysis of questions 10 and 11 confirms that respondents that would use PAYE anytime again will also recommend it to friends and vice versa.

Question 12, asked if they would or would not recommend PAYE anytime, why. Of those that responded (18% of the total) 14% indicated general satisfaction; 25% of comments related to ease of use and another 25% referred to its efficiency and/or helpfulness. There were a small number of negative comments with 14% referring to a lack of understanding, difficulty in accessing it or that it did not function well. Just 3% indicated that they were dissatisfied or would not recommend PAYE anytime.

Table 5. Responses to question 12. These categories are not mutually exclusive, the same comment can be included in more than one categories.

If you indicated in question 11 that you would or would not recommend PAYE anytime, please tell us why.	% of respondents
Ease of Use	25%
Efficient and/or helpful	25%
General Satisfaction	14%
Does not function well/hard to access/lack of understanding	14%
Would recommend/intend to repeat usage	3%
Would not recommend/dissatisfied	3%
Will try in future	1%

Satisfaction with the service provided by Revenue

To help customers understand their entitlements and obligations Revenue continually tries to improve the quality of information it provides based on plain English standards. Accordingly, those surveyed were asked to rate their level of agreement with the following sentence: *Revenue uses understandable language to explain my PAYE entitlements*. Overall agreement is very high and there are no significant differences between PAYE09 and PAYE10. The results are presented in Figure 11.
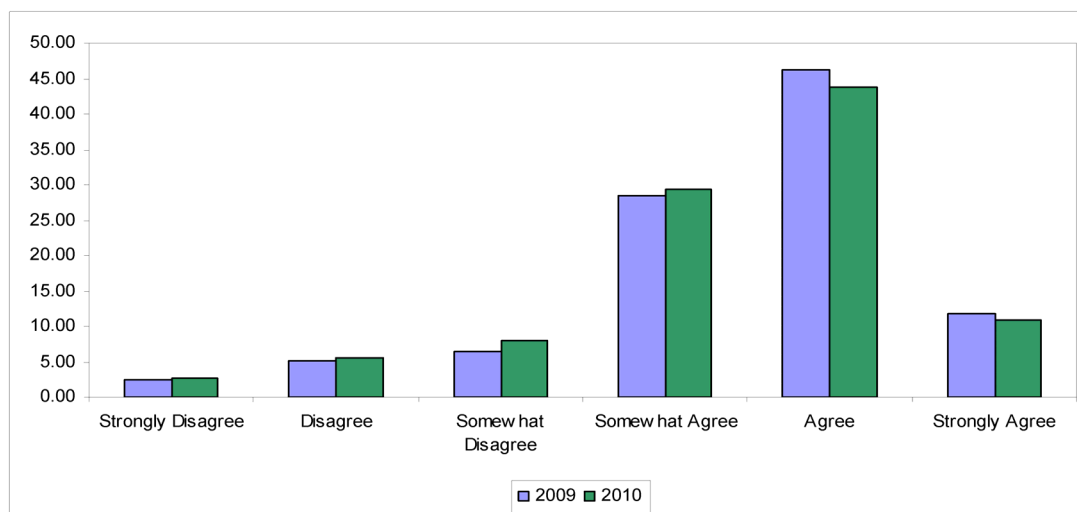
Figure 11. Satisfaction levels with overall service provided by Revenue.

The customer service section of the survey concluded with two open text questions. Question 16 requested respondents that were dissatisfied with the service they got from Revenue to indicate the reasons for their dissatisfaction.

Only 4% of respondents took the opportunity to comment on their dissatisfaction with the overall service from Revenue by answering question 16. In general the comments referred to dissatisfaction with the telephone service and delays in dealing with enquiries.

Question 17 asked respondents to comment on any aspect of the survey or to suggest improvements or additional services they would like to see provided. Of the 141 responses to this question 52 related to suggested improvements, improved publicity or the need for more information, 45 were comments of a dissatisfied nature while 18 comments were positive.

Table 6. Any other suggestion or comment to the survey.

Question 17. Any other comments.	Count	Percent
Dissatisfied	45	54
Suggested improvements	25	30
Satisfied	18	21
Publicity	17	21
Need more information	10	12
No Experience/ Does Not Apply/ Don't Know	21	26
Comments on Survey	5	6

Attitudes Towards Taxation

Revenue's primary goal is to ensure, as far as possible, that everyone complies with their tax and customs responsibilities. To achieve this and particularly with a view to influencing a culture of voluntary compliance among customers, Revenue has a wide range of customer service and compliance programmes in place.

In recent years, research is being undertaken to improve knowledge on what motivates taxpayers and their behaviour and attitudes to tax compliance. For example a recent OECD report[8] stresses the need for tax administrations to be aware of the prevailing attitudes and behaviour by using regular public opinion research to provide knowledge critical to developing compliance and customer service strategy.

With a view to developing an improved understanding of attitudes to tax compliance and compliance with other regulations, the questionnaire included 15 statements designed to gain such insights. Respondents were asked to rate statements against a six level scale that ranged from *Strongly Agree* to *Strongly Disagree*. Results are presented in Table 7. The information provided by the results and analysis can help to develop policies that will influence compliance behaviour in line with international best practice. There is a strong agreement among the PAYE population for some of the statements. For others, judgments are spread out in a broader range, showing that the opinions of the respondents are diverse.

The large majority of respondents indicated that fraud and evasion are not acceptable by the Irish society. However, when rating if evasion should be reported or if evaders should be jailed, even though the majority agree with both, the responses are mixed and the agreement is not as strong as in the case of fraudulently claiming credits and/or benefits when not entitled.

In particular, statement number 7: *Deliberate tax evasion is considered unacceptable by Irish society* is quite spread in ratings. There is also an overall disagreement of 30% for some forms of non-compliance, such as not paying TV licence or purchase goods abroad and not declaring them to Customs, perhaps suggesting that they are considered less serious by some.

Overall, respondents indicated that *Revenue is successful in dealing with tax evasion* and that *Revenue is able to detect people not paying the right amount of tax* although the agreement is not strong, and about 20% disagree with it.

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[8] http://www.oecd.org/dataoecd/58/38/46274793.pdf?contentId=46274794

Table 7. Breakdown of the responses to the attitudes to tax compliance.

	STATEMENTS	Strongly Disagree %	Disagree %	Somewhat Disagree %	Somewhat Agree %	Agree %	Strongly Agree %
1	It is acceptable to claim social welfare benefits that you are not entitled to.	79	14	2	1	1	3
2	Those who evade tax repeatedly should receive a jail sentence.	2	4	8	22	24	40
3	It is acceptable to report someone who is evading tax.	1	2	4	20	37	35
4	Deliberate tax evasion is on the increase.	1	7	11	30	32	19
5	It is not acceptable to use public transport (for example, buses, trains, etc.) without a valid ticket.	2	2	1	5	33	59
6	It is acceptable to claim credits or reliefs from Revenue that you are not entitled to.	62	27	3	1	3	4
7	Deliberate tax evasion is considered unacceptable by Irish society.	4	13	14	24	29	16
8	It is acceptable to report someone who is fraudulently claiming social welfare benefits.	1	0	3	16	40	39
9	It is acceptable to legally avoid paying taxes by using loopholes in legislation.	35	28	10	14	9	3
10	Revenue has been successful in dealing with tax evasion over the last 5 years.	6	7	10	33	34	10
11	It is unacceptable to buy services knowing that the income from them will not be declared to Revenue.	4	5	8	21	39	23
12	Revenue is able to detect people not paying the right amount of tax.	3	8	12	34	32	10
13	It is acceptable to purchase goods abroad, over the Customs limit, and not declare them to Customs when they are brought into Ireland.	21	36	15	15	10	3
14	It is unacceptable to have a TV at home without a TV licence.	9	8	3	9	33	37
15	It is acceptable to declare some income but not all of your income for tax purposes.	35	41	9	8	4	3

Segmentation of the PAYE Survey Respondents

The responses to the survey were analysed using segmentation analysis. The Average Clustering algorithm in SAS Enterprise Miner was used to carry out this analysis. Three segments have been identified, which can be sub-grouped into six clusters, as presented in Figure 12 and Table 8.

SEGMENT A: Customers that use Traditional Types of Contact Channels

Customers in this segment tend to use traditional type of channels of contact with Revenue. They also use other channels but in minor proportions. They are slightly more female, range over all ages between 26 and 66, tend to be in possession of second or third level education and have professional jobs. They are very satisfied with the overall service received from Revenue. They indicate positive attitudes to compliance, are against evasion, and have indicated that Revenue has been successful in combating evasion. Customers in this segment naturally split into two clusters described below.

Cluster 1 (9%): Telephone Users. Positive Attitude to Compliance. Revenue Successful against Evasion

- Use 1890. Very satisfied with it
- Female 34-55 age group
- With 2nd and 3rd level education
- Professionals (Managers/Directors)
- Very satisfied with overall service from Revenue
- Positive attitude to compliance
- Revenue is performing well against evasion

Cluster 4 (12%): Not IT-Literate; Don't Use PAYE Anytime.

- Use all non e-channels.
- 26-66 age group
- With 3rd level education
- Very positive attitude to compliance
- Avoidance not acceptable
- Evasion is on the increase
- Revenue not successful against evasion

SEGMENT B: e-Customers.

Respondents in this segment tend to be younger, in the 16-44 age band, with 3rd level education and they tend to be slightly more male from the Dublin region. They are professionals, in particular accountants and workers in the financial sector. This segment is characterised by customers that prefer using e-channels to contact Revenue. They like to use PAYE anytime and the website and are satisfied with these channels. This segment splits into two clusters described below.

Cluster 2 (13%): Professional e-Customer From Dublin.

- Use all channels.
- 26-44 age group
- With 1st or 3rd level education
- Accountant/ Admin/ Finance
- From the Dublin region

- Use PAYE anytime and are very enthusiastic

- Very satisfied with overall service from Revenue

- Very positive attitude to compliance

Cluster 5 (13%): Demanding Students; e-Customer.

- 16-25 more prevalent

- Use PAYE anytime extensively

- PAYE anytime easy to use

- Use TCC and leaflet as source of info

- Less satisfied than other clusters

- While generally satisfied, they would like more.

- Positive attitudes to compliance

- Avoidance acceptable

- Ambivalent about Revenue being able to find people not paying the right amount of tax.

This cluster includes a novel type of customers that seem to have higher expectations than the other ones in relation to on-line service. They also seem to be ambivalent towards compliance and Revenue has the opportunity to influence directly some of their views by using behavioural treatments to "nudge" them in a different direction.

SEGMENT C: Seldom Contact Revenue.

Respondents in this segment seldom contact Revenue, tend to be in the 45 and older age band and have generally 2nd level education. They are divided into two clusters which are described below.

Cluster 3 (32%): Housewife / Retired.

- Seldom contact Revenue

- More female

- 2nd level education

- Very likely to be compliant

- Revenue not successful against evasion

Cluster 6 (22%): Ambivalent towards Compliance– Retired; Seldom Contact Revenue, Lower Income.

- 56 and over age cohort;

- 2nd level education;

- Slightly more male;

- Retired/ Pensioners;

- Slightly more from BMW;

- Lower income;

- Ambivalent in relation to avoidance and evasion;

- Revenue successful against evasion;

- Included those that indicated that it is not acceptable to report someone that is evading tax;
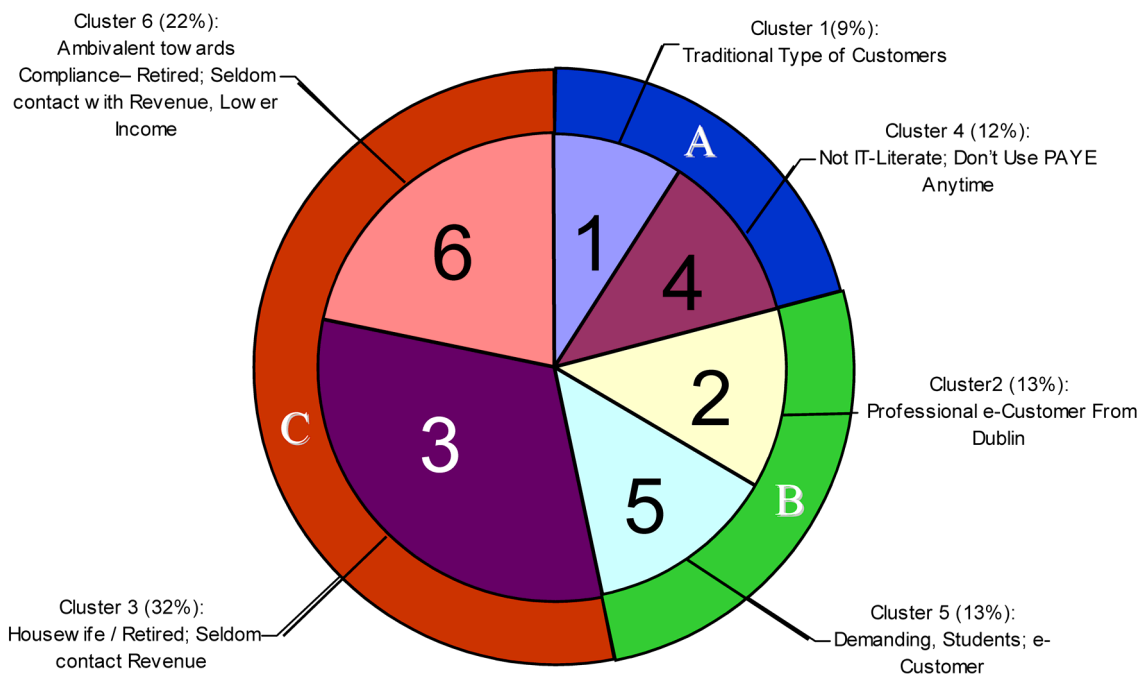
- Maybe did not understood survey completely.

Figure 12. Segments Chart.

Table 8. Summarisation of the results of the PAYE Survey Segmentation Analysis.

	SEGMENT A Customers that use traditional channels of contact		SEGMENT B e-Customers		SEGMENT C Seldom contact Revenue	
	Cluster 1	Cluster 4	Cluster 2	Cluster 5	Cluster 3	Cluster 6
Label	Positive Attitude to Compliance. Revenue Successful	Do not use PAYE anytime	Professional from Dublin	Demanding Student;	Housewife Retired;	Ambivalent to Compliance Retired; Lower income
Age Band	35-55	26-66	26-44	16-44	All (F)	>56
Education	2nd-3rd	3rd	2nd-3rd	3rd	2nd	2nd
Profession	Professionals	-	Professionals	Students	Retired/ Housewife	Retired or Factory/ Construction/ Technicians
Satisfied with Overall Service from Revenue	Very Satisfied	Very Satisfied	Yes	Less Satisfied than other Segments	-	-
Revenue is Successful Against Evasion	Yes	No	No	No	No	Yes
Use PAYE anytime	No	No	Extensively	Yes	No	Yes
Attitude to Compliance	Positive towards Compliance	Very Positive towards Compliance	Very Positive towards Compliance	Ambivalent towards Compliance	Very Positive towards Compliance	Ambivalent towards Compliance

24

Conclusions

This report presents the results of a survey conducted by the Research and Analytics Branch of the Revenue Commissioners aimed at the measurement of the usage and satisfaction of the channels of contact between the PAYE customers and Revenue and the attitudes towards tax compliance of the same population.

Robust quantitative results are drawn from the analysis of the answers. The information obtained can be used in several aspects of customer service in order to improve the overall PAYE customer experience.

Satisfaction with both the channels of contact and with the overall service provided by Revenue is very high. Of the total surveyed, **91%** indicated that they are satisfied with the service they receive from Revenue. In comparison with the survey conducted in 2007 a small increase in satisfaction rates has been recorded. When one considers that Revenue has about 2 million PAYE customers registered, this is a very positive result. They are accredited to the professionalism of Revenue's front-line staff providing day-to-day customer service.

While Revenue will continue to offer services through the 1890 Lo-Call and public offices it is very encouraging that those who opt to use PAYE anytime are very satisfied with this service and would recommend it to others. This information will be used to influence more PAYE customers to use PAYE anytime, as it is an efficient and convenient channel for doing business. Offering self-service channels is an important focus of customer service strategy for Revenue so that the organisation can meet the challenge of continuing to provide quality service delivery with reduced staff resources.

Similarly the Revenue website shows a significant increase in usage as a source of information. Again, the provision of clear and easy to understand information on the website can increase its usage and translate in a reduction in the number of contacts through resource intensive channels like the telephone and public offices, improving the overall customers experience with Revenue. The survey results also indicate the amount of time that respondents are willing to wait on the telephone or in a public office and this information is very useful for resource deployment considerations.

The results of the attitudinal questions indicate that tax evasion and non-compliance with tax regulation and other regulations is considered unacceptable. Revenue can use this to inform communications or strategies aimed at influencing compliance behaviour.

Segmentation analysis has highlighted the presence of three different types of customers that Revenue deals with. Segment A, which includes those types of customers that use traditional communication channels like the telephone or correspondence to deal with Revenue. They are overall satisfied with their dealings with Revenue and have generally positive attitudes towards compliance. Segment B includes all those customers that embraced the electronic communication channels, in particular PAYE anytime, which appears to be very successful among its users. Within this segment, there is a subgroup of customers that appear to be less satisfied, perhaps because more demanding, as they are used to a high standard of service from

on-line applications. It is in Revenue's interest to meet their expectations, as they include students and the younger population and will likely represent its future customers. Moreover, this can be considered as an important product of the segmentation analysis, which highlighted knowledge not accessible using a different method. This knowledge can be used to design initiatives aimed at influencing attitudes and behaviour of this subgroup of customers. Finally, segment C groups those customers that deal infrequently with Revenue maybe because retired or do not work.

Appendix 1: The Survey Form.

Revenue PAYE Customer Survey 2010

1. Which of the following sources of information about your tax credit and relief entitlements do you use? Please tick ✔ the appropriate boxes.

Your Tax Credit Certificate	☐	Revenue's publicity campaigns about tax credits & reliefs	☐	www.revenue.ie	☐	TV	☐
Revenue's Lo-Call 1890 telephone service	☐	The leaflet that comes with your Tax Credit Certificate	☐	Your employer	☐	Radio	☐
PAYE anytime: on-line service for employees	☐	Accountant / Tax Advisor	☐	Newspapers	☐		

Other - please specify [   ]

2. If you use any of the following <u>Revenue</u> sources for information about your tax credit and relief entitlements, please rate how helpful you find them. Please tick ✔ the appropriate boxes.

Revenue Sources of Information	Very Helpful	Helpful	Somewhat Helpful	Somewhat Unhelpful	Unhelpful	Very Unhelpful
Your Tax Credit Certificate	☐	☐	☐	☐	☐	☐
The leaflet that comes with your Tax Credit Certificate	☐	☐	☐	☐	☐	☐
Revenue's Lo-Call 1890 telephone service	☐	☐	☐	☐	☐	☐
Revenue's publicity campaigns about tax credits & reliefs	☐	☐	☐	☐	☐	☐
PAYE anytime: on-line service for employees	☐	☐	☐	☐	☐	☐
www.revenue.ie	☐	☐	☐	☐	☐	☐

3. What is your preferred method of contact with Revenue? For each method, please circle your preference below on a scale of 1 to 6 with 1 as your <u>most</u> preferred method and 6 as your <u>least</u> preferred method.

www.revenue.ie 1 2 3 4 5 6	Calling in person 1 2 3 4 5 6	PAYE anytime: on-line service for employees 1 2 3 4 5 6
Letter / fax 1 2 3 4 5 6	Telephone 1 2 3 4 5 6	Email 1 2 3 4 5 6

4. If you contacted Revenue in the last 12 months, how many times did you use the following methods of contact? Please tick ✔ the appropriate boxes.

Method of Contact	Didn't Use	Once	2 to 3 times	4 to 6 Times	More than 6 times
Lo-Call 1890 telephone service	☐	☐	☐	☐	☐
PAYE anytime: on-line service for employees	☐	☐	☐	☐	☐
PAYE: Text messaging service	☐	☐	☐	☐	☐
Sending in a form	☐	☐	☐	☐	☐
Letter / fax	☐	☐	☐	☐	☐
Email	☐	☐	☐	☐	☐
Calling in person to a Revenue Public Office	☐	☐	☐	☐	☐

5. For each method of contact you used in the last 12 months, please rate your satisfaction with the service you received. Please tick ✔ the appropriate boxes.

Method of Contact	Very Satisfied	Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Dissatisfied	Very Dissatisfied
Lo-Call 1890 telephone service	☐	☐	☐	☐	☐	☐
PAYE anytime: on-line service for employees	☐	☐	☐	☐	☐	☐
PAYE: Text messaging service	☐	☐	☐	☐	☐	☐
Sending in a form	☐	☐	☐	☐	☐	☐
Letter / fax	☐	☐	☐	☐	☐	☐
Email	☐	☐	☐	☐	☐	☐
Calling in person to a Revenue Public Office	☐	☐	☐	☐	☐	☐

6. If you use Revenue's Lo-Call 1890 telephone service how long are you prepared to hold for a Revenue staff member to answer your call? No more than [   ] minutes.

7. If you call to a Revenue Public Office how long are you prepared to wait for a Revenue staff member to deal with your query? No more than [   ] minutes.

Revenue

If you have used PAYE anytime, Revenue's on-line service for employees we would like your views. If you have not used PAYE anytime please go directly to No. 14.

8. How did you hear about PAYE anytime? _____

9. If you have used any of the following PAYE anytime services please rate how easy they are to use. Please tick ✔ the appropriate boxes.

	Didn't Use	Easy to Use	No Opinion	Not Easy to Use
Viewing your tax record	☐	☐	☐	☐
Claiming your tax credits and reliefs	☐	☐	☐	☐
Declaring your income	☐	☐	☐	☐
Amending your personal details	☐	☐	☐	☐
Claiming your end of year refund	☐	☐	☐	☐
Requesting a statement of income and tax paid	☐	☐	☐	☐
Dividing tax credits between yourself and your spouse	☐	☐	☐	☐
Tracking your correspondence	☐	☐	☐	☐

The following are a number of statements about PAYE anytime. Please tick ✔ the box which best reflects your level of agreement/disagreement about each statement.

10. I intend to use PAYE anytime again.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

11. I would recommend PAYE anytime to friends, family members, work colleagues.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

12. If you indicated in No. 11 that you would or would not recommend PAYE anytime, please tell us why below.

_____

13. If you would like to make suggestions to improve PAYE anytime please do so below.

_____

Please answer the following questions relating to satisfaction with the overall service provided by Revenue. Please tick ✔ the box which best reflects your level of agreement/disagreement about each statement.

14. Revenue uses understandable language to explain my PAYE entitlements.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

15. I am satisfied with the overall service I get from Revenue.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

16. If you are dissatisfied in any way with the service you get from Revenue please tell us the reason(s) for your dissatisfaction.

_____

17. If you would like to add a comment on any aspect of this survey, or suggest service improvements or additional services you would like to see provided by Revenue, please do so below.

_____

Finally, there are some additional questions we would like you to answer to help us with our survey.

18. Age category   16-25 ☐   26-33 ☐   34-44 ☐   45-55 ☐   56-66 ☐   Over 66 ☐

19. Gender   20. Highest education level completed
Male ☐   Female ☐   Primary ☐   Secondary ☐   Third level ☐

21. Occupation   22. Date
_____   _____

Thank you for taking the time to complete this survey.
Please return your completed survey using the enclosed Freepost envelope.

The following are a number of statements about attitudes to tax compliance and attitudes to compliance with other regulations. Please tick ✔ the box which best reflects your level of agreement/disagreement about each statement.

23. It is acceptable to claim social welfare benefits that you are not entitled to.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

24. Those who evade paying tax repeatedly should receive a jail sentence.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

25. It is acceptable to report someone who is evading tax.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

26. Deliberate tax evasion is on the increase.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

27. It is not acceptable to use public transport (for example, buses, trains, etc.) without a valid ticket.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

28. It is acceptable to claim credits or reliefs from Revenue that you are not entitled to.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

29. Deliberate tax evasion is considered unacceptable by Irish society.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

30. It is acceptable to report someone who is fraudulently claiming social welfare benefits.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

31. It is acceptable to legally avoid paying taxes by using loopholes in legislation.

Strongly Agree ☐   Agree ☐   Somewhat Agree ☐   Somewhat Disagree ☐   Disagree ☐   Strongly Disagree ☐

32. Revenue has been successful in dealing with tax evasion over the last 5 years.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

33. It is unacceptable to buy services knowing that the income from them will not be declared to Revenue.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

34. Revenue is able to detect people not paying the right amount of tax.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

35. It is acceptable to purchase goods abroad, over the Customs limit, and not declare them to Customs when they are brought into Ireland.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

36. It is unacceptable to have a TV at home without a valid TV licence.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

37. It is acceptable to declare some income but not all of your income for tax purposes.

Strongly Agree ☐ Agree ☐ Somewhat Agree ☐ Somewhat Disagree ☐ Disagree ☐ Strongly Disagree ☐

Thank you for taking the time to complete this survey.
Please return your completed survey using the enclosed Freepost envelope.

Revenue

Appendix 2: Example of Cover Letter.

April 2010

Invitation to Participate in PAYE Customer Survey

Dear Customer,

I refer to my recent letter inviting you to participate in a Revenue customer survey. We have had a good response so far but would really like your views. Your opinion is very valuable to us and it will contribute to improving the service that we offer.

If you have not yet had a chance to respond we are enclosing another copy of the questionnaire for convenience. We would be very grateful if you could take a few minutes to complete it. If you would like to clarify any aspect of the survey please contact:

Catherine Manning   Tel: 01 425 1405   Email: Catherine.manning@revenue.ie
Mary Dwyer   Tel: 01 425 1413   Email: Mary.dwyer@revenue.ie

Please return the completed survey using the enclosed Freepost envelope. If you returned the questionnaire in the last couple of days your feedback is very much appreciated and you can ignore this notice.

Many thanks for your assistance.

Yours sincerely,

_____
Liam Gallagher
Principal Officer