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2020-2021 Annual Corporate Research (ACR) Qualitative Findings and Methodological Summary

Prepared for Canada Revenue Agency

Prepared by Narrative Research

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Canada 

2020-2021 Annual Corporate Research (ACR)

Executive Summary

Prepared for Canada Revenue Agency

Supplier Name: Narrative Research

February 2021

This summary presents the methodological details for the 2020-2021 Annual Corporate Research quantitative study conducted by Narrative Research, on behalf of the Canada Revenue Agency. The quantitative study was conducted through two data collection phases, a telephone survey with the general public and an online survey with small and medium sized businesses as well as tax intermediaries. Both surveys were administered November 29 – December 19, 2020.

The summary also presents the findings of the online focus groups conducted from February 1-11, 2021 by Narrative Research on behalf of the Canada Revenue Agency. This component of the research entailed a total of 16 online focus groups, namely four groups in each of Atlantic Canada, Ontario, Quebec, and Western Canada. Two business audiences were included in the study, namely tax intermediaries and small and medium sized enterprises. Two audiences within the general adult population were also included in the study, namely taxpayers 18-34 years old and those 35 years or older.

Cette publication est aussi disponible en français sous le titre:

Recherche d'entreprise annuelle de l'ARC de 2020 - 2021 - Constatations qualitatives et rapport méthodologique - résumé

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Executive Summary

Narrative Research Inc.

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Background and Research Objectives

In 2005, the Canada Revenue Agency (CRA) launched an annual survey that focuses on corporate-wide issues, with the aim to provide a public opinion context for strategic planning and reporting. A review of the methodology was conducted by the CRA in 2010 which led to the redesign of the Annual Corporate Research (ACR) to include a core survey each year along with annually rotating modules and focus groups, featuring expanded target audiences. The fiscal year of 2011-2012 saw the first iteration of the ACR's new cycle. In 2013, new questions were added to examine experiences with the CRA website. The 2013, 2016 and 2018 editions repeated the service-focused module and the 2017 iteration was the first compliance module and was repeated again in 2019. The current year is service-focused.

In this context, the CRA was interested in assessing public perceptions of taxpayers, small and medium-sized businesses, and professionals involved in assisting small businesses with their taxes, to gather background contextual information. This information will enable the CRA to gauge factors such as trust in, and satisfaction with, the CRA, contextualize other study information, inform strategic decisions, and provide information for reporting on engagement and reputation management.

Specific research objectives included to:

- Evaluate overall perceptions of the CRA;
- Understand experience with tax filing;
- Identify methods of contact with the CRA;
- Understand perceptions of contacts and dealings with the CRA from a service perspective;
- Evaluate experience with the CRA website; and
- Evaluate awareness of and experience with the new direction for CRA – Putting People First.

Target Populations

There were three target audiences:

- **Individual taxpayers:** Those aged 18 and over for the quantitative research and for the qualitative work, who have resided in Canada for a minimum of two years. For the qualitative research, this audience was further divided by age with one group per region including those who were 18 – 34 years of age and the second group per region including those 35 years of age or older.
- **Small and medium-sized businesses (SMEs):** Businesses of less than 100 employees. Participants included the business decision-makers or individuals involved in decisions related to the business tax matters, payroll, GST/HST preparation, or bookkeeping. Acceptable job titles included:
 - President/CEO/Owner
 - CFO/Comptroller
 - Accountant
 - Payroll Manager/Officer
 - Manager
 - Bookkeeper
 - Financial Officer
- **Tax Intermediaries (TIs):** Those who work with small and medium size business clients (<100 employees) on tax-related or payroll matters.

Research Methodology

There were three components to this research:

- A telephone survey entailing a random sample of 1,600 adult Canadians 18 years of age or older was conducted between November 29 and December 19, 2020. The target audience was Individual taxpayers aged 18 and over who have resided in Canada for a minimum of one year (operationalized in this research as being a sampling of adult Canadians who almost universally have resided in Canada for a minimum of one year). Quotas were established by region, age and gender to ensure a representative sampling. The survey took 15 minutes on average to complete. A sample of 1,600 respondents engenders an overall margin of error of +/- 2.4 percentage points, 19 in 20 times. As this is a probability sampling conducted via a randomized data collection endeavour, the survey results are projectable to the overall Canadian adult population.

- An online survey of 503 small and medium-sized businesses and 502 tax intermediaries was conducted between December 10 and 17, 2020. Data collection quotas were established by region to ensure a representative sampling. The survey required 10 minutes on average to complete. As surveying small and medium-sized businesses as well as Tax Intermediaries were non-probability sampling endeavours conducted via the usage of a commercially available online panel of business respondents, the survey results are not projectable to the overall Canadian populations of SMEs and Tax Intermediaries.
- Using Adobe Connect as the hosting platform, a total of 16 online focus groups, namely four groups with each of the four target audiences (one per region). The four regions were: Atlantic, Quebec, Ontario and West. Sessions in Quebec were conducted in French while all other sessions were in English. The focus groups were held from February 1-11, 2021 and each session lasted approximately 2 hours. Business audiences received an incentive of \$200, while members from the general public received \$100 in compensation. One major difference this year compared to past years (and specifically related to the COVID-19 pandemic) all sessions were held using an online format. In total 144 individuals were recruited using panels and 125 took part in the sessions.

This combined qualitative-quantitative report presents the detailed findings from the qualitative portion of this study, as well as the methodological report from the quantitative component of the study. Caution must be exercised when interpreting the qualitative results from this study, as qualitative research is directional only and are not statistically projectable. The qualitative results cannot be attributed to the overall populations under study, with any degree of confidence.

Political Neutrality Statement and Contact Information

I hereby certify as a Senior Officer of Narrative Research that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the ***Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research***. Specifically, the deliverables do not contain any reference to electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leader.



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Key Findings from the Qualitative Focus Groups

Overall Impressions of CRA:

There is a general understanding of the role of the CRA in administering the Canadian tax system and impressions of the Agency are generally neutral to somewhat positive.

All audiences were generally aware that the role of the CRA primarily entails the collection of income tax and the administration of a number of benefits. Opinions of the CRA generally tended to be neutral to positive. Positive impressions generally included perceived improvements to the CRA website and online presence and perceptions of agents on the phone once the client actually reached one. To a lesser extent, there is an appreciation for the CRA's administration of the income tax system, which is considered complex in nature, as well as the manner in which the Agency administered the COVID-19 emergency benefit programs. Negative impressions primarily related to wait times on the phone before reaching an agent.

COVID-19 Emergency Response:

The CRA is well regarded for its prompt and efficient distribution of COVID-19 emergency benefits, which in many cases benefited overall perceptions of the Agency.

There was a high degree of awareness of the Government of Canada emergency response benefits. Most of the SME and Intermediary participants had applied for at least one of the emergency response benefits. In the general public groups, it was a little more divided with often half applying and half not. On the general public side, impressions of the application process were mostly positive. It was seen as straightforward and fast with only a little confusion about whether the application should be made through the Employment Insurance program or directly through the CRA.

Most of the general public participants agreed that the approach taken by CRA to get emergency response benefits into peoples' hands quickly and to consider overpayments and repayments later was the right thing to do. A quick reaction was likely appreciated given that participants generally reported a negative impact from the COVID-19 pandemic on their personal and business finances. There was some disagreement about the process being too easy and now some people would have to pay back benefits, as well as the opinion that it might be very difficult to collect from some people. There is general consensus that overpayment of emergency benefits and related income taxes should be paid back to the CRA regardless of people's personal situation. Being flexible in the repayment timeframe was, however, considered acceptable.

Reactions from the SMEs and the Intermediaries about the application process were also positive, but less so than the general public. There were some early criticisms of inconsistent information and spreadsheets only coming later in the process. The general consensus was these issues had improved over time since last spring.

Tax Filing:

General population participants are divided on whether they do their own taxes or have someone else prepare them. Most reported not experiencing any unusual or extra stresses last year with the COVID-19 pandemic in relation to filing their taxes and many took advantage of the longer filing period. SMEs tend to opt not to do their own taxes unless their operations are quite small. Across groups, most also did not anticipate any stress this year relating to meeting their tax filing obligations during the pandemic either.

Service Experience:

Phone and website are the main ways of communicating with and obtaining information from CRA. Improvements have been seen in both agents and in the website in recent years.

Phone: Phone is a common way to interact with the CRA and wait times to reach an agent was the main criticism.

Phone contact is relatively frequent among TIs and to a lesser extent among SMEs and the general public. The main point of frustration with phone contacts is the wait time to reach an agent. Once an agent is reached, opinions tended to be positive, but there were comments that agents could not answer more complicated questions without passing to someone else and comments about being provided inconsistent answers. SMEs and Intermediaries tended to be more critical of agents and their ability to answer questions, but it is recognized these two audiences would likely tend to have more complicated questions.

Suggestions to improve wait times included a call back service and from the Intermediaries a dedicated line for them staffed by more senior/knowledgeable agents. Their rationale was they each represent more people and they tend to only call with more complicated questions.

Across audiences and when contacting by phone, speed was the main service attribute desired, but this was followed by several others including; responsiveness, provision of accurate and reliable information, trustworthiness and reaching someone the first time who can deal with their issue.

Website: The website was positively evaluated and improvements were noted in the past few years with the online services that had been introduced.

Because of wait times on the phone, the website is often the first stop when there is a question and it is often accessed first through a search engine. Specific forms are also most commonly accessed directly from a search engine. For main service attributes, those using the website expect ease of navigation/being able to find things, ease of understanding and accuracy.

Online Portals: My Account and Represent a client were positively evaluated across sessions.

Waiting for passwords to come by mail was frequently noted as an annoyance – especially when they are replacement passwords. Only a few recognized that sending by mail might be a security measure. Account access procedures used by banks and other financial institutions were cited as current practice that the CRA should use. Familiarity with My Account and Represent a client was high and evaluations were generally positive.

Mail: Use of mail services is infrequent and mostly out of habit or requirement by the CRA, though preferred in some instances for commanding attention, being more secure and having a printed copy of documents.

Security and Personal Information:

There is a general sense that personal information is secure with the CRA.

Nobody expects zero risk when using the internet, but the overall feeling was tax-related and personal information was quite secure with the CRA. One person summarized the general feedback by saying “they have made it as secure as they can while still allowing us to access it.”

CRA Values –People First:

Awareness of this initiative was very low and participants saw little evidence that the initiative was happening.

On balance, the People First vision is seen as a good idea, but care has to be taken not to create the impression that CRA was not fair before, not trusted and did not put people first in the past. There was quite a bit of cynical reaction to the statement based on the current description that implied that People First is a “new” initiative. In spite of this, participants generally felt the basic philosophy was sound.

Reducing wait times on the phone was seen as one clear way to demonstrate that the Agency is putting people first and valuing their time. Four phrases were also tested and two of them were considered core to the service philosophy, namely:

- *The CRA understands, respects and values them*
- *The CRA is consistent in the information it provides*

It was believed that focusing on these service attributes would demonstrate the People First vision.