ASSESSMENT OF LAGOS STATE INTERNAL REVENUE SERVICE'S (LIRS) STRATEGIC COMMUNICATION ON TAX COMPLIANCE BEHAVIOURS OF INFORMAL SECTOR OPERATORS IN LAGOS STATE

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Abstract

This study assesses the effectiveness of strategic communication employed by the Lagos State Internal Revenue Service (LIRS) in promoting tax compliance among informal sector operators. Utilising a convergent parallel mixed-methods design, the research draws on survey responses from 1,308 informal business owners and interviews with three senior LIRS officials. One-sample t-test results reveal that LIRS's communication strategies spanning radio, television, SMS, social media, and public service announcements significantly reach informal business owners. However, issues such as message complexity, limited follow-up, and insufficient tailoring hinder deeper engagement and voluntary compliance. The findings confirm that while LIRS's strategies are generally perceived as effective, further improvement is needed in message clarity, frequency, and relevance. The study integrates Attitude Change Theory, Theory of Planned Behaviour, Trust Theory, Social Norms Theory, and Communication Accommodation Theory to interpret results. It concludes that a more audience-centred, trust-building communication approach could enhance tax compliance. Recommendations include simplifying tax messaging, increasing digital engagement, strengthening follow-up mechanisms, and leveraging community-based platforms to boost compliance outcomes in Lagos State's informal economy.

Keywords: Strategic communication, Tax compliance, Informal sector, LIRS, Behavioural public policy

Introduction

Governments around the world rely heavily on taxation to finance public infrastructure, deliver essential services, and promote socioeconomic development. In Nigeria, dwindling oil revenues and the volatility of global crude markets have made it necessary to diversify national and sub-national revenue streams. This fiscal reality has shifted attention toward domestic resource mobilisation through tax systems (Adeyemi & Shittu 2024). Section 16(1b) of the 1999 Constitution reinforces the government's duty to promote the welfare and security of its people — an objective which taxation is best suited to fulfill when widely embraced and equitably enforced. However, tax compliance remains a persistent challenge, particularly among informal sector actors.

The informal sector, which encompasses a wide spectrum of unregistered or semi-formal enterprises, accounts for a significant share of Nigeria's gross domestic product (GDP) and workforce. In Lagos State alone, the informal economy employs over 5.5 million individuals and contributes an estimated 65% of the state's GDP (Ajayi, 2018; NBS, 2022). Despite its importance, this sector remains largely outside the purview of formal taxation. Key barriers include poor documentation, limited financial literacy, distrust of government institutions, and perceptions of corruption among tax officials (Olawale&Aina, 2020; Ladi, Daniel & Umar, 2025). These factors erode voluntary tax compliance and pose serious limitations for public revenue generation.

To address these obstacles, the Lagos State Internal Revenue Service (LIRS) has adopted strategic communication as a policy tool to influence behaviour and improve tax morale. Strategic communication involves the deliberate design and dissemination of persuasive messages through channels that resonate with targeted audiences (Wilcox, Cameron, Reber & Shin, 2019; Broom et al., 2019). In the context of tax administration, it seeks to build trust, increase awareness of legal obligations, and highlight the societal benefits of compliance. For informal sector operators, such efforts must overcome socio-cultural mistrust, cognitive resistance, and information asymmetries that perpetuate evasion.

LIRS's communication campaigns employ a variety of platforms including radio, television, social media, celebrity endorsements, community outreach, and localised initiatives like the IBILE-HUB program. For instance, television and radio programs such as *Tax Talks* aim to demystify taxation by addressing frequently asked questions and showcasing the benefits of compliance through testimonials. Billboards in high-traffic areas emphasize deadlines and penalties, while influencers such as FunkeAkindele and Mr. Macaroni help humanisegovernment messaging. The IBILE-HUB program, targeting the five administrative zones of Lagos, represents an effort to personalise outreach and reduce psychological distance between tax administrators and informal business operators (LIRS, 2021).

While these communication strategies reflect a strong effort to adapt to the realities of informal economic structures, their true efficacy remains unclear. It is not evident whether the communication content aligns with the lived experiences, linguistic nuances, and trust networks of the informal sector. Moreover, the extent to which these campaigns influence actual behaviouralchange rather than mere awareness is under-researched. According to Boll et al. (2019), behavioural interventions must consider context-specific socio-psychological drivers such as perceived fairness, social norms, and emotional appeals. Without this alignment, even the most well-funded campaigns risk superficial engagement or unintended backlash.

This study therefore investigates the effectiveness of LIRS's strategic communication in promoting tax compliance among informal sector operators in Lagos State. By critically assessing message design, communication channels, audience reach, and reported behavioural responses, the research aims to bridge the gap between strategy and impact. The study also interrogates whether LIRS's efforts sufficiently account for the complex, adaptive behaviours of informal sector actors who often rely on peer-to-peer information, communal values, and distrust-based heuristics.

Research Questions

RQ1: To what extent do the existing communication strategies employed by the Lagos State Internal Revenue Service (LIRS) reach business owners in the informal sector?

RQ2: How do issues associated with LIRS's strategic communication approaches affect tax compliance among informal sector operators?

RQ3: How effective are the communication strategies adopted by LIRS in promoting tax compliance within the informal sector?

Research Hypotheses

H01: The existing communication strategies employed by LIRS do not significantly reach business owners in the informal sector.

H02: Issues associated with LIRS's strategic communication approaches do not significantly affect tax compliance in the informal sector.

H03: The communication strategies adopted by LIRS are not effective in promoting tax compliance in the informal sector.

Literature Review
Conceptual Review
Tax Compliance

Tax compliance is central to government revenue generation, especially in developing economies like Nigeria where fiscal dependence on crude oil has exposed structural weaknesses (Ewa, Adesola & Essien, 2020; Okwueze, Gueh, Kaze, Krivins & Etalong, 2025). In this context, taxation is not just a fiscal tool but a mechanism for redistributive justice, funding essential services like education, healthcare, and infrastructure. However, compliance particularly among informal and small-to-medium enterprises (SMEs) remains inconsistent. Unlike large corporations, which are easily tracked and regulated, informal and semi-formal businesses often lack registration, are tax illiterate, or distrust tax authorities due to perceived corruption and poor fiscal accountability (Torgler, 2020; Gwatidzo & Newman, 2024). This leads to widespread evasion, weakening state capacity and undermining legitimacy. The enforcement-based model alone is insufficient, especially in low-trust environments where taxpayers view taxation as extraction rather than contribution.

Conceptually, tax compliance comprises two intertwined dimensions: legal and behavioural. Legal compliance involves strict adherence to formal tax obligations accurate income reporting, timely filing, and remittance of dues. Behavioural compliance, however, refers to voluntary adherence to the spirit of tax laws based on internalised norms, perceived fairness, and trust in governance (Torgler, 2020). Modern tax systems must therefore address both dimensions: deterrence through audits and penalties must be complemented by strategic efforts to foster intrinsic motivation and civic responsibility. This broader understanding recognise that compliance is shaped not only by legal compulsion but by psychological, social, and contextual drivers. Policies that ignore these behavioural dynamics often struggle to gain traction, particularly in informal economies where communication gaps, cultural norms, and socioeconomic pressures distort taxpayer behaviour. Thus, effective interventions require integrated approaches that blend enforcement with persuasive communication, taxpayer education, and trust-building laying the foundation for a sustainable tax culture.

Concept of Strategic Communication

Strategic communication refers to a planned and purposeful activity of message construction and delivery to change the behaviour of the audience, attitudes, or perceptions (Wilcox et al., 2019; Silverman & Smith, 2024). It is not random information sharing like it is the case with generic information sharing but rather a conscious effort to plan, align the content of the message with values of the audience and use channels in a tactical manner to get the desired results. Johnston and Sheehan (2020) stress that its success is based on being audience-centric: the messages should appeal to the psychological, cultural, and behavioural characteristics of the target audience. This method goes beyond the one-way broadcasting to acknowledge mutual understanding, persuasion, and relationship building in the long term (Emodi&Onyenweaku, 2019). It involves both conventional media (e.g., radio, print) and online platforms (e.g., social media), but the selection of each channel is strategic since its use is based on the information and knowledge that it can increase the clarity, accessibility, and engagement of the message (Hallahan et al., 2007). Therefore, effective communication involves an insightful perception of audience segmentation, media consumptions patterns, and contextual relevance.

As important as strategic communication is the compatibility and homogeneity of messages in all points of contact. According to Shukla and Kaur (2025), coherent communication will strengthen the brand credibility, enhance recall and reduce confusion. Lack of consistent messaging can destroy trust or reduce the effectiveness of campaigns. Examples of mechanisms that are essential to evaluating efficacy and adjusting based on data include pre-testing messages, engagement monitoring, and feedback loops (Ruler et al., 2018). These analyses rely on both qualitative methods (e.g. focus groups, in-depth interviews) and quantitative instruments (for example surveys, analytics), which makes communicators sensitive and flexible. The use of strategic alliances also constitutes a very important element, and this is where messages are supported by credible individuals or organisations.

Theoretical Review

Attitude Change Theory

Attitude Change Theory is a theory developed by Hovland, Janis, and Kelley in 1953 that describes the way communication can transform the beliefs and behaviours of individuals through the transformation of attitudes. It assumes that attitudes can be changed and shaped by persuasive messages and especially when the messages resonate with values, experience or perceived societal demands of the recipients. These are the key elements such as the credibility of the sources of information, the content of the message and the psychological position of the receiver. In tax compliance, especially those of the informal sector in Lagos, LIRS can apply this framework to convert negative or passive attitude to taxation to positive and active attitude. With the same background as Hovland, Petty and Cacioppo (1986) Elaboration Likelihood Model outlines two channels of persuasion through which central and peripheral routes exist. Tax-savvy informal actors may be best convinced by central route messaging, i.e. focusing on rational advantages and openness. Peripheral messaging such as recommendations of trusted figures may be more effective in influencing behavioural change in less-involved groups. Also, the cognitive dissonance concept that was advanced by Festinger (1957) is also crucial: in case the informal business owners feel uncomfortable about using the benefits of the public infrastructure and avoiding taxes, they might have to resolve this conflict by obeying. This dissonance can be increased by strategic messaging that emphasise the advantages of being compliant and the social stigma of evasion.

Theory of Planned Behaviour (TPB)

Ajzen (1991) developed a model of predicting and explaining human behaviour, which is highly used in predicting and explaining human behaviour, the Theory of Planned Behaviour (TPB). It states that behavioural intention is the most proximal predictor of behaviour and it is influenced by three fundamental constructs including attitudes, subjective norms and perceived behavioural control. Attitudes in the context of tax compliance can be used to state that it is a positive or negative assessment by an individual of paying taxes. When the actors in the informal sector are convinced that their taxes are being used to fund useful services to the population, they will tend to have compliant intentions. Subjective norms are perceived social pressures; when the norm is perceived to be normative among peers, then intentions to comply are reinforced. Perceived behavioural control is the ease or perceptions of the difficulties that people relate to paying taxes. As LIRS streamlines payment systems, minimise administrative requirements, and improves taxpayer education, people will be in a better position to believe that they can comply.

The interaction between the social dynamics and the perceived institutional barriers make TPB especially applicable to informal sector behaviour in Lagos. Although the critics complain that TPB downplays unconscious or emotional aspects, its value is that it can connect intention to behaviour and determine the key levers of intervention. The theory provides LIRS with a guide: generate good attitudes through strategic messaging, develop pro-compliance norms through testimonials or influencer campaigns, and increase the perception of control by demystifying tax processes. In this way, TPB endorses a complex communication approach, which takes into account not only personal beliefs, but also social factors and practical limitations, to promote voluntary tax compliance of the informal sector operators.

Review of Empirical Studies

Adeyemi and Shittu (2024) examined informal business owners' awareness and comprehension of the Lagos Internal Revenue Service (LIRS)'s strategic communication, focusing on SMS and email campaigns. Employing a quantitative design, they distributed structured Questionnaires to 400 randomly selected informal entrepreneurs across Lagos markets. The results revealed that while 70% of respondents acknowledged receiving SMS reminders, only 35% understood their strategic intent. Most interpreted these messages as transactional rather than educational. The study highlighted a critical gap between message receipt and comprehension, largely due to the exclusion of non-digital communication modes thereby missing older and less digitally connected groups.

Ibrahim and Olaniyi (2024) investigated perceptions of LIRS's communication efforts through a qualitative lens, conducting in-depth interviews with 40 informal business operators across three Lagos markets. While some interviewees reported awareness of tax-related radio content, fewer than 40% understood the messages' strategic intent. The study emphasised that many respondents viewed the communication as procedural or regulatory rather than part of a broader trust-building initiative. Its limitation lies in its limited sample size, which may not reflect the heterogeneity of informal businesses across Lagos.

Afolabi and Olusegun (2023) explored how local radio campaigns contributed to awareness of LIRS messaging among informal traders using a mixed-methods approach with surveys and focus group discussions involving 250 respondents. The findings revealed that while radio improved awareness especially when delivered in local languages most participants associated the messaging with tax enforcement. The study acknowledged limitations related to participant recall bias and lack of long-term tracking of behavioural change.

Bassey and Ibeh (2023) also examined radio campaigns but focused on community radio's role in promoting tax awareness. Through qualitative interviews with 50 informal entrepreneurs, the study revealed widespread awareness but limited comprehension of strategic messaging. Most respondents interpreted messages as reminders rather than components of a broader campaign. The narrow focus on a single communication channel excluded potentially synergistic effects of SMS, social media, and in-person outreach.

Olaniyan and Ibrahim (2022) surveyed 300 market traders across five Lagos markets to assess their understanding of LIRS's in-person education during market visits. While 65% were aware of such visits, only 40% recognised them as part of a deliberate strategy to increase voluntary compliance. Most perceived them as enforcement actions. The study's limitation was its narrow focus on market traders, excluding other informal segments like artisans or transport workers.

Torgler and Schaltegger (2023) conducted a comparative mixed-methods study across Switzerland and Germany, surveying 500 informal business owners to assess their understanding of tax authorities' strategic messaging. The results showed that although most respondents had received digital communications, only 30%

perceived them as part of a broader compliance strategy. Respondents commonly viewed messages as administrative notices. However, the study's insights are contextually limited due to its high-income setting, making generalizability to regions like Lagos problematic.

Schneider and Williams (2023) evaluated digital versus traditional communication effectiveness in promoting tax compliance in the UK and Australia. Using survey data from 600 informal entrepreneurs, the authors found that while 75% acknowledged receiving SMS or email alerts, only 45% understood their strategic objectives. Traditional methods such as direct mail and in-person engagement were found to be more effective for older, less tech-savvy populations. The study's limitation was its primary focus on digital communication, limiting insights on the complementary value of hybrid strategies.

Methods and Materials

This study adopted a convergent parallel mixed-methods design, underpinned by a pragmatic research philosophy and an abductive reasoning approach. This design enabled the simultaneous collection of both quantitative and qualitative data to explore the effectiveness of LIRS's strategic communication in enhancing tax compliance among informal sector operators in Lagos State. Quantitative data were gathered through a structured questionnaire administered to informal business owners, while qualitative insights were obtained via semi-structured interviews with three senior LIRS officials. The abductive approach allowed the study to test predefined hypotheses while also generating emergent insights from qualitative data, aligning empirical patterns with theoretical expectations (Creswell & Creswell, 2018; Bryman& Bell, 2015).

The study population included 28,361 informal business operators registered on the IBILE-HUB platform across seven regional markets in Lagos. Using Cochran's formula, a representative sample size of 1,308 respondents was derived at a 97% confidence level. Stratified random sampling ensured proportional representation from each region. For the qualitative component, purposive sampling was employed to select three LIRS officials responsible for informal sector strategy, corporate affairs, and accounts. Data collection involved physical administration of questionnaires and in-person interviews. The questionnaire included closed-ended Likert-scale items structured into thematic sections, while interviews were conducted using a semi-structured guide to capture deep insights into LIRS's strategic communication implementation.

Quantitative data were analysed using descriptive statistics and inferential methods, particularly a one-sample t-test, to assess the statistical significance of tax compliance behaviours. Qualitative data were transcribed and analysed thematically using NVivo software, enabling iterative coding and thematic mapping to uncover recurring patterns. Instrument reliability was confirmed through a pilot test yielding a Cronbach's Alpha of 0.83, indicating high internal consistency. Validity was established using expert review and construct validity measures, including KMO and AVE scores. Ethical clearance was secured from the Babcock University Health Research Ethics Committee, with informed consent obtained from all participants. Confidentiality, voluntary participation, and data protection protocols were rigorously maintained throughout the research process.

Result and Analysis

Descriptive Analysis

RQ1: To what extent do the existing communication strategies employed by the Lagos State Internal Revenue Service (LIRS) reach business owners in the informal sector?

Table 1: LIRS Communication tools for Reaching Business Owners in the Informal Sector

Statements	SA Freq (%)	A Freq (%)	D Freq (%)	SD Freq (%)	N Freq (%)	Mean	Standard Deviation (SD)
LIRS uses radio and television broadcasts to inform us about tax obligations	267 (20.4%)	603 (46.1%)	171 (13.1%)	59 (4.5%)	208 (15.9%)	3.51	1.305
I receive tax-related updates from LIRS through SMS	340 (26.0%)	253 (19.3%)	329 (25.2%)	226 (17.3%)	160 (12.2%)	3.30	1.345
LIRS engages with us using social media platforms for tax communication	536 (41.0%)	307 (23.5%)	206 (15.7%)	77 (5.9%)	182 (13.9%)	3.72	1.406
Public service announcements by LIRS are a regular source of tax information for me	428 (32.7%)	442 (33.8%)	111 (8.5%)	90 (6.9%)	237 (18.1%)	3.56	1.458
LIRS communicates tax obligations through billboard advertising	382 (29.2%)	521 (39.8%)	156 (11.9%)	69 (5.3%)	180 (13.8%)	3.65	1.320
Average Overall Mean						3.55	1.367

Source: Field Survey 2025; Freq= Frequency

Key: SA= Strongly Agree, A = Agree, D = Disagree, SD= Strongly Disagree, N= Neutral
*****Decision Rule if 1 to 1.79 = Neutral; 1.80 to 2.89= Strongly Disagree; 2.00 to 3.39= Disagree 3.40 to 4.19 = Agree; 4.2 to 5 = Strongly Agree**

Table 1 shows that LIRS employs various communication strategies to reach informal business owners, with radio/TV broadcasts (M = 3.51) and billboard advertising (M = 3.65) rated as effective tools. Social media engagement scored highest (M = 3.72), reflecting strong recognition of digital platforms. Public service announcements (M = 3.56) were also seen as impactful, while SMS updates received moderate approval (M = 3.30), suggesting limited engagement. These results indicate a preference for traditional and digital media, but highlight the need to improve SMS outreach. A balanced, multi-channel strategy remains essential to strengthen tax communication and compliance in the informal sector

RQ2: How do issues associated with LIRS's strategic communication approaches affect tax compliance among informal sector operators?

Table 2. Issues associated with the strategic communication approaches adopted by LIRS for tax collection in the informal sector

Statements	SA Freq (%)	A Freq (%)	D Freq (%)	SD Freq (%)	N Freq (%)	Mean	Standard Deviation (SD)
The tax messages from LIRS are often too complex to understand	266 (20.3%)	130 (9.9%)	421 (32.2%)	141 (10.8%)	350 (26.8%)	2.86	1.440
I find that LIRS rarely follows up after initial tax communications	301 (23.0%)	467 (35.7%)	181 (13.8%)	99 (7.6%)	260 (19.9%)	3.34	1.425
Messages from LIRS lack sufficient details on how to comply with tax requirements	264 (20.2%)	313 (23.9%)	316 (24.2%)	109 (8.3%)	306 (23.4%)	3.09	1.435
The frequency of communication from LIRS is too low to keep me properly informed	310 (23.7%)	519 (39.7%)	225 (17.2%)	78 (6.0%)	176 (13.5%)	3.54	1.285
LIRS communications do not address my specific concerns as an informal sector operator	283 (21.6%)	498 (38.1%)	185 (14.1%)	87 (6.7%)	255 (19.5%)	3.36	1.402
Average Overall Mean						3.24	1.397

Source: Field Survey 2025; Freq= Frequency

KEY: SA= Strongly Agree, A = Agree, D = Disagree, SD= Strongly Disagree, N= Neutral

*****Decision Rule if 1 to 1.79 = Neutral; 1.80 to 2.89= Strongly Disagree; 2.00 to 3.39= Disagree 3.40 to 4.19 = Agree; 4.2 to 5 = Strongly Agree**

The overall mean score of 3.24 (SD = 1.397) reflects a moderate level of awareness among informal business owners regarding LIRS's communication strategies. While efforts are recognised, several gaps persist. A mean of 2.86 suggests that many find tax messages somewhat complex, indicating the need for clearer and simpler messaging. With a mean of 3.34, respondents noted limited follow-up after initial communication, highlighting the importance of sustained engagement. The mean of 3.09 points to insufficient guidance on how to comply, suggesting that more actionable, step-by-step instructions are needed. Additionally, scores of 3.54 and 3.36 indicate that communication is infrequent and often fails to address sector-specific concerns. Together, these findings suggest that enhancing clarity, frequency, and relevance of LIRS's messages could significantly improve outreach and tax compliance among informal sector operators.

RQ3: How effective are the communication strategies adopted by LIRS in promoting tax compliance within the informal sector?

Table 3. Effectiveness of Communication Channels Used by LIRS in Facilitating Tax Compliance among Operators in the Informal Sector

Statements	SA Freq (%)	A Freq (%)	D Freq (%)	SD Freq (%)	N Freq (%)	Mean	Standard Deviation (SD)
I prefer to receive tax information through direct, face-to-face communication from LIRS	306 (23.4%)	362 (27.7%)	222 (17.0%)	56 (4.3%)	362 (27.7%)	3.15	1.530
Digital channels (e.g., social media, emails) from LIRS are my preferred communication method	477 (36.5%)	559 (42.7%)	56 (4.3%)	17 (1.3%)	199 (15.2%)	3.84	1.343
Community meetings organized by LIRS help me understand my tax obligations better	322 (24.6%)	490 (37.5%)	149 (11.4%)	8 (0.6%)	339 (25.9%)	3.34	1.512
I trust the tax information received through traditional media (radio/TV) more than other sources	281 (21.5%)	418 (32.0%)	117 (8.9%)	39 (3.0%)	453 (34.6%)	3.03	1.611
Personalized messages from LIRS would encourage me to comply with tax regulations	407 (31.1%)	588 (45.0%)	30 (2.3%)	17 (1.3%)	266 (20.3%)	3.65	1.448
Overall Average Mean						3.41	1.467

Source: Field Survey 2025; Freq= Frequency
KEY: SA= Strongly Agree, A = Agree, D = Disagree, SD= Strongly Disagree, N= Neutral
*****Decision Rule if 1 to 1.79 = Neutral; 1.80 to 2.89= Strongly Disagree; 2.00 to 3.39= Disagree 3.40 to 4.19 = Agree; 4.2 to 5 = Strongly Agree**

Table 3 reveals that informal sector business owners generally view LIRS's communication channels favourably, with an overall mean of 3.41, suggesting moderate effectiveness. Digital platforms, such as social media and email, scored highest (M = 3.84), indicating strong preference and perceived impact. Personalized messages also received a high rating (M = 3.65), highlighting the value of tailored communication in fostering tax compliance. In contrast, face-to-face communication scored lower (M = 3.15), suggesting limited reach or impact. Community meetings (M = 3.34) were moderately effective, while traditional media channels such as radio/TV scored the lowest (M = 3.03), reflecting lower trust levels. These findings suggest that LIRS should prioritize and expand its use of digital and personalized messaging, while improving the frequency and relevance of community meetings. Traditional and face-to-face methods remain useful but should play a complementary role within a broader, digitally driven strategy.

Hypotheses Testing

H_{01}: The existing communication strategies employed by LIRS do not significantly reach business owners in the informal sector.

Table 4.8: One-Sample T-Test for Existing Communication Strategies

Test Variable	N	Mean (M)	Std. Deviation (Std. D)	t-value	Df	Sig. (2-tailed)	Mean Difference
Existing Communication Strategies	1308	3.55	0.76	169.26	1307	0.000	3.55

Source: Field Survey 2025

The results indicate that the mean score for existing communication strategies is 3.55, with a standard deviation of 0.76, suggesting that respondents generally perceive LIRS's communication efforts to be effective. The t-test value of 169.26 is statistically significant at $p < 0.05$, confirming that the observed mean is significantly different from zero. This implies that LIRS's communication strategies are actively reaching business owners in the informal sector. Since the p-value (0.000) is less than 0.05, we reject the null hypothesis (H_{01}) and conclude that the existing communication strategies employed by LIRS significantly reach business owners in the informal sector. This suggests that various communication channels, such as radio, television, social media, and public service announcements, are effectively conveying tax-related information to their intended audience. However, further analysis may be needed to assess whether these strategies are also influencing compliance behavior.

H_{02}: Issues associated with LIRS's strategic communication approaches do not significantly affect tax compliance in the informal sector.

Table 4.9: Issues Associated with LIRS's Strategic Communication Approaches

Test Variable	N	Mean (M)	Std. Deviation (Std. D)	t-value	df	Sig. (2-tailed)	ean Difference
Issues in LIRS Strategic Communication	1308	3.24	1.06	110.09	1307	0.00	3.24

Source: Field Survey 2025

The results indicate that the mean score for issues associated with LIRS's strategic communication is 3.24, with a standard deviation of 1.06, suggesting that respondents perceive these issues as moderately impactful. The t-test value of 110.09 is statistically significant at $p < 0.05$, confirming that the mean significantly differs from zero. Since the p-value (0.00) is less than 0.05, we reject the null hypothesis (H_{02}) and conclude that issues associated with LIRS's strategic communication significantly affect tax compliance in the informal sector. This suggests that challenges such as inadequate messaging, lack of clarity, or insufficient engagement with taxpayers could be contributing to compliance difficulties. Addressing these issues could enhance compliance rates and taxpayer trust.

H_{03}: The communication strategies adopted by LIRS are not effective in promoting tax compliance in the informal sector.

Table 4.10: One-Sample T-Test for Effectiveness of LIRS's Communication Strategies in Promoting Tax Compliance

Test Variable	N	Mean (M)	Std. Deviation (Std. D)	t-value	df	Sig. (2-tailed)	Mean Difference
Effectiveness of LIRS Communication Strategies	1308	3.55	1.08	118.69	1307	0.00	3.55

Source: Field Survey 2025

The results reveal that the mean score for the effectiveness of LIRS's communication strategies in promoting tax compliance is 3.55, with a standard deviation of 1.08. This indicates that respondents generally perceive the strategies as somewhat effective. The t-test value of 118.69is statistically significant at $p < 0.05$, suggesting that the mean significantly differs from zero. Since the p-value (0.00) is less than 0.05, we reject the null hypothesis (H_{03}) and conclude that the communication strategies adopted by LIRS are effective in promoting tax compliance in the informal sector. This suggests that LIRS's engagement efforts, such as public awareness campaigns, digital outreach, and direct communication, contribute positively to compliance behavior among informal sector operators. However, opportunities for further improvements may still exist to enhance their impact.

Discussion of Findings

The findings from Hypothesis 1 reveal that the existing communication strategies employed by LIRS significantly reach informal sector business owners, with a mean score of 3.55 and a statistically significant t-value ($p < 0.05$). This indicates that channels such as radio, television, social media, SMS, and billboards are effective in delivering tax-related information. The implication is that LIRS's outreach infrastructure is functional in disseminating tax messages to its target audience. This outcome aligns with Attitude Change Theory (Hovland et al., 1953), which posits that repeated exposure to persuasive messages can lead to attitudinal shifts. It also supports Ajzen's Theory of Planned Behaviour (1991), where awareness precedes intention. Empirically, the study is consistent with Adeyemi and Shittu (2024), who found that most informal business owners acknowledged receiving LIRS communications, especially through SMS and public campaigns.

The second major finding shows that issues within LIRS's communication strategy—such as message complexity, lack of clarity, limited follow-up, and inadequate personalization—significantly affect tax compliance in the informal sector ($M = 3.24$, $p < 0.05$). This suggests that while the communication reaches the audience, its design and delivery may hinder its persuasive effectiveness. This finding validates the Trust Theory (Putnam, 1993; Luhmann, 2018), which emphasizes that trust in institutions is shaped by transparency, consistency, and clarity in public communication. It also supports the empirical observations of Ibrahim and Olaniyi (2024), who reported that many informal business operators did not fully understand the intent behind LIRS's communication efforts, thereby reducing their willingness to comply voluntarily.

The third finding reveals that LIRS's communication strategies are perceived as effective in promoting tax compliance ($M = 3.55$, $p < 0.05$), indicating that public awareness campaigns, digital outreach, and personalized messaging contribute positively to behavioural change. This suggests that the communication strategies are not only reaching the target audience but are also influencing their compliance decisions. This outcome reinforces Social Norms Theory (Cialdini, 1993), which asserts that perceived norms and collective expectations can shape behaviour, especially when reinforced through visible campaigns and testimonials. It also echoes the findings of Martinez and Lopez (2022), who demonstrated that targeted, culturally relevant public service announcements in Mexico improved tax knowledge and increased compliance among informal sector operators.

Conclusion and Recommendations

This study examined the effectiveness of strategic communication employed by the Lagos State Internal Revenue Service (LIRS) in promoting tax compliance among informal sector operators. The findings reveal that while LIRS's communication strategies such as radio, television, social media, SMS, and billboards have successfully reached a broad spectrum of informal business owners, significant gaps remain in comprehension, personalization, and follow-up. The study further confirms that issues such as unclear messaging, infrequent communication, and lack of sector-specific relevance hinder compliance. Nonetheless, respondents generally perceive LIRS's overall communication efforts as moderately effective in influencing tax-compliant behaviour. These insights reinforce the importance of clarity, trust-building, and cultural sensitivity in public-sector messaging.

Theoretically, the results affirm the relevance of Attitude Change Theory, Theory of Planned Behaviour, and Trust Theory in explaining tax compliance behaviour within informal economies. Effective communication must not only inform but also persuade, build credibility, and align with perceived norms. Moreover, Communication Accommodation Theory highlights the necessity of tailoring messages to resonate with the diverse realities of informal sector operators. While LIRS has made strides in deploying multi-channel communication strategies, sustainable tax compliance will require deeper integration of behavioural insights, community trust, and ongoing engagement.

Recommendations

1. LIRS should revise its communication content to ensure messages are clear, jargon-free, and actionable. Visual aids, infographics, and short videos can improve understanding, especially among less-educated operators.
2. Given the high effectiveness of social media and email, LIRS should expand its digital outreach by enhancing responsiveness on platforms like WhatsApp, Facebook, and Instagram to drive real-time engagement.
3. Regular and timely follow-ups through SMS reminders, community visits, or targeted emails should be institutionalized to reinforce initial messages and prompt behavioural action.
4. Communications should be adapted to fit the unique needs and challenges of different informal subsectors (e.g., artisans, traders, transport operators), using locally spoken languages and relatable scenarios.
5. Leveraging community leaders, advocacy groups, and trade associations as message conduits can enhance credibility, trust, and acceptance of tax messages within informal networks.

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