

**Findings From
The Pre-Wave Of The 2004-05
Taxpayer Communications
Tracking Study**

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Background & Purpose

- From 1997 to 2003, the IRS conducted both a Taxpayer e-file Ad Tracking Study and a Taxpayer Attitudinal Tracking Study. In 2003-04, these two surveys were folded into a single **Taxpayer Communications Tracking Study** consisting of two waves –
 - A Pre-Wave conducted prior to the start of each new communications program.
 - And a Post-Wave conducted after the end of each campaign to measure communications impact.
- The pre-post design of 2003-04 was repeated this year. It allows assessment of the impact of each new e-file communications program on Taxpayer awareness of and disposition toward e-file, while still identifying key segments and examining communications impact among them. The segments being analyzed this year are:
 - The e-file Usage Segments – e-file Users, Non-Triers, Lapsed Users, and Quitters
 - The Filing Behavior Segments – ASAPs, Get Around To It, etc.
 - V-Coders
 - And the Return Types – both the 4-group model of the past (Self-Simple, Self-Complex, Paid-Simple, and Paid-Complex) and the new 6-group model (Self-Simple, Self-Intermediate, Self-Complex, Paid-Simple, Paid-Intermediate, and Paid-Complex). Note: with more detailed questions required for the 6-group Return Type segmentation, we found that half of the surveyed respondents could not be classified – still, we show results here so that we can begin thinking about how it can be improved to better classify Taxpayers.

Method, Scope & Timing

- The 2004-05 study is being conducted as follows:
 - The Pre-Wave is used primarily to capture baseline awareness and other key measures for the campaign, in total and among the segments.
 - The Post-Wave is then used to track the campaign's impact – again, both in total and among the segments.
 - Note: the other large-scale *e-file* Taxpayer study (the Customer Satisfaction Study) is also analyzed by the segments identified in this study.
- Both waves of the study are conducted by telephone from Russell Research's national call center in Wayne, NJ. Interviewing for the Pre-Wave of this study occurred during the period of December 1-12, 2004. Interviewing for the Post-Wave will occur immediately after the 2005 filing season.
- The sample for each wave consists a Random Sample of 750 Total Taxpayers per wave.
 - The Random Sample is secured using Random Digit Dialing telephone lists.
 - To qualify for the study, all respondents have to be ages 18-74, employed, and filing taxes in the previous tax filing season (2004 in the case of the Pre-Wave; 2005 in the case of the Post-Wave).
 - ◆ Note that the 18-74 age range represents a change from the past, when the top age limit was 64.

Overview Of Pre-Wave Findings

Overview

- Summarizing key findings from the communications tracking measures, we found that prior to the new campaign:
 - About 8 in 10 Taxpayers had Unaided Awareness of at least one of the *e-file* products (statistically the same vs. a year ago), with virtually universal Total Awareness. The *e-file* method with highest awareness was again Practitioner *e-file*, followed by On-Line Filing (using Software, an On-Line Company, or FreeFile), and then TeleFile. Communication awareness measures were generally stable.
 - However, we found clear increases in claimed Trial, Usage, Recommendation, and Consideration – increases which do not appear to be due to any differences from year to year in sample composition, including the increased age range mentioned before.
 - Image ratings showed Taxpayer perceptions of *e-file* have generally improved over time, especially in terms of its *speed in filing* and *being a better way to file your income taxes*. Personality ratings for e-file were largely unchanged; however there were declines in the personality ratings of IRS over the past year and we'll monitor these closely in the Post-Wave.
- The segmentation work focused on different behavior structures, and yielded the following high-opportunity segments:
 - In terms of e-file Usage, the opportunities are again the Non-Triers (now 32% of all Taxpayers) and Lapsed Users (12%). These groups share a clear need for the Preparer to offer them e-file. Both are far behind the *e-file* Users in this regard.
 - For Return Type, with IRS moving from a 4-group to a 6-group model, we classified Taxpayers into both and found that the 4-group structure still works in terms of clean classification, while the new 6-group model does not (because of high Taxpayer non-response to its more detailed questions). FCB, Russell, and IRS will calibrate the questions in the 6-group structure prior to the Post-Wave.
 - ◆ Looking at the 4-group results, we again found that all 4 segments offer opportunity for IRS – mainly because they have similar awareness and disposition toward *e-file* and none stands out in terms of current usage. Still, two groups seem to be more immediate opportunities because of the fit of their Return Type with *e-file* – Self-Simples and Paid-Simples.
 - In terms of the four Filing Behavior segments, in 2004, we thought that the greatest gain would come from the three later filing segments. This year, the opportunity appears to be more in the two earlier-filing groups (ASAPs and When Get To It), which account for 79% of all Taxpayers yet still have substantial proportions (25-36%) who have not tried *e-file*. Here, too, we found that the Preparer offering *e-file* is an important factor in conversion of the Non-Triers in these two segments.
 - Finally, in tracking V-Coders, we found that they are still 28% of all Taxpayers and that they are still heavily dependent upon Preparers (76% use one) – though only 44% of those using Preparers say they are offered *e-file* as an filing option. So the key to this group remains the Preparer and it is a group ripe with opportunity, since only 8% have rejected *e-file* (with the rest being Non-Triers or Lapsed Users and consideration of use in this group is high – 69%).

Detailed Findings

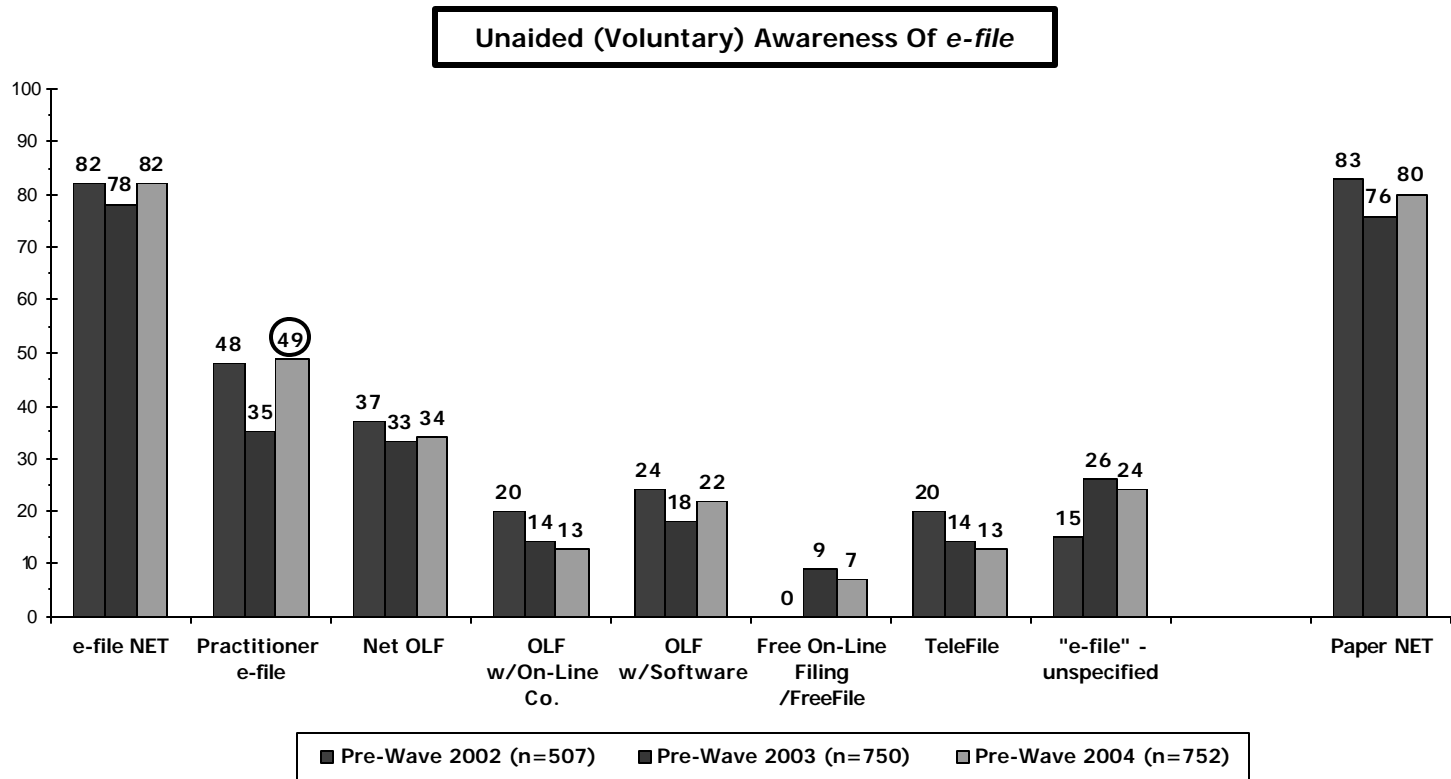
Statistical Notation Used In Detailed Findings

- Indicates current wave is significantly higher than the previous wave at a 95% confidence level. Or, when subgroups are being compared, the circle is used to indicate a significant difference between one group and the balance of the sample.
- Indicates current wave is significantly lower than the previous wave at a 95% confidence level. Or, when subgroups are compared, the circle indicates a significant difference between one group and the balance of the sample.

**Results Of Key Measures
Among All Taxpayers**

Unaided Brand Awareness

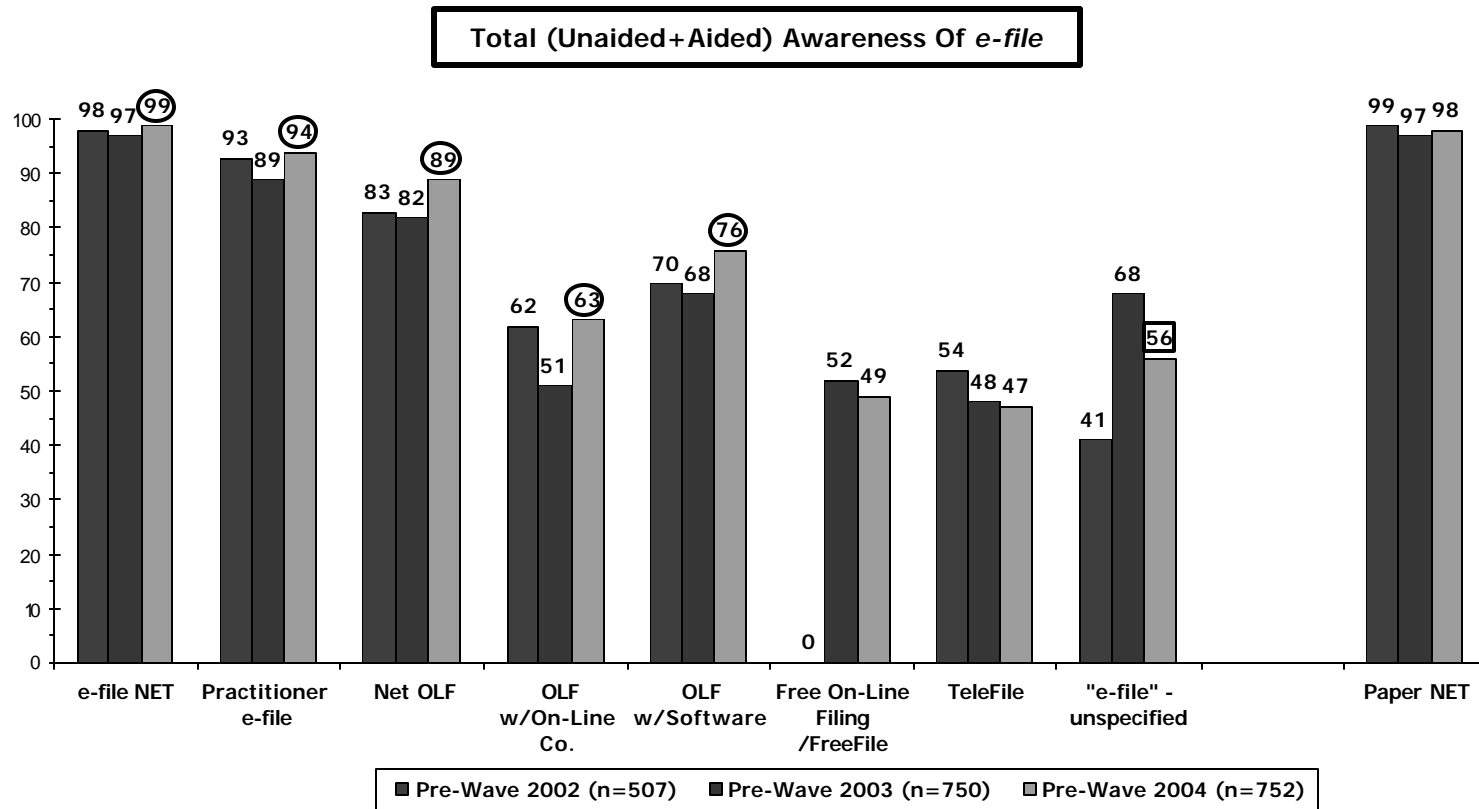
- While unaided awareness of *e-file* (in net) and specific *e-file* methods was largely unchanged in this Pre-Wave vs. the previous two Pre-Waves, there was a notable increase in voluntary mentions of Practitioner *e-file* (which includes any mention of *e-filing* through a Tax Professional).



0=Not Covered In 2002 Ad Tracking

Total Brand Awareness

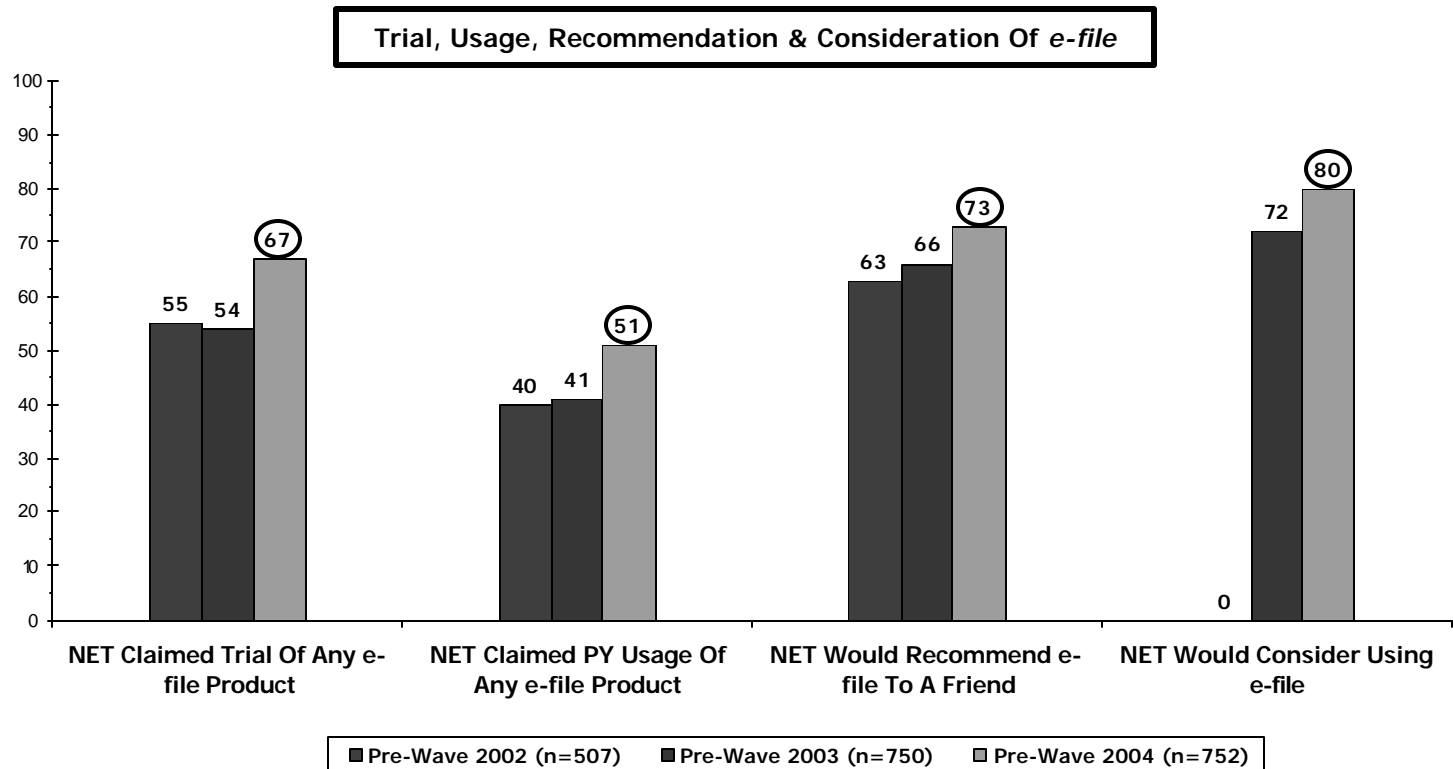
- In total (unaided plus aided mentions), virtually all Taxpayers were aware of *e-file* in net, just as they were in the previous two Pre-Waves. For the specific products, we saw increases for Practitioner *e-file* and the On-Line Filing methods, stable mentions of FreeFile and TeleFile, and a decrease in the level of mentions of “*e-file* unspecified”.



0=Not Covered In 2002 Ad Tracking

Trial, Usage, Recommendation & Consideration Of *e-file*

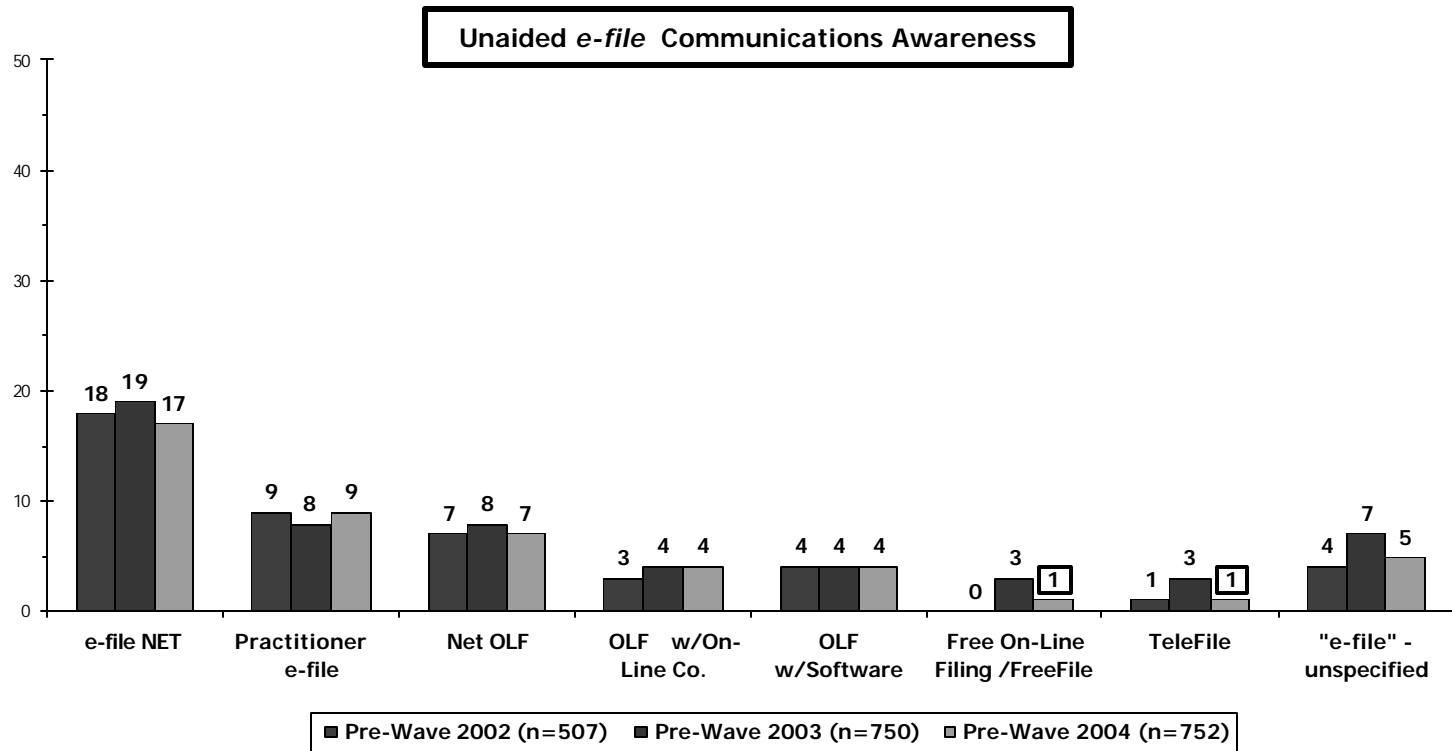
- We did find significant increases over the past Pre-Wave in claimed trial, usage, recommendation, and consideration of *e-file*. (See later investigation of these increases.)



0=Not Covered In 2002 Ad Tracking

Unaided Communications Awareness

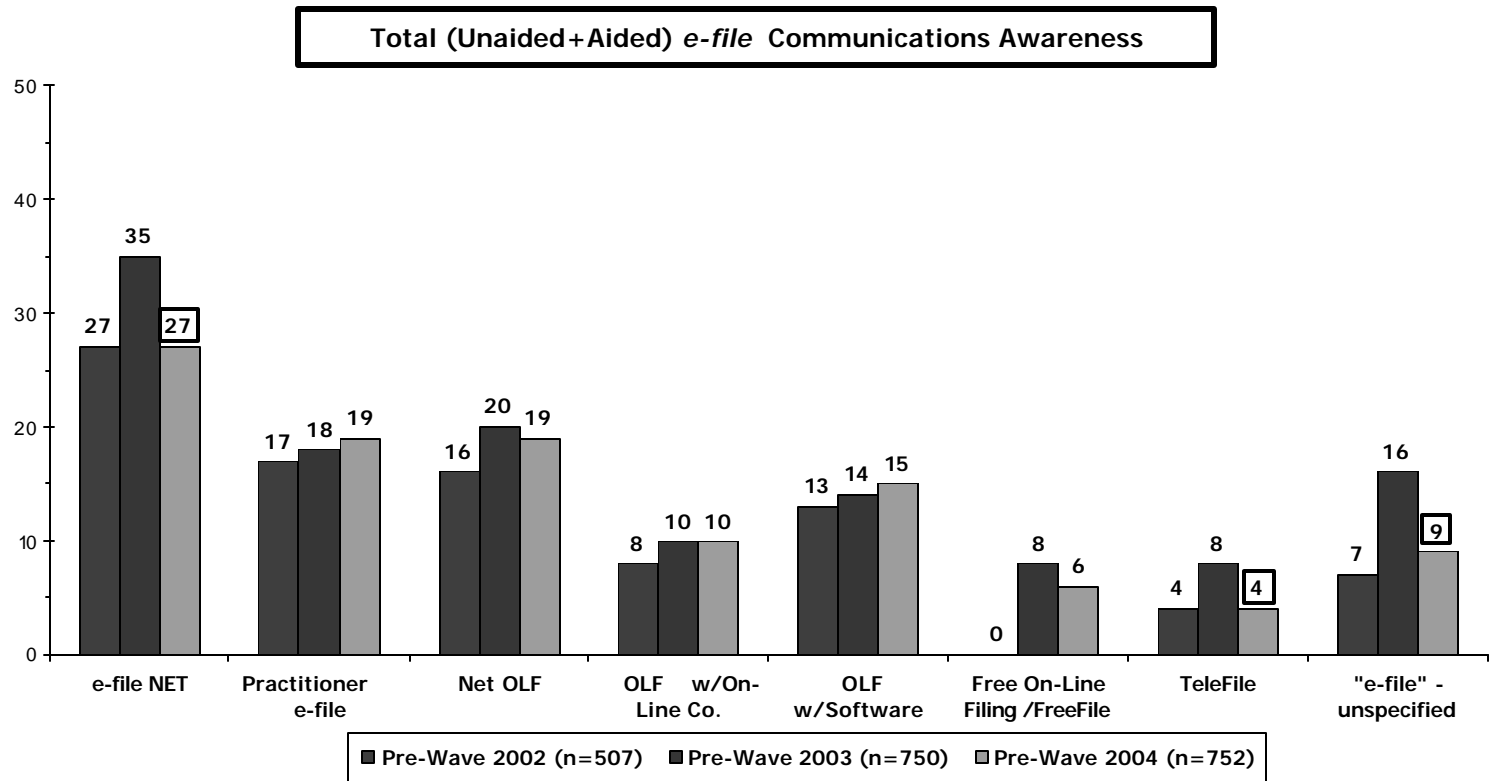
- This year's unaided awareness of *e-file* communications was very similar to what we found in the 2003 Pre-Wave, with the exception of decreases in mentions of FreeFile and TeleFile.



0=Not Covered In 2002 Ad Tracking

Total Communications Awareness

- Total mentions of awareness of *e-file* communications were significantly lower this year, but this was due to lower mentions of TeleFile and *e-file* Unspecified – awareness of communications for Practitioner *e-file*, Online Filing, and even FreeFile were stable.



0=Not Covered In 2002 Ad Tracking

What Explains The Higher Claimed Usage Data?

- Seeing increases in some key *e-file* measures, especially Trial, Usage, Recommendation and Consideration, we compared the demographics of this Pre-Wave sample vs. last year to see if the higher age ceiling (74 vs. 64 in previous Pre-Waves) might be affecting results (though higher age, if anything, should suppress *e-file* measures). This comparison showed a better educated, higher income sample (consistent with increased age), but no pattern of differences that would explain the increases, leaving the possibility that there have been sustained increases in *e-file* Trial, Usage, etc.

	Dec 2003 <u>Pre-Wave</u> (750) 100%	Dec 2004 <u>Pre-Wave</u> (752) 100%
Total Interviews		
Gender: Male	49	49
Female	51	51
Age: 18-24	7	4
25-34	18	17
35-44	27	26
45-54	28	30
55-64	19	18
65-74	x	6
Avg. Age	43	45
% 1st Time Filers	2	3
% Mainly Spanish-Speaking	8	5
Avg. HH Size	2.85	2.82
% With Children	41	44
% Married	62	62
% With Some College Education	59	67
Avg. HH Income	\$57	\$64
IRS Region 1	12	11
2	16	17
3	16	16
4	18	18
5	16	17
6	10	10
7	12	10

	Dec 2003 <u>Pre-Wave</u> (750) 100%	Dec 2004 <u>Pre-Wave</u> (752) 100%
Total Interviews		
Return Type: Self-Simple	20	18
Self-Complex	21	22
Paid-Simple	27	24
Paid-Complex	33	28
Unclassified	0	8
<u>Among Those Using A Preparer:</u> (Caution: Smaller Sub-Bases)		
% Use CPA	70	68
% Offered <i>e-file</i>	61	66
% Who Were Bal-Dues	17	20
% Who Got Refund	73	73
% Bal-Dues Who Paid Electronically	5	9
% Refunds Received Electronically	45	46
% Received EITC	25	30
% Received CTC	31	34
% w/Access To Fed-State <i>e-file</i>	23	24

Other Communications Diagnostic Measures

- The Pre-Wave survey also included several communications diagnostic measures, specifically:
 - Advertising Recall -- main message and total recall from communications.
 - Source Attribution – where Taxpayers saw the advertising.
 - Sponsor Attribution – whether Taxpayers attribute communications to the IRS or other sources.
 - And Impressions Of The Communications – whether the communications were “memorable”, “compelling”, etc. (with this measure covered separately for advertising communications vs. other types of communications).
- However, analysis of these measures is appropriate only after the new communications have run and we will address them in the Post-Wave report, where we will look at them on a *before* vs. *after* basis – i.e., before the communications program started vs. after it was completed.

Perceptions Of *e-file* & Tax Filing

- We looked at perceptions of *e-file* as we found them here in the Pre-Wave (December 2004) vs. the previous Pre-Wave (December 2003) and vs. the 2003 Attitudinal Tracking Study (February 2003).
- Overall, results of these ratings show significantly stronger perceptions of *e-file* now (vs. the past) on two attributes -- *e-file is a faster way to get your Federal tax refund* and *e-file is a better way to file your Federal income taxes*. There has also been slight improvement over time in attributes which talk about the *accuracy, speed in refund, cost, ease, and proof of receipt* features of *e-file*. Meanwhile, there was a weakening this year of just one attribute – *e-file changes the way you look at the IRS*.

BASE:	Feb 2003 Taxpayer Attitudinal Study	Dec 2003 Pre-Wave Taxpayer Trkg Study	Dec 2004 Pre-Wave Taxpayer Trkg Study
	1000 %	750 %	752 %
Filing taxes is something nobody likes, but everybody has to do	92	90	93
<i>e-file is a faster way to get your Federal income tax return to the IRS</i>	73	76	82
<i>e-file is an accurate way to file your Federal income taxes</i>	67	71	74
<i>e-file is a private and secure way to file Federal income taxes</i>	60	62	61
<i>e-file is a faster way to get your Federal tax refund [money]</i>	66	72	74
<i>e-file is a better way to file your Federal income taxes</i>	56	58	63
<i>e-file is an inexpensive way to file your Federal income taxes</i>	58	63	64
The IRS is becoming a friendlier, more helpful government organization	60	62	60
<i>e-file is easy to use with little hassle</i>	53	56	60
<i>e-file provides proof of receipt</i>	52	56	57
<i>e-file changes the way you look at the IRS</i>	32	40	35
Mailing in your Federal tax return is still safer, more reliable	50	53	51
I'm used to doing my taxes on paper and see no reason to change	41	43	43

% Agree Completely or Agree Somewhat With Each Statement

Brand Personality Of *e-file* vs. The IRS Overall

- We also looked at long-term changes in the brand personalities of *e-file* and IRS. There has been little change over time in the *e-file* ratings. However, we found slippage this year vs. last year in the IRS ratings, with lower ratings of its positive personality points of being modern, helpful, and trustworthy and higher ratings of its negative points of needing to be wary of it, its being difficult, and being old-fashioned.

	<u>Describes <i>e-file</i></u>			<u>Describes IRS</u>		
	Pre-Wave 2002 (251) %	Pre-Wave 2003 (377) %	Pre-Wave 2004 (380) %	Pre-Wave 2002 (256) %	Pre-Wave 2003 (373) %	Pre-Wave 2004 (372) %
BASE:						
<u>POSITIVE ATTRIBUTES</u>						
Up-To-Date/Modern	90	83	87	63	69	60
Dependable	79	67	73	66	70	66
Helpful	78	73	74	59	68	57
Someone You Can Trust	69	62	64	48	53	45
Interesting	66	57	64	41	41	37
Creative	65	59	62	48	47	42
Confident & Outgoing	64	60	61	54	58	54
A Leader	56	59	55	48	51	47
A Friend	47	45	47	25	27	22
Easy-Going & Laid Back	47	43	41	13	16	13
<u>NEGATIVE ATTRIBUTES</u>						
High-Strung & Uptight	26	27	26	62	55	62
Someone You Need To Be Wary Of	36	36	37	63	58	67
Boring	32	37	34	53	56	52
Difficult	29	31	33	66	58	66
A Follower	23	19	23	23	21	24
Old Fashioned	9	12	13	44	39	48
Shy & Introverted	9	11	10	10	11	7
<u>NEUTRAL ATTRIBUTES (AVG. NOT APPROPRIATE)</u>						
Masculine	37	35	41	60	56	57
Feminine	16	16	16	11	9	9

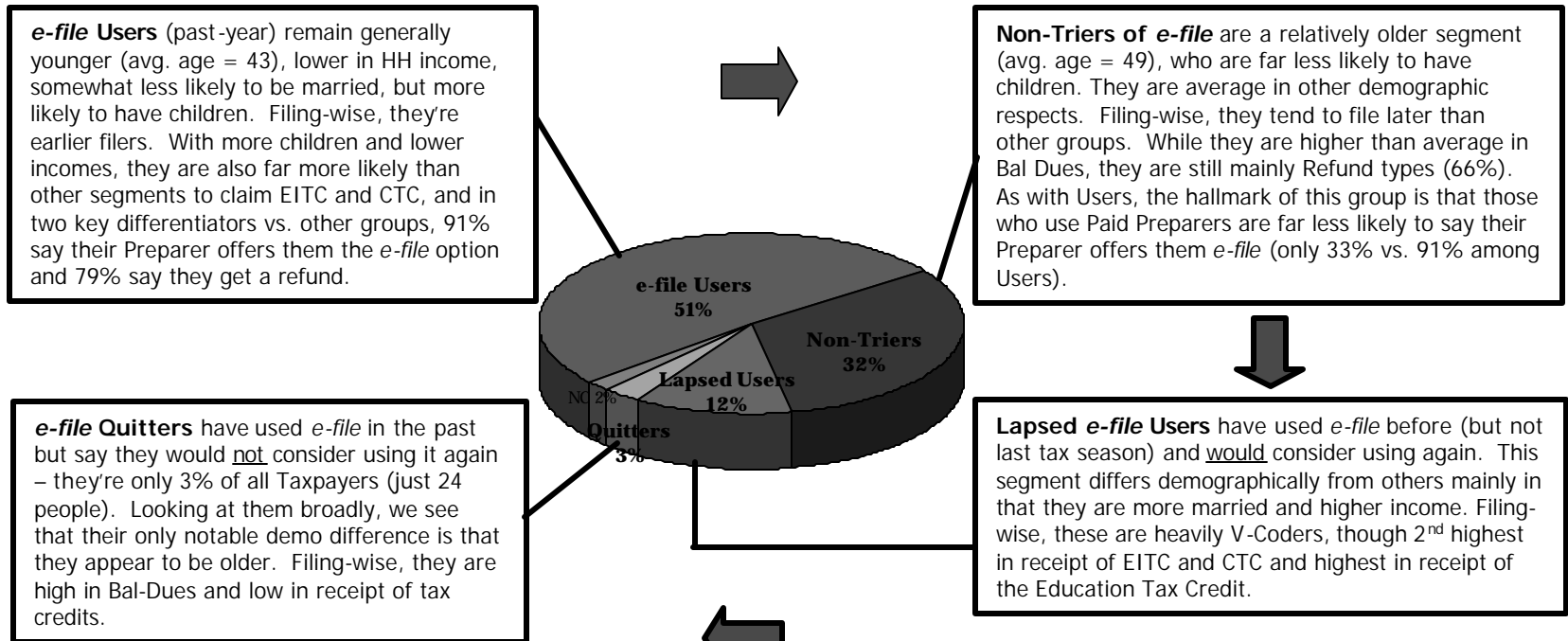
% Saying This Characteristic Describes *e-file*/IRS

**Results Of Key Measures
Among Segments**

The e-file Usage Segments: Size & Composition

- In thinking of segmented opportunities this year, we looked first at the various breakouts in e-file usage – Users vs. various shades of Non-Users – Non-Triers, Lapsed Users, and Quitters (who are very small-based and analyzed only broadly). The high-opportunity segment here has to be the Non-Triers (now 32% of all Taxpayers) and, to a lesser extent, the Lapsed Users (12% of Taxpayers). Following are the outstanding characteristics of each segment.

2004-05 e-file Usage Segments



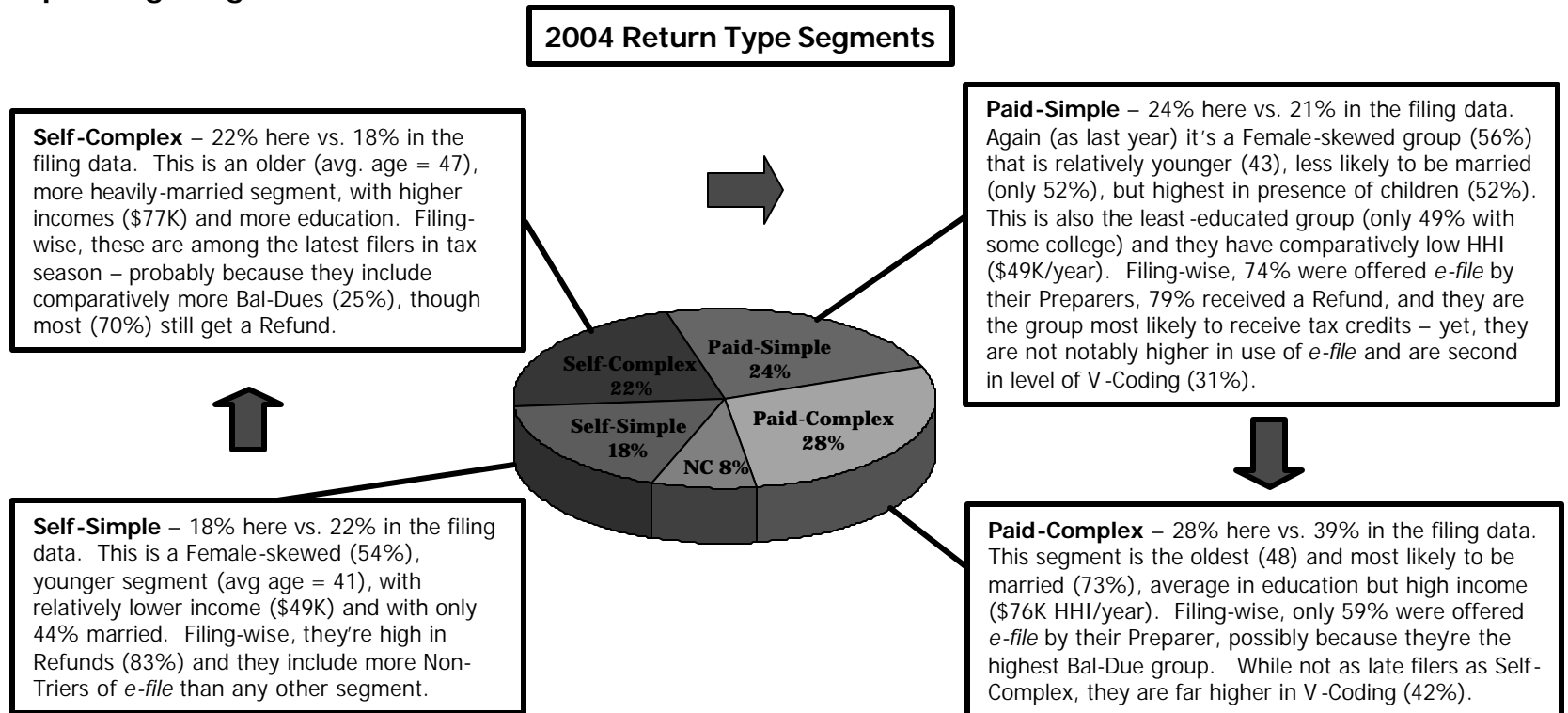
The e-file Usage Segments: e-file Awareness & Disposition

- It is clear from the awareness data below that there are multiple factors preventing **Non-Triers** from using e-file – including lack of awareness, lack of a positive disposition toward e-file and, among those using Preparers, an extremely low rate of being offered e-file as an option (only 33% vs. 91% among e-file Users).
- Among **Lapsed Users**, there does not appear to be an awareness or disposition problem. And (as we see in the profile data in the Appendix), while they're high in income, they're also high in receipt of tax credits. So why have they lapsed? To some extent, because of lack of stimulus from the Preparer. While 58% use a Preparer, only 54% of these say the Preparer offers e-file (vs. 91% among Users). Higher income (and complex returns) in this group might also be another factor.

	Users	Non-Triers	Lapsed Users	Quitters*
Total Interviews	(381) 100%	(244) 100%	(90) 100%	(24)* 100%
<u>Brand Awareness & Disposition</u>				
Unaided Awareness Of e-file (Net)	90	67	89	79
Total Awareness Of e-file (Net)	100	97	100	100
Unaided Awareness Of e-file Communications (Net)	20	11	20	4
Total Awareness Of e-file Communications (Net)	31	23	32	8
Would Recommend e-file To A Friend	93	39	83	46
Would Consider Using e-file	92	62	100	--

The 4-Group Return Type Segments: Size & Composition

- The old Attitudinal study was also used to classify Taxpayers into one of four return types, based on responses to questions about use of a Preparer and complexity of return. As a result, this has always been only a rough approximation of the four return types as found in IRS Taxpayer data.
- The size and characteristics of these segments as found in the Pre-Wave of the new Taxpayer Tracking Study are summarized below. As we'll see on the next slide, all four groups present opportunities for expanding usage of *e-file*.



The 4-Group Return Types: *e-file* Awareness & Disposition

- All of the four Return Types are opportunity segments, because they all have similar awareness and disposition toward *e-file* and none stands out in terms of current usage (though Self-Simples include more Non-Triers). The groups being relatively equal, two would seem to be more immediate opportunities because of the fit of their Return Type with *e-file* – the Self-Simples and Paid-Simples.

Total Interviews

Brand Awareness & Disposition

Unaided Awareness Of *e-file* (Net)

Total Awareness Of *e-file* (Net)

Unaided Awareness Of *e-file* Communications (Net)

Total Awareness Of *e-file* Communications (Net)

Would Recommend *e-file* To A Friend

Would Consider Using *e-file*

Current Usage Of *e-file*

Current *e-file* Users

Current *e-file* Non-Triers

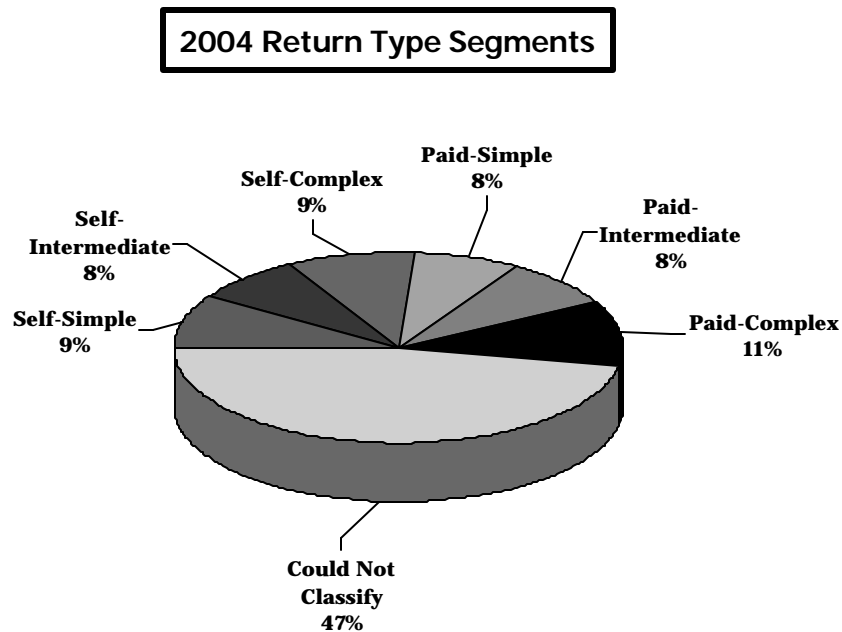
Lapsed *e-file* Users

e-file Quitters

	<u>Self-Simple</u> (133) 100%	<u>Self-Complex</u> (163) 100%	<u>Paid-Simple</u> (183) 100%	<u>Paid-Complex</u> (213) 100%
Unaided Awareness Of <i>e-file</i> (Net)	87	89	70	83
Total Awareness Of <i>e-file</i> (Net)	97	100	99	100
Unaided Awareness Of <i>e-file</i> Communications (Net)	17	23	16	12
Total Awareness Of <i>e-file</i> Communications (Net)	27	33	27	24
Would Recommend <i>e-file</i> To A Friend	77	74	74	71
Would Consider Using <i>e-file</i>	83	83	79	78
Current <i>e-file</i> Users	46	53	54	46
Current <i>e-file</i> Non-Triers	40	30	28	35
Lapsed <i>e-file</i> Users	11	13	10	15
<i>e-file</i> Quitters	2	2	4	4

Moving To A 6-Group Return Type Segmentation

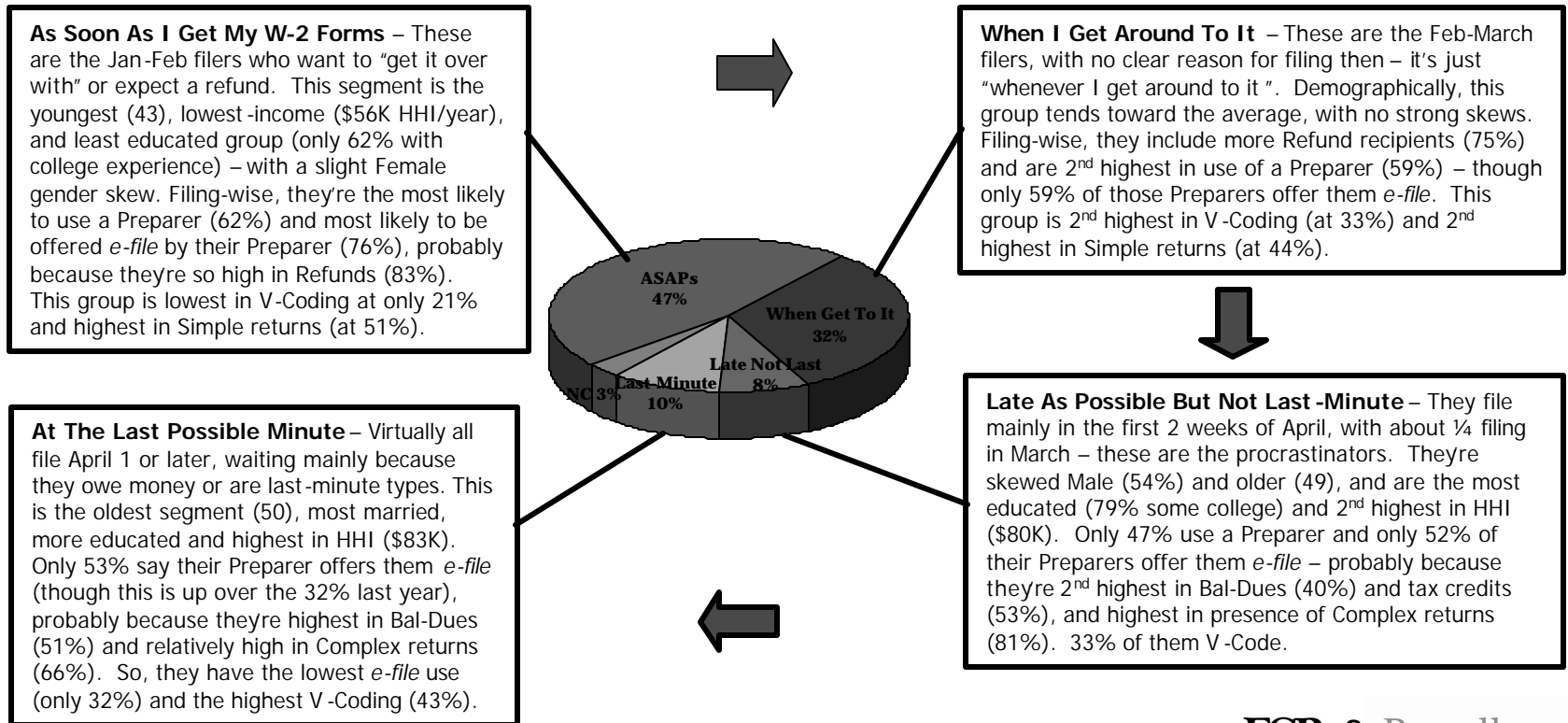
- With the IRS moving from the 4-group to a new 6-group Return Type classification, we attempted to classify Taxpayers into the 6-group model by asking a series of detailed questions of the 2004-05 Pre-Wave respondents. Many respondents could not answer one or more of the questions, leaving 47% unclassified (with the rest split generally evenly across the 6 segments).
- Demographic and other data for each of these groups is shown in the Appendix. We'll use that data as a starting point for determining how the 6-group model can be improved and used in future Taxpayer surveys.



The Filing Behavior Segments: Size & Composition

- We asked Taxpayers to tell us when they file their Federal income tax return – is it “as soon as you get your W-2 forms”, “when you get around to it during tax season”, “as late as possible but not at the last minute”, or “at the last possible minute”? We segmented Taxpayers according to their answers. Following are the size and characteristics of the 2004-05 Filing Behavior segments.

2004 Filing Behavior Segments



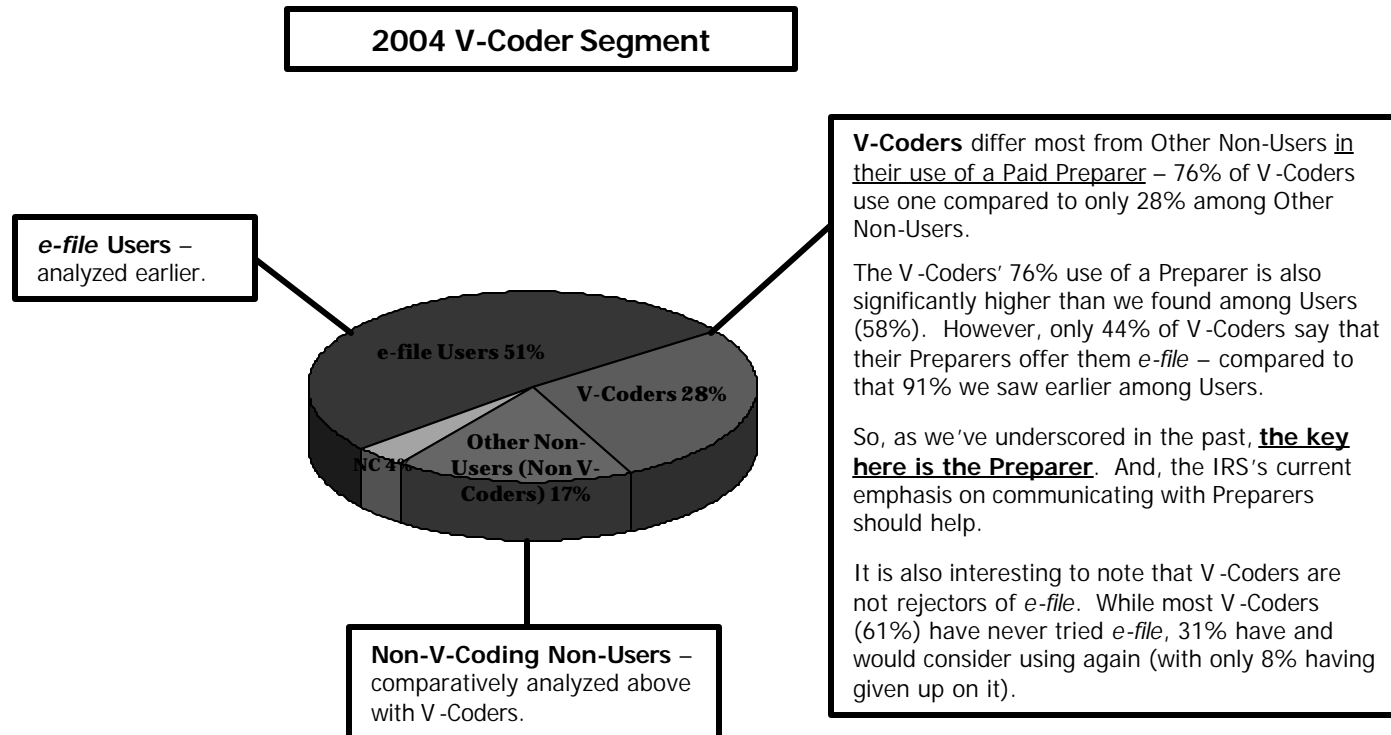
The Filing Behavior Segments: *e-file* Awareness & Disposition

- Two of the Filing Behavior segments offer the greatest opportunity for *e-file* – the ASAPs and When Get To Its. 79% of all Taxpayers fall into one of these two groups and there are still substantial numbers of Non-Triers (25-36%) in each one. These two segments also had the highest use of a Preparer, though only one of them (ASAPs) reported that their Preparer generally offered them *e-file* – and this turned out to be the segment with the highest use of *e-file*, all of which underscores the importance of the Preparer in driving up usage in both high-opp segments.

	<u>ASAPs</u> (357) 100%	<u>When Get To It</u> (240) 100%	<u>Late Not Last</u> (57) 100%	<u>Last-Minute</u> (76) 100%
Total Interviews				
<u>Brand Awareness & Disposition</u>				
Unaided Awareness Of <i>e-file</i> (Net)	82	80	81	88
Total Awareness Of <i>e-file</i> (Net)	100	98	98	99
Unaided Awareness Of <i>e-file</i> Communications (Net)	17	13	25	17
Total Awareness Of <i>e-file</i> Communications (Net)	26	25	42	28
Would Recommend <i>e-file</i> To A Friend	76	73	74	61
Would Consider Using <i>e-file</i>	81	80	82	78
<u>Usage Of <i>e-file</i></u>				
Current <i>e-file</i> Users	59	45	46	32
Current <i>e-file</i> Non-Triers	25	36	40	53
Lapsed <i>e-file</i> Users	11	14	14	11
<i>e-file</i> Quitters	4	3	0	4

V-Coders: Size & Composition

- For several years now, we've identified V-Coders in the Taxpayer research samples and tracked their size and composition. In the Pre-Wave here, 28% of all Taxpayers were V-Coders, which is the same as we found last year. Following is a summary of who's in this segment and how they compare to Other Non-V-Coding Non-Users of *e-file* as well as to *e-file* Users.



V-Coders: e-file Awareness & Disposition

- While neither the V-Coders nor Other Non-Users have awareness or consideration of e-file that approaches that of the e-file Users, about half of both groups say they would recommend e-file to a friend and over two-thirds (68-69%) say they would consider using it.
- With 68-69% of non-user groups indicating interest, the potential for conversion is high – especially among the V-Coders, who – unlike Other Non-Users – are very reachable through the Preparer.

	<u>e-file Users</u>	<u>V-Coders</u>	<u>Other Non-Users</u>
	(381)	(213)	(128)
	100%	100%	100%
<u>Brand Awareness & Disposition</u>			
Unaided Awareness Of e-file (Net)	90	76	73
Total Awareness Of e-file (Net)	100	99	97
Unaided Awareness Of e-file Communications (Net)	20	14	13
Total Awareness Of e-file Communications (Net)	31	24	23
Would Recommend e-file To A Friend	93	55	46
Would Consider Using e-file	92	69	68

Appendix

Questionnaire Used In Study
(Attached Electronically)

**Demographics
Of The Key Segments
Analyzed In The Report**

Usage Segments: Demographic Summary

	Users	Non-Triers	Lapsed Users	Quitters*
Total Interviews	(381) 100%	(244) 100%	(90) 100%	(24)* 100%
<u>Gender</u>				
Male	49	47	52	50
Female	51	53	48	50
<u>Marital Status</u>				
Married	61	60	(72)	71
Single	(23)	20	13	8
Separated, Divorced or Widowed	14	18	13	13
Mean Age:	(43)	(49)	45	51
Mean HH Size:	3	3	3	3
Have Children	(53)	(31)	46	29
College	67	67	69	67
Mean Income	(62k)	66k	(69k)	60k
Used Preparer	58	57	58	71
Preparer is CPA	65	73	63	88
Preparer Offered <i>e-file</i> option	(91)	(33)	54	65
<u>Balance Due vs. Refund</u>				
Balance Due	16	(26)	19	29
Refund	(79)	66	73	67
<u>Received Tax Credit</u>				
EITC	(63)	(38)	58	33
CTC	(36)	21	30	17
Education Tax Credit	(43)	23	31	17
	13	8	17	8

Usage Segments: Cross-Segmentation

	Users	Non-Triers	Lapsed Users	Quitters*
Total Interviews	(381) 100%	(244) 100%	(90) 100%	(24)* 100%
<u>Cross-Relationship With Other Segments</u>				
Return Type = Self-Simple	16	(22)	16	13
Return Type = Self-Complex	23	20	24	17
Return Type = Paid-Simple	26	21	21	29
Return Type = Paid-Complex	25	30	34	33
Return Type = Self-Simple	7	(12)	8	8
Return Type = Self-Intermediate	9	6	11	4
Return Type = Self-Complex	9	8	9	8
Return Type = Paid-Simple	8	7	9	4
Return Type = Paid-Intermediate	9	5	13	8
Return Type = Paid-Complex	(8)	14	14	17
Filing Behavior = As Soon As Possible (ASAP)	(55)	36	42	63
Filing Behavior = When Get Around To It	28	35	38	25
Filing Behavior = Late But Not Last	7	9	9	0
Filing Behavior = Last Possible Minute	6	(16)	9	13
V-Coder	0	53	(73)	71

4-Group Return Type Segments: Demographic Summary

	<u>Self-Simple</u>	<u>Self-Complex</u>	<u>Paid-Simple</u>	<u>Paid-Complex</u>
Total Interviews	(133) 100%	(163) 100%	(183) 100%	(213) 100%
<u>Gender</u>				
Male	46	50	44	54
Female	54	50	56	46
<u>Marital Status</u>				
Married	44	(70)	52	(73)
Single	(33)	13	(29)	12
Separated, Divorced or Widowed	(21)	14	16	13
Mean Age:	(41)	(47)	43	(48)
Mean HH Size:	2	3	3	3
Have Children	32	48	(52)	42
College	70	(83)	49	67
Mean Income	(49k)	(77k)	(49k)	(76k)
Used Preparer	0	0	(100)	(100)
Preparer is CPA	0	0	61	(74)
Preparer Offered <i>e-file</i> option	0	0	(74)	59
<u>Balance Due vs. Refund</u>				
Balance Due	14	25	13	(27)
Refund	(83)	70	(79)	67
<u>Received Tax Credit</u>				
EITC	47	52	(60)	53
CTC	25	20	(44)	31
CTC	21	37	(41)	34
Education Tax Credit	11	15	10	12

4-Group Return Type Segments: Cross-Segmentation

	<u>Self-Simple</u>	<u>Self-Complex</u>	<u>Paid-Simple</u>	<u>Paid-Complex</u>
Total Interviews	(133) 100%	(163) 100%	(183) 100%	(213) 100%
<u>Cross-Relationship With Other Segments</u>				
Current <i>e-file</i> Users	46	53	54	46
Current <i>e-file</i> Non-Triers	(40)	30	28	35
Lapsed <i>e-file</i> Users	11	13	10	15
<i>e-file</i> Quitters	2	2	4	4
Return Type = Self-Simple	(51)	0	0	0
Return Type = Self-Intermediate	0	(37)	0	0
Return Type = Self-Complex	0	(40)	0	0
Return Type = Paid-Simple	0	0	(31)	0
Return Type = Paid-Intermediate	0	0	0	(29)
Return Type = Paid-Complex	0	0	0	(38)
Unclassified	(49)	23	(69)	33
Filing Behavior = As Soon As Possible (ASAP)	52	36	(62)	43
Filing Behavior = When Get Around To It	36	29	31	33
Filing Behavior = Late But Not Last	5	(15)	1	10
Filing Behavior = Last Possible Minute	7	(17)	3	11
V-Coder	17	17	31	(42)

6-Group Return Type Segments: Demographic Summary

	Self- Simple	Self- Intermediate	Self- Complex	Paid- Simple	Paid- Intermediate	Paid- Complex	Un- Classified
Total Interviews	(68) 100%	(60) 100%	(66) 100%	(57) 100%	(61) 100%	(80) 100%	(360) 100%
<u>Gender</u>							
Male	47	47	59	53	56	58	44
Female	53	53	41	47	44	43	56
<u>Marital Status</u>							
Married	37	73	76	56	72	80	57
Single	43	15	11	28	13	10	21
Separated, Divorced or Widowed	21	12	12	11	11	9	18
Mean Age:	42	41	50	46	44	50	45
Mean HH Size:	2	3	3	2	3	3	3
Have Children	13	78	41	28	61	33	46
College	66	85	86	53	66	78	61
Mean Income	47k	72k	83k	52k	66k	82k	60k
Used Preparer	0	0	0	100	100	100	67
Preparer is CPA	0	0	0	58	62	84	67
Preparer Offered e-file option	0	0	0	65	77	49	70
<u>Balance Due vs. Refund</u>							
Balance Due	15	10	33	12	23	30	19
Refund	82	85	61	82	74	64	73
<u>Received Tax Credit</u>							
EITC	7	83	38	9	77	51	63
CTC	0	28	15	9	56	26	37
Education Tax Credit	0	63	27	0	56	28	40
	0	18	14	0	16	16	12

6-Group Return Type: Cross-Segmentation & Awareness

	Self-Simple	Self-Intermediate	Self-Complex	Paid-Simple	Paid-Intermediate	Paid-Complex	Un-Classified
Total Interviews	(68) 100%	(60) 100%	(66) 100%	(57) 100%	(61) 100%	(80) 100%	(360) 100%
<u>Cross-Relationship With Other Segments</u>							
Current <i>e-file</i> Users	41	58	55	51	54	36	53
Current <i>e-file</i> Non-Triers	(44)	23	29	32	21	(43)	32
Lapsed <i>e-file</i> Users	10	17	12	14	(20)	16	9
<i>e-file</i> Quitters	3	2	3	2	3	5	3
Return Type = Self-Simple	(100)	0	0	0	0	0	10
Return Type = Self-Complex	0	(100)	(100)	0	0	0	(35)
Return Type = Paid-Simple	0	0	0	(100)	0	0	(20)
Return Type = Paid-Complex	0	0	0	0	(100)	(100)	(18)
Filing Behavior = As Soon As Possible (ASAP)	49	42	24	56	49	38	(53)
Filing Behavior = When Get Around To It	38	28	30	39	33	29	31
Filing Behavior = Late But Not Last	3	10	(21)	2	7	(15)	5
Filing Behavior = Last Possible Minute	9	17	(18)	2	8	15	8
V-Coder	18	15	20	32	34	(54)	27
<u>Brand Awareness & Disposition</u>							
Unaided Awareness Of <i>e-file</i> (Net)	88	90	92	65	84	84	79
Total Awareness Of <i>e-file</i> (Net)	94	100	100	98	100	100	99
Unaided Awareness Of <i>e-file</i> Communications (Net)	12	22	32	14	7	15	17
Total Awareness Of <i>e-file</i> Communications (Net)	19	32	45	25	18	29	27
Would Recommend <i>e-file</i> To A Friend	74	73	77	74	77	74	70
Would Consider Using <i>e-file</i>	87	90	85	82	87	80	76

Filing Behavior Segments: Demographic Summary

	ASAPs	When Get To It	Late Not Last	Last-Minute
Total Interviews	(357) 100%	(240) 100%	(57) 100%	(76) 100%
<u>Gender</u>				
Male	47	48	54	51
Female	53	52	46	49
<u>Marital Status</u>				
Married	59	61	67	71
Single	21	23	23	8
Separated, Divorced or Widowed	(18)	13	11	20
Mean Age:	(43)	46	(49)	(50)
Mean HH Size:	3	3	3	3
Have Children	(50)	38	35	38
College	62	70	(79)	71
Mean Income	(56k)	64k	(80k)	(83k)
Used Preparer	(62)	59	47	47
Preparer is CPA	67	67	74	72
Preparer Offered e-file option	(76)	59	52	53
<u>Balance Due vs. Refund</u>				
Balance Due	12	18	(40)	(51)
Refund	(83)	(75)	49	38
<u>Received Tax Credit</u>				
EITC	(62)	43	53	42
CTC	(39)	24	21	18
Education Tax Credit	(39)	28	26	33
	(13)	10	14	7

Filing Behavior Segments: Cross-Segmentation

	<u>ASAPs</u>	<u>When Get To It</u>	<u>Late Not Last</u>	<u>Last-Minute</u>
Total Interviews	(357) 100%	(240) 100%	(57) 100%	(76) 100%
<u>Cross-Relationship With Other Segments</u>				
Current <i>e-file</i> Users	(59)	45	46	32
Current <i>e-file</i> Non-Triers	25	36	40	(53)
Lapsed <i>e-file</i> Users	11	14	14	11
<i>e-file</i> Quitters	4	3	0	4
Return Type = Self-Simple	19	20	11	12
Return Type = Self-Complex	16	20	(42)	(36)
Return Type = Paid-Simple	(32)	24	2	7
Return Type = Paid-Complex	26	30	39	30
Return Type = Self-Simple	9	11	4	8
Return Type = Self-Intermediate	7	7	11	13
Return Type = Self-Complex	4	8	(25)	(16)
Return Type = Paid-Simple	9	9	2	1
Return Type = Paid-Intermediate	8	8	7	7
Return Type = Paid-Complex	8	10	(21)	16
V-Coder	21	(33)	33	(43)

V-Coders: Demographic Summary

	<u>e-file Users</u>	<u>V-Coders</u>	<u>Other Non-Users</u>
	(381)	(213)	(128)
	100%	100%	100%
<u>Gender</u>			
Male	49	47	48
Female	51	53	52
<u>Marital Status</u>			
Married	61	69	55
Single	23	16	20
Separated, Divorced or Widowed	14	13	23
Mean Age:	43	47	49
Mean HH Size:	3	3	2
Have Children	53	42	24
College	67	70	65
Mean Income	62k	68k	64k
Used Preparer	58	76	28
Preparer is CPA	65	73	61
Preparer Offered <i>e-file</i> option	91	44	28
<u>Balance Due vs. Refund</u>			
Balance Due	16	27	22
Refund	79	65	73
<u>Received Tax Credit</u>			
EITC	63	47	38
CTC	36	27	20
Education Tax Credit	43	31	16
	13	13	7

V-Coders: Cross-Segmentation

	<u>e-file Users</u>	<u>V-Coders</u>	<u>Other Non-Users</u>
	(381)	(213)	(128)
	100%	100%	100%
<u>Cross-Relationship With Other Segments</u>			
Current e-file Users	100	0	0
Current e-file Non-Triers	0	61	77
Lapsed e-file Users	0	31	18
e-file Quitters	0	8	5
Return Type = Self-Simple	16	10	34
Return Type = Self-Complex	23	13	37
Return Type = Paid-Simple	26	26	13
Return Type = Paid-Complex	25	42	13
Return Type = Self-Simple	7	6	20
Return Type = Self-Intermediate	9	4	13
Return Type = Self-Complex	9	6	13
Return Type = Paid-Simple	8	8	6
Return Type = Paid-Intermediate	9	10	4
Return Type = Paid-Complex	8	20	4
Filing Behavior = As Soon As Possible (ASAP)	55	35	45
Filing Behavior = When Get Around To It	28	38	31
Filing Behavior = Late But Not Last	7	9	9
Filing Behavior = Last Possible Minute	6	15	13
V-Coder	0	100	0