

Findings From The 2002-2003 *e-file* Advertising Tracking Study

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Background & Purpose And Design & Methodology



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Background & Purpose

- **Each year, the IRS and its advertising agency conduct tracking research to determine the impact of *e-file* advertising and communications on awareness of *e-file*.**
- **Previous waves of this research have been very narrowly focused on advertising awareness and recall, with no linkage to other research conducted for *e-file*. Specifically, compared to all other *e-file* surveys, the earlier waves:**
 - Referred to *e-file* products differently (using different product names)
 - Asked awareness and usage questions differently.
 - And qualified respondents differently.
- **As FCB began its work for IRS in 2002, it recommended (and IRS agreed) that this study should be modified and aligned with other *e-file* research studies so that advertising tracking could, for the first time, be fully integrated into the total *e-file* research program.**

Research Design & Methodology

- **Among the changes made to the tracking study this year:**
 - The study was shifted to a pre-post research design, with one wave of research prior to the start of advertising and another after the end of advertising -- this to measure changes in the *e-file* situation that can be attributed to the annual advertising campaign.
 - The new study now qualifies respondents, refers to e-file products, and asks questions in exactly the same way as all other *e-file* research studies.
 - The study includes, for the first time, an augment of Spanish-language Taxpayers, to fill a gap in IRS understanding of the impact of *e-file* advertising on this segment.
 - And, results can now be read by all of the various segments identified in the Attitudinal Tracking Study (e.g., the Tech Acceptance segments, Return Type segments, the *e-file* Attitudinal segments, V-Coders, Lapsed Users, Spanish-Speaking, etc.)

Research Design & Methodology (Cont'd.)

- **Each wave of the study is conducted...**
 - By telephone, from RMR's national telephone interviewing facility in Wayne, NJ.
 - It includes a nationally-representative sample of Taxpayers age 18-65 who are employed and filed taxes last year (the same criteria as in other *e-file* studies). The sample is quota'd to assure that it represents the roughly 50/50 gender split of the Taxpayer population.
 - The sample is drawn from an "RDD"("random digit dialing") list, secured from Survey Sampling (the research industry's premier sampling house). An RDD list is used to assure that unlisted HHs as well as directory-listed HHs are included in the study.
 - The sample size in each wave is approximately 500 total random sample interviews, with Spanish-language Taxpayers augmented to assure a directionally readable sub-sample of 100 such Taxpayers (the list for this augment is also secured from Survey Sampling and is based on a Spanish surname list).
- **The Pre-Wave was conducted December 4-15, 2002, or approximately one month before the start of the new e-file advertising campaign. The Post-Wave was conducted April 14-29, after campaign activity was completed.**

Analytical Notes

- **Following are overall findings from the Pre- and Post-Waves of the new study, along with detailed analysis of pre-to-post results -- in total and by each of the key segments.**
- **As a guide to statistical symbols used in the report, please note that...**
 - A circle indicates a significant difference between waves (at a 95% confidence level).
 - A B C An uppercase letter indicates that data from one sub-group are significantly higher (at the 95% confidence level) than data from another sub-group -- the sub-group designated with that letter at the head of its data column.
 - Note: Other graphics (boxes, lines, etc.) are also used to highlight key data or patterns of data.

Summary & Conclusions



Summary & Conclusions

Overview

Overall, the impact of the '02-'03 IRS *e-file* advertising campaign appears to have been limited mainly to increasing awareness of *e-file* (especially On-Line Filing and generic "*e-file*") and to increasing awareness of the array of electronic filing methods available to Taxpayers.

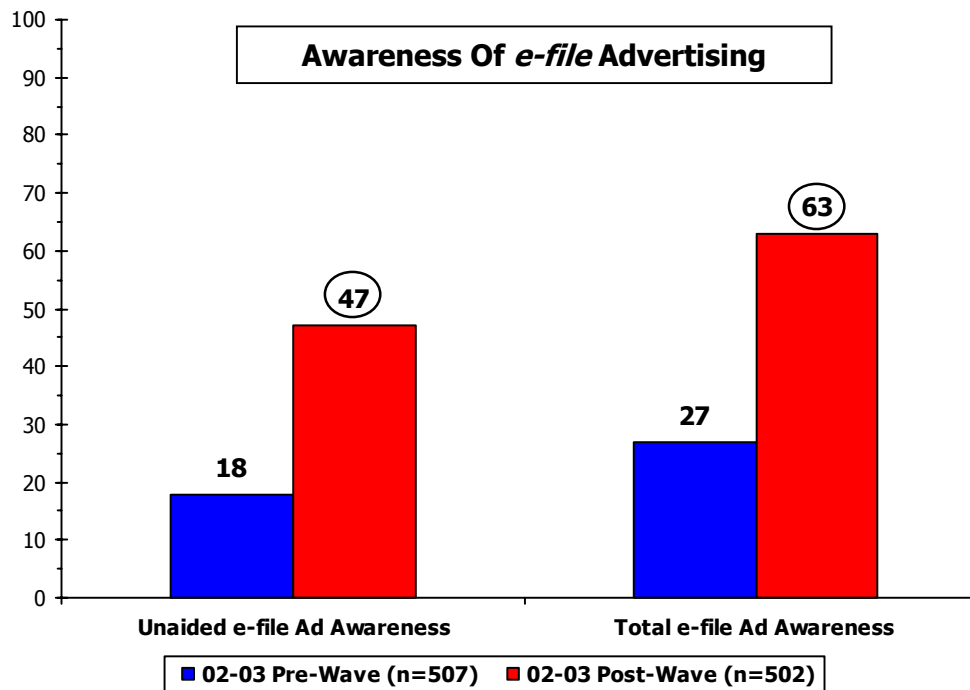
The campaign has not yet affected *e-file* or IRS image or personality profiles; however, it may be too soon to judge that, as image changes are slower to emerge from an advertising effort than are awareness changes.

Key Findings

- Comparing results of the Pre-Wave to those of the Post-Wave, it is clear that Taxpayers now have higher unaided awareness of On-Line Filing (up from 37% to 44% from wave-to-wave) and generic *e-file* (up from 15% to 35%). Total awareness of specific OLF methods and generic *e-file* also increased.
- In addition, there was significantly higher claimed past-year usage of *e-file* in net in the Post-Wave (47% vs. 40% in the Pre-Wave), along with higher intent to recommend OLF (34% Post-Wave vs. 28% Pre-Wave).

Summary & Conclusions (Cont'd.)

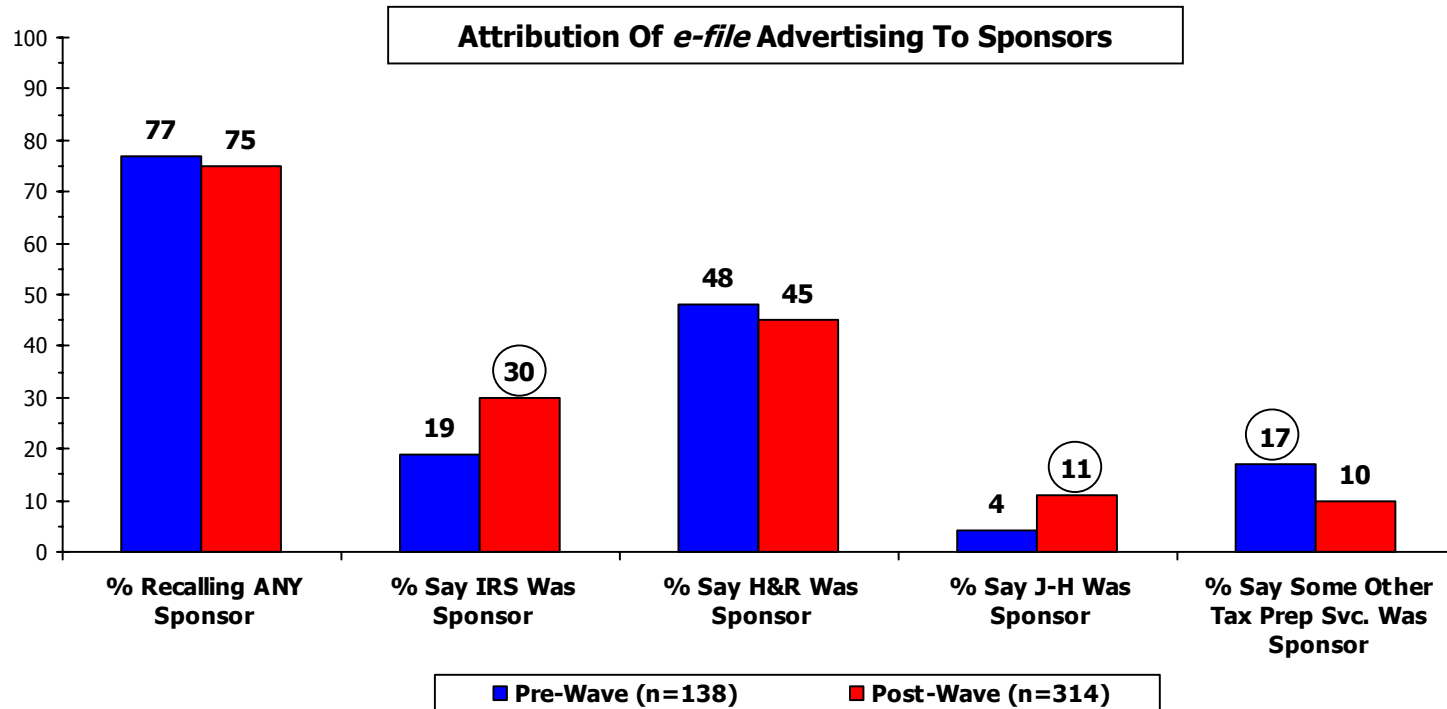
- The increases in unaided awareness just noted appear to be correlated to strong increases in awareness of *e-file* advertising...



- ...with the main message take-away from *e-file* advertising split between *e-file's* benefits (mainly *speed* and *convenience*) and the presence of an array of specific *e-file* filing methods.

Summary & Conclusions (Cont'd.)

- At the same time, there was a sharp increase in Taxpayer attribution of e-file advertising sponsorship to the IRS -- from 19% Pre-Wave to 30% Post-Wave. While there was also an increase in attribution to Jackson-Hewitt, it was from a much lower base of 4%, rising to 11%; and there was no change in attribution to H&R Block.



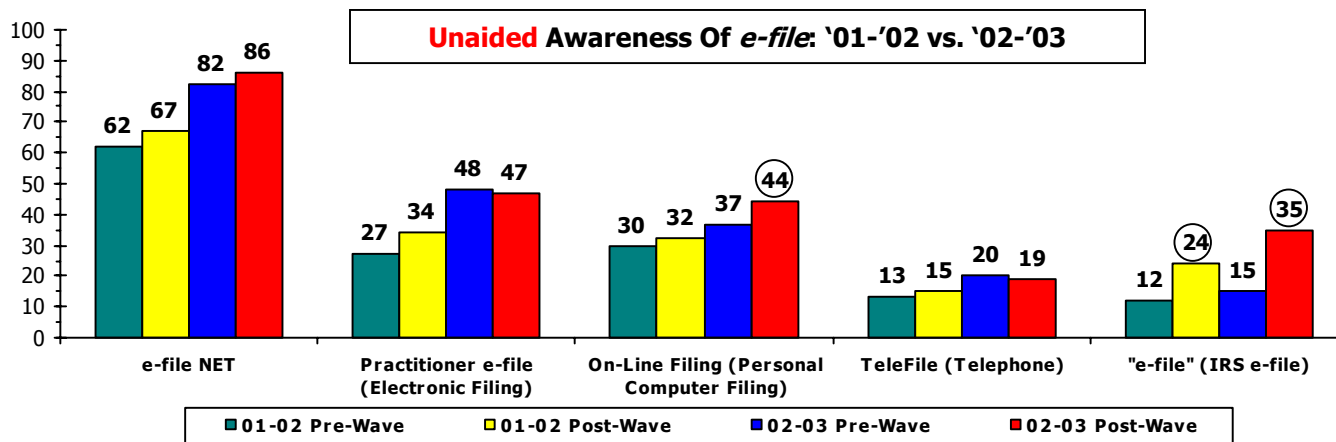
Summary & Conclusions (Cont'd.)

- **When Ad-Aware Taxpayers were probed for specific e-file ad recall, they played back the speed and convenience messages and visual elements such as the name, the logo, and mentions of the IRS website. However, they also played back other elements unique to the IRS campaign -- e.g., storylines, Internet-based visuals, etc.**

Total Aware Of <i>e-file</i> Advertising	Post-Wave (314) 100%
<u>Recall Something About What Ad Said Or Showed</u>	<u>88</u>
<u>Copy Recall (Net)</u>	<u>82</u>
<i>e-file</i> Results in Faster Refunds	73
<i>e-file</i> Is a Faster Way to File Taxes	70
<i>e-file</i> Is Easy/Convenient Way to Do Taxes/Easier Than Paper	69
<i>e-file</i> Eliminates Paperwork	55
<i>e-file</i> Is Accurate and Secure	50
<i>e-file</i> Is Flexible, Providing Forms, Getting Something Back From Gov't	31
Ask Your Tax Preparer	30
<i>e-file</i> Yourself	26
Proof of Receipt	21
<u>Visual Recall (Net)</u>	<u>78</u>
The Name " <i>e-file</i> "	65
<i>e-file</i> /Lightning Logo	39
IRS Website/irs.gov	39
Recall Situations (Net for Dentist/Man With Baby/Flat Tire -- each w/12-15% mentions)	27
Computer Screen	21
Internet Ads/Pop-ups Showing Clock, Palm Tree, Superhero, Pig, etc.	18
"Consider It Done"	17
"SEND" Computer Button	16
Computer Screen Pull-down Menu	14

Summary & Conclusions (Cont'd.)

- The only image changes which appear to be attributable to the '02-'03 campaign at this point are a significant decrease in Taxpayer belief in the superiority of paper filing in terms of being safe and reliable and a significant increase in awareness of e-file providing proof of receipt among those aware of the advertising. However, it may be too soon to assess the image effects of the campaign -- since image changes generally do not occur after only a 4-month advertising period but over the long term as campaign messages build a base for changing target audience perceptions.
- To get some sense of how the '01-'02 campaign performed vs. the previous campaign, we compared the unaided awareness measures here with similar measures from the previous ad tracking effort and found that the '02-'03 campaign was more effective in terms of increasing unaided awareness of OLF and generic e-file, though the overall impact on e-file from the two campaigns seems to have been similar.



Summary & Conclusions (Cont'd.)

- Finally, we looked at all of our ad tracking data by each of the key Taxpayer segments identified in the Attitudinal Study and noted the following Pre-to-Post changes in each...
 - Tech Acceptance Segments -- There were similar gains in *e-file* awareness among all 3 segments (*Tech Leaders*, *Tech Followers*, and *Tech Laggards*), though awareness, trial, and even *e-file* ad recall were highest among the *Tech Leaders*.
 - Return Type Segments -- The greatest Pre-to-Post movement occurred among the *Paid-Simples*, though the two high-opportunity *Self* segments had higher unaided awareness of *e-file*, along with stronger decreases in belief in the safety and accuracy of paper filing.
 - e-file Attitudinal Segments -- The *e-file Believers* showed the only widespread Pre-Post gains, with little improvement (aside from higher ad awareness) among the important *Skeptic* segment.
 - Filing Behavior Segments -- There were gains in *e-file* awareness and attribution of *e-file* advertising to IRS among the later-filing segments, which were the higher-opportunity groups in the Attitudinal Study.
 - Other Key Targets -- We found higher Pre-Post improvement in unaided *e-file* awareness among the Lapsed Users of *e-file* and Spanish-Speaking Taxpayers. However, among the Spanish-Speaking group, we found weak ad awareness and low attribution of *e-file* advertising to the IRS.

Detailed Findings



Findings Among All Taxpayers

Unaided (Voluntary) Awareness of *e-file*

- On the most important measure of advertising impact, Unaided Awareness, we found only a slight increase (from 82% to 86%) in net mentions of *e-file* from Pre- to Post. However, we did find significant increases in awareness of the specific On-Line methods as well as *e-file* unspecified -- indicating that the advertising had increased Taxpayer awareness of the array of *e-file* options.

	Total Taxpayers Pre-Wave (507) 100%	Total Taxpayers Post-Wave (502) 100%
<u>Unaided Awareness Of...</u>		
<u><i>e-file</i></u> (Net Mentions, Any Name)	82	86
Elec. Filing Using A Tax Professional	48	47
<u>On-Line Filing</u> (Net)	37	44
...With On-Line Company	20	30
...With Software	24	28
TeleFile	20	19
<i>e-file</i> (Unspecified)	15	35
Self-Prepared Paper Return	61	68
Paid Professional Paper Return	57	61

Q. 1 -- Please describe all the methods of filing Federal income taxes that you can think of.

Total Awareness of *e-file* (After Prompting)

- Naturally, there was no significant change in Total Awareness of *e-file*, with virtually all Taxpayers aware of at least one *e-file* method after prompting in both waves. Still, we did see significant increases in total mentions of the On-Line Filing methods as well as *e-file* unspecified -- which tells us, again, that the advertising increases awareness of the variety of *e-file* methods.

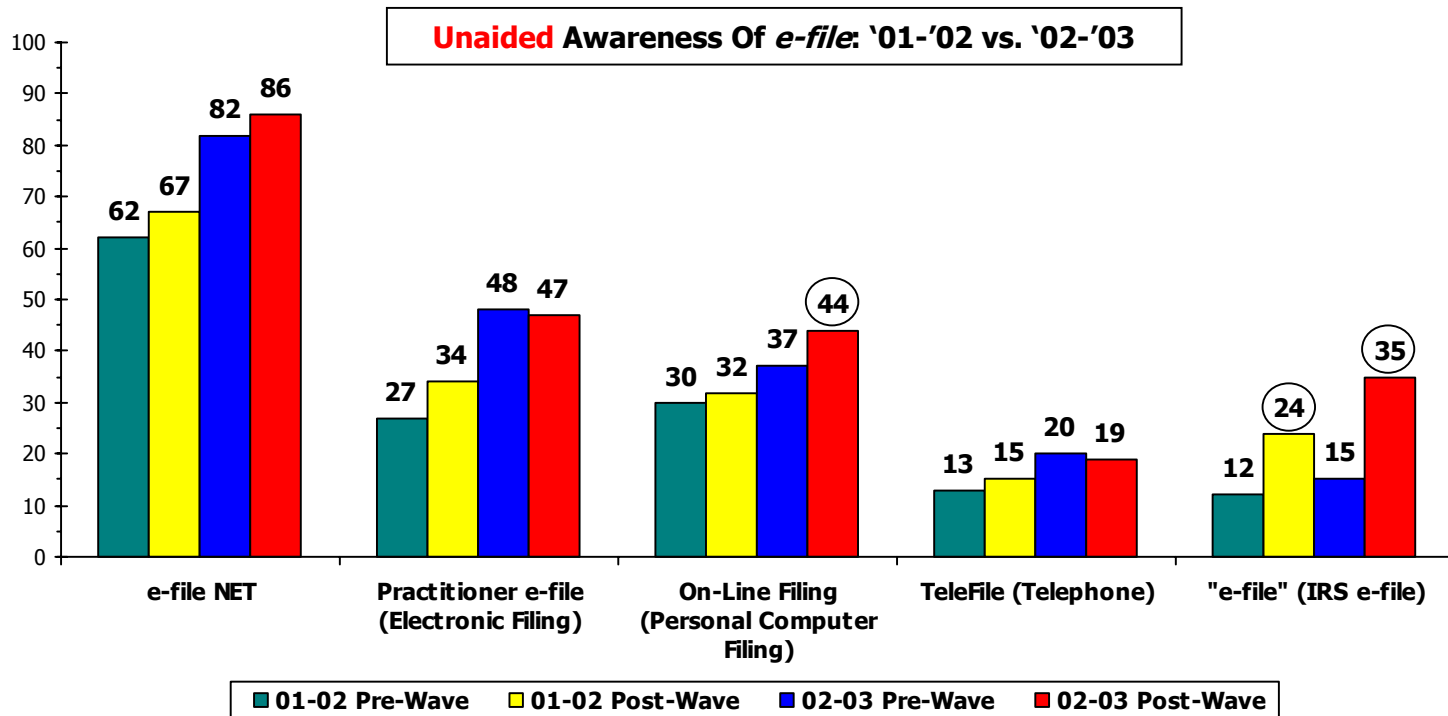
	Total Taxpayers Pre-Wave	Total Taxpayers Post-Wave
Total Interviews	(507) 100%	(502) 100%
<u>Total Awareness Of...</u>		
<i>e-file</i> (Net Mentions, Any Name)	<u>98</u>	<u>99</u>
Elec. Filing Using A Tax Professional	93	92
<u>On-Line Filing</u> (Net)	<u>83</u>	<u>86</u>
...With On-Line Company	62	(68)
...With Software	70	(76)
TeleFile	54	51
<i>e-file</i> (Unspecified)	41	(60)
Self-Prepared Paper Return	94	96
Paid Professional Paper Return	98	98

Q. 1 -- Please describe all the methods of filing Federal income taxes that you can think of. (AND...)

Q. 3 -- Please tell me if you have ever heard of each of these methods of filing Federal income taxes.

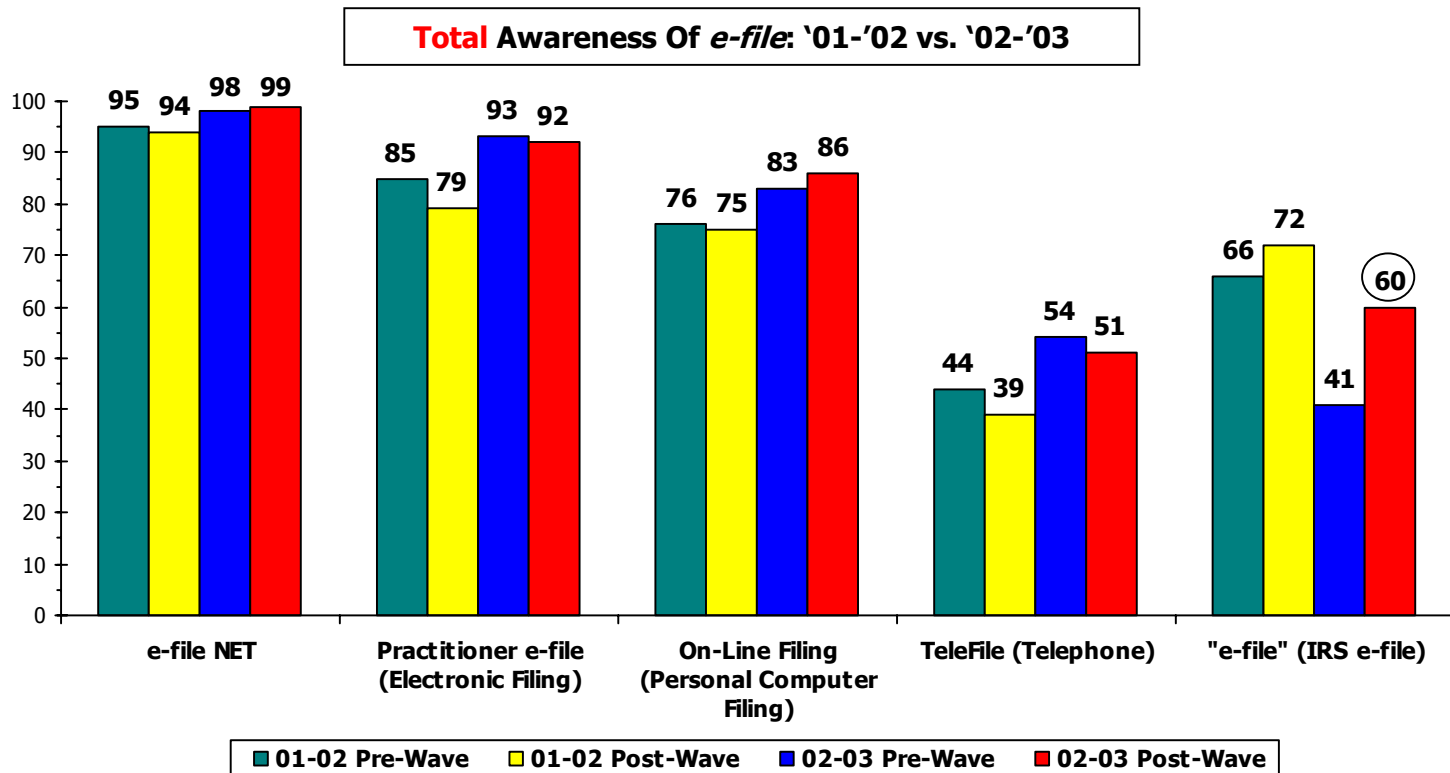
Comparing Current *e-file* Awareness vs. That Of Last Year

- While product names and question phrasing were somewhat different in the previous *e-file* Ad Tracking Study (Cosette Post/Angell, '01--'02), there are generally comparable Pre-Post measures of *e-file* awareness in this and the previous study. Comparing changes in Unaided Awareness each year, we see indications of greater effectiveness from the current campaign in terms of increasing awareness of On-Line Filing ("Personal Computer Filing" in '01-'02) and *e-file* unspecified ("IRS *e-file*" in '01-'02).



Comparing Current *e-file* Awareness vs. That Of Last Year (Cont'd.)

- Similarly with Total Awareness, we see more positive Pre-to-Post movement of awareness numbers after the current campaign than we did in the data from the Post-Wave of the previous tracking study -- especially in terms of mentions of "*e-file*". Note that in the previous tracker, the generic product naming was "IRS *e-file*" while in the current tracker, it was simply "*e-file*" (which may account for the lower generic numbers in both waves of the current tracker).



Methods Of Filing Ever Used & Used Past Filing Season

- Focusing again on the current tracker, Pre-to-Post data shows that there was a slight increase in claimed trial of *e-file* and a significant increase in claimed past-year (PY) usage (from 40% to 47%), with the increase in claimed PY usage coming about equally from On-Line Filing and Practitioner *e-file*.**

	Total Taxpayers <u>Pre-Wave</u> (507) 100%	Total Taxpayers <u>Post-Wave</u> (502) 100%
Total Interviews		
<u>Aided Claimed Filing Methods Usage (Ever Used = Trial)</u>		
<i>e-file</i> (Net Mentions, Any Name)	<u>55</u>	<u>61</u>
Elec. Filing Using A Tax Professional	36	38
<u>On-Line Filing (Net)</u>	<u>20</u>	<u>25</u>
...With On-Line Company	6	8
...With Software	17	21
TeleFile	11	11
<i>e-file</i> (Unspecified)	8	11
<u>Unaided Claimed Usage Last Filing Season</u>		
<i>e-file</i> (Net Mentions, Any Name)	<u>40</u>	<u>47</u>
Elec. Filing Using A Tax Professional	23	26
<u>On-Line Filing (Net)</u>	<u>12</u>	<u>16</u>
...With On-Line Company	2	4
...With Software	11	12
TeleFile	3	2
<i>e-file</i> (Unspecified)	3	4

Q. 5 -- And which of the following methods of filing Federal income taxes have you ever used?

Q. 6 -- Which method did you use for filing your Federal income taxes in (last tax season)?

Method Of Filing Taxpayers Would Recommend

- We also saw a small increase in net mentions of “would recommend” *e-file* (from 63% to 67%), with stronger (and statistically significant) increases in intent to recommend On-Line Filing (from 28% to 34%).

Total Interviews	Total Taxpayers Pre-Wave (507) 100%	Total Taxpayers Post-Wave (502) 100%
<u>Would Recommend...</u>		
<i>e-file</i> (Net Mentions, Any Name)	63	67
Elec. Filing Using A Tax Professional	40	38
<u>On-Line Filing (Net)</u>	<u>28</u>	<u>34</u>
...With On-Line Company	11	16
...With Software	24	28
TeleFile	15	14
<i>e-file</i> (Unspecified)	14	17

Q. 7 -- And which of these methods of filing Federal income taxes would you recommend to a friend?

Unaided (Voluntary) *e-file* Advertising Awareness

- The increases in Unaided Awareness and Claimed PY Usage of *e-file* in the Post-Wave can clearly be linked to *e-file* advertising, with sharp (and significant) increases in Unaided Awareness of *e-file* Advertising at all levels -- in net (from 18% to 47%) and for each filing type (though with the largest increase coming in mentions of generic *e-file*).

	Total Taxpayers Pre-Wave (507) 100%	Total Taxpayers Post-Wave (502) 100%
Unaided Aware Of Advertising For...		
<i>e-file</i> (Net Mentions, Any Name)	<u>18</u>	④47
Elec. Filing Using A Tax Professional	9	②1
On-Line Filing (Net)	<u>7</u>	①5
...With On-Line Company	3	⑨
...With Software	4	⑩
TeleFile	1	⑤
<i>e-file</i> (Unspecified)	4	⑱

Q. 2 -- And for what methods of filing Federal income taxes have you seen or heard any advertising in the past 6 months?

Total *e-file* Advertising Awareness (After Prompting)

- After prompting with the names of all the various filing methods, total claimed P6M (past 6 months) awareness of *e-file* advertising was up sharply following the campaign (from 27% to 63%), with strong increases again for each *e-file* filing option, including *e-file* unspecified.

	Total Taxpayers Pre-Wave	Total Taxpayers Post-Wave
Total Interviews	(507) 100%	(502) 100%

Total Aware Of Advertising For...

<u><i>e-file</i></u> (Net Mentions, Any Name)	<u>27</u>	<u>63</u>
Elec. Filing Using A Tax Professional	17	<u>42</u>
<u>On-Line Filing</u> (Net)	<u>16</u>	<u>33</u>
...With On-Line Company	8	<u>20</u>
...With Software	13	<u>25</u>
TeleFile	4	<u>12</u>
<i>e-file</i> (Unspecified)	7	<u>29</u>

Q. 2 -- And for what methods of filing Federal income taxes have you seen or heard any advertising in the past 6 months? (AND...)

Q. 4 -- During the past 6 months, have you seen or heard any advertising for (each filing option)?

Main Message Recall From *e-file* Advertising

- When we asked Taxpayers claiming awareness of *e-file* advertising in the Post-Wave what they thought was the main message of the advertising, we found that just over half thought the chief message related to *e-file's* benefits (mainly its speed and convenience benefits) while about half thought it related to how to *e-file*/ways to *e-file*.

	Post-Wave (314) 100%
Total Aware of <i>e-file</i> Advertising	
<u><i>e-file</i> Benefits (Net)</u>	<u>58</u>
<i>e-file</i> Is A Faster/Quicker Way To File Taxes	18
<i>e-file</i> Is Easy/Convenient (unspecified)	16
<i>e-file</i> Gets You Faster/Quicker Refunds	14
<i>e-file</i> Eliminates Paperwork	6
<u>How To <i>e-file</i>/Ways To <i>e-file</i> (Net)</u>	<u>48</u>
You Can <i>e-file</i> (unspecified)	17
You Can File Electronically (unspecified)	9
You Can File Using On-line Filing/Filing On-Line	5
You Can File Taxes Using A Computer	4

Q. 12 -- What do you think was the one main message that this advertising was trying to get across to you?

Total Message Recall From *e-file* Advertising

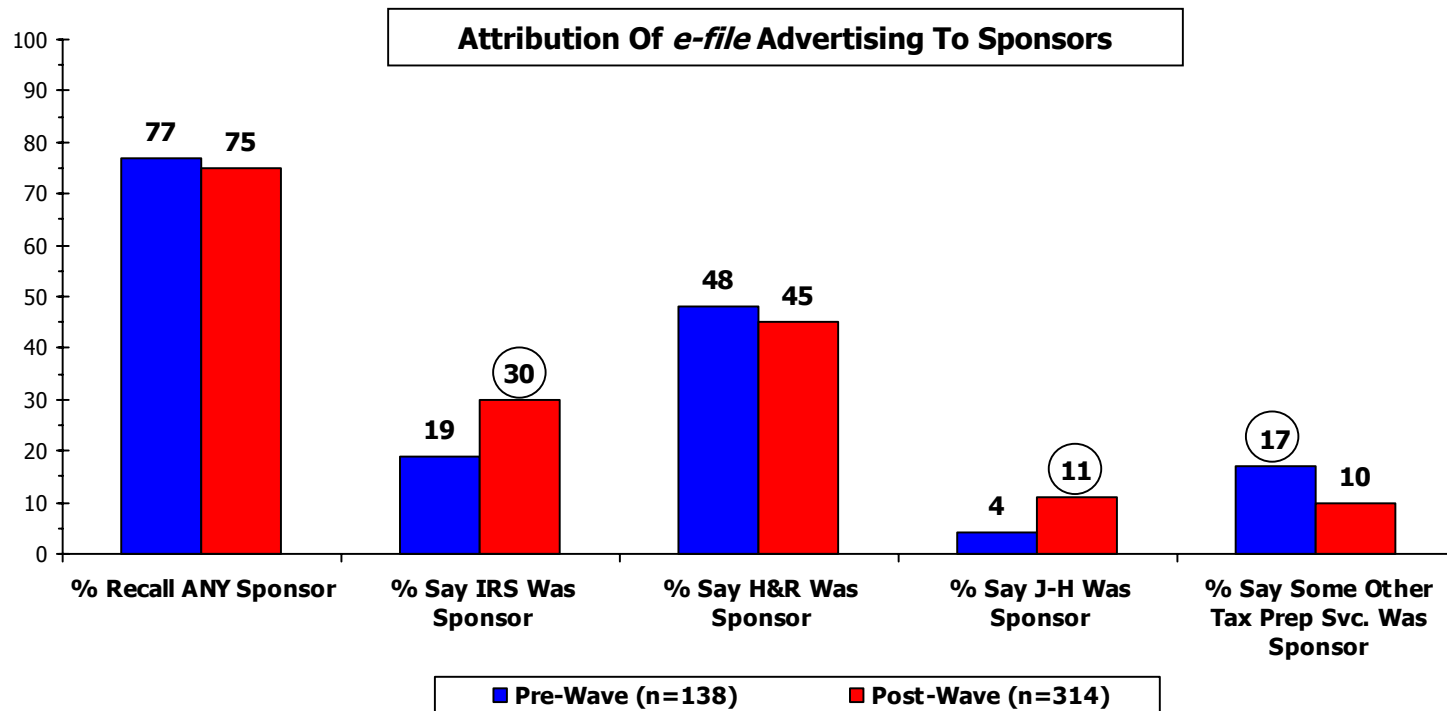
- When we probed Ad-Aware Taxpayers for what they recalled about the advertising, we found that there was high recall of specific copy points (especially the speed and convenience messages) and visual elements (mainly the name, "*e-file*", followed by the logo and website).

Total Aware Of <i>e-file</i> Advertising	Post-Wave (314) 100%
<u>Recall Something About What Ad Said Or Showed</u>	<u>88</u>
<u>Copy Recall (Net)</u>	<u>82</u>
<i>e-file</i> Results in Faster Refunds	73
<i>e-file</i> Is a Faster Way to File Taxes	70
<i>e-file</i> Is Easy/Convenient Way to Do Taxes/Easier Than Paper	69
<i>e-file</i> Eliminates Paperwork	55
<i>e-file</i> Is Accurate and Secure	50
<i>e-file</i> Is Flexible, Providing Forms, Getting Something Back From Gov't	31
Ask Your Tax Preparer	30
<i>e-file</i> Yourself	26
Proof of Receipt	21
<u>Visual Recall (Net)</u>	<u>78</u>
The Name " <i>e-file</i> "	65
<i>e-file</i> /Lightning Logo	39
IRS Website/irs.gov	39
Recall Situations (Net mentions of Dentist/Man With Baby/Flat Tire -- each w/12-15% mentions)	27
Computer Screen	21
Internet Ads/Pop-ups Showing Clock, Palm Tree, Superhero, Pig, etc.	18
"Consider It Done"	17
"SEND" Computer Button	16
Computer Screen Pull-down Menu	14
<u>No Specific Recall/Don't Know/No Answer</u>	<u>12</u>

Q. 13a-b. -- Now please tell me everything that you recall about the advertising.

e-file Advertising Sponsor Attribution

- When we asked Ad-Aware Pre-Wave respondents who had sponsored the *e-file* advertising they recalled, only 19% mentioned the IRS. After the campaign, attribution to IRS rose sharply to 30%, with Jackson-Hewitt being the only other advertiser showing a Pre-Post increase. H&R Block still led all sponsor attribution (but with no increase in mentions vs. the Pre-Wave).



e-file Advertising Source Attribution

- In terms of attribution of *e-file* advertising to specific media sources, there was only one Pre-to-Post change -- that being significantly higher mentions of "TV" as the source media in the Post-Wave.

	Total Taxpayers <u>Pre-Wave</u>	Total Taxpayers <u>Post-Wave</u>
Total Aware Of <i>e-file</i> Advertising	(138) 100%	(314) 100%

Total Who Claimed To Have Been Exposed To The *e-file* Advertising Via...

TV	64	(76)
Radio	24	22
Internet	16	14
Newspapers	14	10
Direct Mail From IRS	10	13
Direct Mail From Tax Professional	8	6
Magazine	8	5
Direct Mail From Credit Card Company	3	2
Billboards	1	2
Via Tax Prep Software Package That Was Purchased	1	6
Somewhere Else	4	5
Don't Recall	5	4

Q. 15 -- And where did you see or hear this advertising?

Taxpayer Reaction To The *e-file* Advertising

- We asked Ad-Aware Taxpayers in each wave to rate their agreement with a list of possible descriptions of the *e-file* advertising, using a 4-point (agree completely...disagree completely) rating scale. Looking at both top-box (agree completely) and top-2-box (agree completely or somewhat) scores for each description, we find few differences from Pre-to-Post on any of the feedback points.

	Top Box/Agree Completely		T2B/Agree Completely/Somewhat	
	Pre-Wave (138) %	Post-Wave (314) %	Pre-Wave (138) %	Post-Wave (314) %
Total Aware Of <i>e-file</i> Advertising				
<u>Total Agreeing That The <i>e-file</i> Advertising Was...</u>				
<u>Positive Feedback</u>				
The advertising was informative	23	27	66	73
The advertising gave me useful information	19	23	62	64
The advertising gave me a good idea	17	26	54	58
The advertising was memorable	15	14	47	47
The advertising told me something new	15	20	38	47
The advertising held my attention	9	12	45	48
The advertising was unique	9	11	31	33
The advertising was entertaining	7	8	25	31
<u>Negative Feedback</u>				
The advertising was boring	16	16	44	45
The advertising was confusing	3	2	12	10

Q. 16 -- Please tell me if you agree completely, agree somewhat, disagree somewhat, or disagree completely that the statement describe the advertising.

Tax Filing Image Ratings

- In a separate rating, we asked Taxpayers to use the same 4-point scale to rate their impressions of *e-file* and tax filing in general. Pre-to-Post top-2-box ratings show that the only change in impressions among Total Taxpayers after the campaign was a sharp drop in belief in the superiority of paper filing in terms of being safe and reliable. Looking at the same ratings among just Ad-Aware Taxpayers, we see two changes -- the lower belief in paper safety/reliability plus an increase in awareness that *e-file* provides proof of receipt.**

	Total Taxpayers Pre-Wave (507) 100%	Total Taxpayers Post-Wave (502) 100%	Ad-Aware Taxpayers Pre-Wave (138) 100%	Ad-Aware Taxpayers Post-Wave (314) 100%
Total Interviews				
<u>Agree Completely/Somewhat That...</u>				
Filing taxes is something that nobody likes, but everybody has to do	92	92	91	93
<i>e-file</i> is a faster way to get your return to the IRS	79	79	86	87
<i>e-file</i> is a faster way to get your refund	72	72	80	78
<i>e-file</i> is an accurate way to file taxes	72	71	75	76
IRS is becoming friendlier, more helpful	62	62	64	66
<i>e-file</i> is a private/secure way to file taxes	61	63	61	68
<i>e-file</i> is a better way to file your taxes	59	58	62	62
<i>e-file</i> is an inexpensive way to file taxes	57	56	60	62
Mailing in your return is still safer, more reliable	54	43	54	37
<i>e-file</i> is easy to use, with little hassle	54	56	57	62
<i>e-file</i> provides proof of receipt	50	55	51	63
Used to doing taxes on paper/no reason to change	42	37	41	33
<i>e-file</i> changes the way you look at the IRS	33	35	37	38

Q. 17 -- Please tell me whether you agree completely, agree somewhat, disagree somewhat, or disagree completely with each statement.

Comparison Of Personality Ratings Of *e-file* And The IRS

- In each wave, we split the sample and asked half to think of *e-file* as a person and tell us what they feel are the personality traits of *e-file*, while asking the other half to do the same exercise for IRS. As shown below, *e-file* and the IRS had sharply different personality profiles, but there was no major change in image for either brand from Pre-to-Post.

Total Rating Each (Split Sample)	Ratings of <i>e-file</i>		Ratings of IRS	
	Pre-Wave (251) 100%	Post-Wave (255) 100%	Pre-Wave (256) 100%	Post-Wave (247) 100%
<u>Total Agreeing That <i>e-file</i>/IRS Is...</u>				
Up-To-Date/Modern	90	89	63	64
Dependable	79	71	66	61
Helpful	78	75	59	56
Someone You Can Trust	69	62	48	48
Interesting	66	64	41	36
Creative	65	61	48	48
Confident & Outgoing	64	61	54	55
A Leader	56	60	48	45
A Friend	47	48	25	23
Easy-going & Laid Back	47	44	13	11
High-strung and Uptight	26	21	62	62
Masculine	37	39	60	60
Someone You Need To Be Wary Of	36	35	63	66
Boring	32	31	53	49
Difficult	29	24	66	72
A Follower	23	25	23	24
Feminine	16	15	11	9
Old Fashioned	9	11	44	46
Shy & Introverted	9	9	10	7

Q. 18a. -- Please think of *e-file* as a person... AND Q. 18b. -- Please think of IRS as a person...

**Detailed Findings Among
Segments Identified In The
Taxpayer Attitudinal Study**



Findings Among
The Tech Acceptance Segments



Awareness, Usage & Recommendation of *e-file* By Segment

- When we look at the *e-file* awareness and usage data among the 3 Tech Acceptance segments identified in the Attitudinal Study, we see sharp differences from segment to segment (with Tech Leaders, as expected from Attitudinal learning, higher than the other segments on all key measures).
- Looking for Pre-to-Post changes, though, we found no significant differences within any segment.

	Tech Leaders		Tech Followers		Tech Laggards	
	Pre (219) 100%	Post (209) 100%	Pre (166) 100%	Post (152) 100%	Pre (122) 100%	Post (141) 100%
<u>Unaided Awareness Of e-file</u> (Net)	90	94	83	85	66	74
<u>Total Awareness Of e-file</u> (Net)	100	100	99	99	94	98
<u>Claimed Ever Used An e-file Method</u> (Net)	69	72	39	49	52	57
<u>Claimed Usage Of e-file In 2002</u> (Net)	53	55	27	37	37	47
<u>Would Recommend e-file To A Friend</u> (Net)	77	78	49	57	57	60

- Q. 1 -- Please describe all the methods of filing Federal Income taxes that you can think of.
 Q. 3 -- Please tell me if you have ever heard of each of these methods of filing.
 Q. 5 -- And which of the following methods of filing Federal income taxes have you ever used?
 Q. 6 -- Which method did you use for filing your Federal income taxes in (last tax season)?
 Q. 7 -- Which of these methods of filing Federal income taxes would you recommend to a friend?

e-file Advertising Awareness & Sponsor Recall By Segment

- On the *e-file* ad awareness measures, while we again see that Tech Leaders are higher than the other Tech Acceptance segments, we see significant Pre-to-Post increases in ad awareness among all groups -- though Tech Leaders were the only group reporting a significantly higher attribution of *e-file* advertising to the IRS.

	Tech Leaders		Tech Followers		Tech Laggards	
	Pre	Post	Pre	Post	Pre	Post
Total Interviews	(219)	(209)	(166)	(152)	(122)	(141)
	100%	100%	100%	100%	100%	100%
<u>Unaided Aware Of Advertising For e-file</u> (Net)	21	59	16	43	16	33
<u>Total Aware Of Advertising For e-file</u> (Net)	29	70	27	61	25	53
New Base: Aware of Advertising:	100%	100%	100%	100%	100%	100%
	(71)	(150)	(48)	(97)	(37)	(84)
<u>Aided Recall Of Sponsor of e-file Advertising</u>						
<u>The IRS</u>	14	43	25	22	11	12
<u>Someone Other Than The IRS</u> (Net)	68	55	63	58	57	61
H&R Block	47	43	46	47	54	49
Jackson-Hewitt	6	9	2	9	2	16
Some Other Tax Prep Service	20	15	19	8	0	6
Don't Recall Sponsor	25	20	17	29	32	29

Q. 2 -- For what methods of filing Federal income taxes have you seen or heard any advertising in the past 6 months?

Q. 4 -- During the past 6 months, have you ever seen or heard any advertising for...?

Q. 14 -- Do you recall who sponsored this advertising -- was it the Internal Revenue Service...?

Differences In Total Ad Recall By Segment

- Looking at differences in ad recall among the 3 segments, we see that the higher ad awareness among Tech Leaders was accompanied by significantly stronger recall of the ads' messages and visuals. Recall points with significant differences by segment are shown below.

	Tech Leaders Post-Wave (150) 100% A	Tech Followers Post-Wave (97) 100% B	Tech Laggards Post-Wave (84) 100% C
Total Aware of Advertising			
<u>Recall Something About What Ad Said Or Showed</u>	<u>92</u> C	<u>84</u>	<u>79</u>
<u>Visual Recall (Net)</u>	<u>87</u> BC	<u>71</u>	<u>63</u>
The Name "e-file"	71 C	59	52
e-file/Lightning Logo	49 BC	35 C	20
IRS Website name, IRS.gov, IRS.gov/e-file	50 BC	30	24
<u>Copy Recall (Net)</u>	<u>87</u> B	<u>76</u>	<u>72</u>
e-file Is a Faster Way to File Taxes	73 C	66	58
e-file Results in Faster Refunds	77 BC	66	64
e-file Is Easy/Convenient/Easier Than Paper	73 C	65	57
e-file Is Accurate and Secure	56 BC	45	37
Proof of Receipt	27 BC	14	16
e-file Yourself	30 C	28 C	14
Don't Know/No Answer	8	17 A	21 A

Q. 13 -- Now please tell me everything that you recall about the advertising.

Findings Among
The Return Type Segments



Awareness, Usage & Recommendation of *e-file* By Segment

- When we look at the *e-file* awareness and usage data among the 4 Return Type segments, we find that there was generally higher unaided awareness of *e-file* among the two self-prep groups -- Self-Simple and Self-Complex. However, in line with learning from the Attitudinal Study, these two high opportunity segments did not have notably higher trial or usage of *e-file* than the two Paid segments.
- The only clear pattern of Pre-to-Post gains on these measures came from the Paid-Simple segment, which had significantly higher total awareness and claimed trial in the Post-Wave.

	Self-Simple		Self-Complex		Paid-Simple		Paid-Complex	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total Interviews	(81)	(83)	(108)	(108)	(109)	(115)	(197)	(185)
	100%	100%	100%	100%	100%	100%	100%	100%
<u>Unaided Awareness Of <i>e-file</i></u> (Net)	85	92	94	94	74	81	79	82
<u>Total Awareness Of <i>e-file</i></u> (Net)	100	99	100	100	94	99	100	99
<u>Claimed Ever Used An <i>e-file</i> Method</u> (Net)	63	66	64	64	56	70	47	51
<u>Claimed Usage Of <i>e-file</i> In 2002</u> (Net)	49	55	43	49	41	52	34	40
<u>Would Recommend <i>e-file</i> To A Friend</u> (Net)	70	71	73	75	60	69	57	61

- Q. 1 -- Please describe all the methods of filing Federal Income taxes that you can think of.
 Q. 3 -- Please tell me if you have ever heard of each of these methods of filing.
 Q. 5 -- And which of the following methods of filing Federal income taxes have you ever used?
 Q. 6 -- Which method did you use for filing your Federal income taxes in (last tax season)?
 Q. 7 -- Which of these methods of filing Federal income taxes would you recommend to a friend?

e-file Advertising Awareness & Sponsor Recall By Segment

- All four Return Type segments had significantly higher awareness of *e-file* advertising after the campaign. But, the gains in attribution of *e-file* advertising to the IRS that we saw in the total data earlier came mainly from just two groups -- the Self-Complex and the Paid-Complex.

	Self-Simple		Self-Complex		Paid-Simple		Paid-Complex	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total Interviews	(81)	(83)	(108)	(108)	(109)	(115)	(197)	(185)
	100%	100%	100%	100%	100%	100%	100%	100%
<u>Unaided Aware Of Advertising For e-file</u> (Net)	12	46	20	60	19	37	17	48
<u>Total Aware Of Advertising For e-file</u> (Net)	20	63	29	76	32	49	27	65
New Base: Total Aware of Advertising	100%	100%	100%	100%	100%	100%	100%	100%
	(19)	(56)	(32)	(84)	(42)	(59)	(59)	(126)
<u>Aided Recall Of Sponsor of e-file Advertising</u>								
<u>The IRS</u>	26	27	19	41	10	14	15	29
<u>Someone Other Than The IRS</u> (Net)	68	54	59	51	57	70	70	58
H&R Block	53	41	41	44	48	51	51	47
Jackson-Hewitt	16	7	--	7	10	17	--	11
Some Other Tax Prep Service	11	16	19	6	7	14	20	10
Don't Recall Sponsor	16	27	25	23	33	24	20	25

Q. 2 -- For what methods of filing Federal income taxes have you seen or heard any advertising in the past 6 months?

Q. 4 -- During the past 6 months, have you ever seen or heard any advertising for...?

Q. 14 -- Do you recall who sponsored this advertising -- was it the Internal Revenue Service...?

Changes In *e-file* Image By Segment

- The only other measure on which we found significant Pre-to-Post changes was the *e-file* Image rating, where we see that the drop in belief in paper filing's safety and reliability came mainly from the two high-opportunity groups -- Self-Simple and Self-Complex. The Self-Complex group also had a significant increase in belief in *e-file*'s privacy and security.

	Self-Simple		Self-Complex		Paid-Simple		Paid-Complex	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total Interviews	(81)	(83)	(108)	(108)	(109)	(115)	(197)	(185)
	100%	100%	100%	100%	100%	100%	100%	100%

Agree Completely/Somewhat That...

<i>e-file</i> is a private/secure way to file taxes	65	63	70	82	54	58	60	55
Mailing in your return is still safer, more reliable	59	36	44	30	65	56	51	45

Q. 17 -- Please tell me whether you agree completely, agree somewhat, disagree somewhat, or disagree completely with each statement.

Findings Among
The *e-file* Attitudinal Segments



Awareness, Usage & Recommendation of *e-file* By Segment

- Comparing the two *e-file* Attitudinal segments -- Believers and Skeptics, we see the same sharp differences in awareness and usage found in the Attitudinal Study. In both groups, however, we see few changes from Pre-to-Post, aside from an increase in unaided awareness of *e-file* among Believers.

	<i>e-file</i> Believers		<i>e-file</i> Skeptics	
	Pre (298) 100%	Post (329) 100%	Pre (209) 100%	Post (173) 100%
Total Interviews				
<u>Unaided Awareness Of <i>e-file</i></u> (Net)	86	91	76	76
<u>Total Awareness Of <i>e-file</i></u> (Net)	99	100	97	98
<u>Claimed Ever Used An <i>e-file</i> Method</u> (Net)	76	77	26	30
<u>Claimed Usage Of <i>e-file</i> In 2002</u> (Net)	61	63	11	17
<u>Would Recommend <i>e-file</i> To A Friend</u> (Net)	80	82	39	36

Q. 1 -- Please describe all the methods of filing Federal Income taxes that you can think of.

Q. 3 -- Please tell me if you have ever heard of each of these methods of filing.

Q. 5 -- And which of the following methods of filing Federal income taxes have you ever used?

Q. 6 -- Which method did you use for filing your Federal income taxes in (last tax season)?

Q. 7 -- Which of these methods of filing Federal income taxes would you recommend to a friend?

e-file Advertising Awareness & Sponsor Recall By Segment

- Both segments had increases in awareness of *e-file* advertising, though the Believers were the only group reporting a notable increase in attribution of the advertising to the IRS.

	<i>e-file</i> Believers		<i>e-file</i> Skeptics	
	Pre (298) 100%	Post (329) 100%	Pre (209) 100%	Post (173) 100%
Total Interviews				
<u>Unaided Aware Of Advertising For <i>e-file</i></u> (Net)	19	52	16	38
<u>Total Aware Of Advertising For <i>e-file</i></u> (Net)	28	66	26	57
New Base: Aware of Advertising:	100% (93)	100% (220)	100% (63)	100% (111)
<u>Aided Recall Of Sponsor of <i>e-file</i> Advertising</u>				
<u>The IRS</u>	15	30	19	26
<u>Someone Other Than The IRS</u> (Net)	70	56	54	59
H&R Block	54	42	40	52
Jackson-Hewitt	7	11	2	9
Some Other Tax Prep Service	14	13	16	6
Don't Recall Sponsor	20	26	30	23

Q. 2 -- For what methods of filing Federal income taxes have you seen or heard any advertising in the past 6 months?

Q. 4 -- During the past 6 months, have you ever seen or heard any advertising for...?

Q. 14 -- Do you recall who sponsored this advertising -- was it the Internal Revenue Service...?

Differences In Total Ad Recall By Segment

- Looking at ad recall in each segment, we see that it was far stronger among the Believers -- who had particularly high recall of visuals as well as the proof of receipt benefit.

	<i>e-file</i> Believers Post-Wave	<i>e-file</i> Skeptics Post-Wave
Total Aware of Advertising	(220) 100%	(111) 100%
<u>Recall Something About What Ad Said Or Showed</u>	89	80
<u>Visual Recall (Net)</u>	81	67
The Name " <i>e-file</i> "	67	54
<i>e-file</i> /Lightning Logo	45	23
IRS Website name, IRS.gov, IRS.gov/ <i>e-file</i>	41	29
<u>Copy Recall (Net)</u>	83	75
Proof of Receipt	25	11
Don't Know/No Answer	11	20

Q. 13 -- Now please tell me everything that you recall about the advertising.

Changes In *e-file* Image By Segment

- The drop in belief in paper’s safety/reliability that was noted earlier came solely from the Believers group, where it was already quite low. There was no change in belief in paper filing among the Skeptics, which gives us a sense of the work that lies ahead with this important long-term opportunity group.

	<i>e-file</i> Believers		<i>e-file</i> Skeptics	
	Pre (298) 100%	Post (329) 100%	Pre (209) 100%	Post (173) 100%

Agree Completely/Somewhat That...

Mailing in your return is still safer, more reliable

36

25

79

78

Q. 17 -- Please tell me whether you agree completely, agree somewhat, disagree somewhat, or disagree completely with each statement.

Findings Among
The Filing Behavior Segments



Awareness, Usage & Recommendation of *e-file* By Segment

- Because of low base sizes in the two later-filing groups, analysis of ad tracking data among the four Filing Behavior segments is limited to key measures only. In the awareness and trial measures shown below, we see that most of the increase in unaided awareness of *e-file* found in the Post-Wave came from the Last Possible Minute group (which is important, since this is one of the opportunity segments identified in the Attitudinal Study), while most of the increases in claimed trial and usage came from the early filers -- the ASAPs.

	ASAP		Get Around To It		Late But Not Last		Last Possible Minute	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total Interviews	(217)	(214)	(171)	(168)	(51)	(52)	(51)	(47)
	100%	100%	100%	100%	100%	100%	100%	100%
<u>Unaided Awareness Of <i>e-file</i></u> (Net)	83	85	80	83	88	89	73	92
<u>Total Awareness Of <i>e-file</i></u> (Net)	99	99	98	98	100	100	98	100
<u>Claimed Ever Used An <i>e-file</i> Method</u> (Net)	63	73	53	53	51	42	41	47
<u>Claimed Usage Of <i>e-file</i> In 2002</u> (Net)	46	59	36	41	41	31	33	34
<u>Would Recommend <i>e-file</i> To A Friend</u> (Net)	69	74	57	64	63	64	59	55

Q. 1 -- Please describe all the methods of filing Federal Income taxes that you can think of.

Q. 3 -- Please tell me if you have ever heard of each of these methods of filing.

Q. 5 -- And which of the following methods of filing Federal income taxes have you ever used?

Q. 6 -- Which method did you use for filing your Federal income taxes in (last tax season)?

Q. 7 -- Which of these methods of filing Federal income taxes would you recommend to a friend?

e-file Advertising Awareness & Sponsor Recall By Segment

- The large increases in *e-file* ad awareness noted earlier came from all four Filing Behavior segments, though the higher attribution of *e-file* ads to the IRS came mainly from the three later-filing groups.

	ASAP		Get Around To It		Late But Not Last		Last Possible Minute	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total Interviews	(217)	(214)	(171)	(168)	(51)	(52)	(51)	(47)
	100%	100%	100%	100%	100%	100%	100%	100%
<u>Unaided Aware Of Advertising For e-file</u> (Net)	16	50	20	44	24	48	16	55
<u>Total Aware Of Advertising For e-file</u> (Net)	24	65	30	61	35	64	29	68
New Base: Aware of Advertising:	100%	100%	100%	100%	100%	100%	100%	100%
	(60)	(144)	(58)	(109)	(20)	(34)	(16)	(34)
<u>Aided Recall Of Sponsor of e-file Advertising</u>								
<u>The IRS</u>	18	22	17	33	15	41	13	32
<u>Someone Other Than The IRS</u> (Net)	77	61	48	51	80	62	44	53
H&R Block	68	48	29	42	45	47	38	41
Jackson-Hewitt	7	13	5	8	0	12	0	6
Some Other Tax Prep Service	7	12	17	9	40	12	6	12
Don't Recall Sponsor	13	26	36	26	10	18	44	24

Q. 2 -- For what methods of filing Federal income taxes have you seen or heard any advertising in the past 6 months?

Q. 4 -- During the past 6 months, have you ever seen or heard any advertising for...?

Q. 14 -- Do you recall who sponsored this advertising -- was it the Internal Revenue Service...?

Findings Among Other Key Segments:

V-Coders, Lapsed Users, Current Users,
Non-Users, and Spanish-Speaking
Taxpayers



Awareness, Usage & Recommendation of *e-file* By Segment

- We also looked at tracking data among several other Taxpayer segments -- V-Coders, Current *e-file* Users, Lapsed Users, Non-Users, and Spanish-Speaking Taxpayers.
- The only notable changes from Pre-to-Post among these groups were higher unaided *e-file* awareness among Lapsed Users and Spanish-Speaking Taxpayers, and higher intent to recommend *e-file* to others among the Spanish-Speaking target.

	V-Coders		Current Users		Lapsed Users		Non-Users		Spanish-Speaking	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total Interviews	(153)	(161)	(204)	(237)	(58)	(46)	(303)	(265)	(100)	(109)
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<u>Unaided Awareness Of <i>e-file</i></u>	75	81	90	92	81	96	77	79	57	70
<u>Total Awareness Of <i>e-file</i></u>	98	99	100	100	100	100	97	99	89	91
<u>Claimed Ever Used An <i>e-file</i> Method</u>	26	29	100	100	100	100	25	25	49	58
<u>Claimed Usage Of <i>e-file</i> In 2002</u>	0	0	100	100	0	0	0	0	35	43
<u>Would Recommend <i>e-file</i> to a Friend</u>	42	45	93	93	100	100	43	43	49	71

Q. 1 -- Please describe all the methods of filing Federal Income taxes that you can think of.

Q. 3 -- Please tell me if you have ever heard of each of these methods of filing.

Q. 5 -- And which of the following methods of filing Federal income taxes have you ever used?

Q. 6 -- Which method did you use for filing your Federal income taxes in (last tax season)?

Q. 7 -- Which of these methods of filing Federal income taxes would you recommend to a friend?

e-file Advertising Awareness & Sponsor Recall By Segment

- The only segment in which we did not find higher ad awareness was the Spanish-Speaking group. This group also had far lower attribution of e-file advertising to any of the source choices, including the IRS.

	V-Coders		Current Users		Lapsed Users		Non-Users		Spanish-Speaking	
	Pre (153) 100%	Post (161) 100%	Pre (204) 100%	Post (237) 100%	Pre (58) 100%	Post (46) 100%	Pre (303) 100%	Post (265) 100%	Pre (100) 100%	Post (109) 100%
Unaided Aware Of Advertising For e-file	20	48	20	51	10	50	17	44	23	25
Total Aware Of Advertising For e-file	28	60	30	68	21	59	25	58	35	35
New Base: Total Aware of Advertising	100% (51)	100% (101)	100% (67)	100% (168)	100% (15)	100% (27)	100% (89)	100% (163)	100% (43)	100% (41)
Aided Recall Of Sponsor of e-file Advertising										
<u>The IRS</u>	22	31	13	26	0	22	19	31	7	15
<u>Someone Other Than The IRS (Net)</u>	57	52	72	58	60	67	57	56	49	37
H&R Block	43	42	52	45	47	59	45	46	40	34
Jackson-Hewitt	2	10	6	13	13	15	3	9	7	2
Some Other Tax Prep Service	12	9	18	12	13	7	12	9	5	5
Don't Recall Sponsor	28	27	18	26	40	22	29	24	44	56

Q. 2 -- For what methods of filing Federal income taxes have you seen or heard any advertising in the past 6 months?

Q. 4 -- During the past 6 months, have you ever seen or heard any advertising for...?

Q. 14 -- Do you recall who sponsored this advertising -- was it the Internal Revenue Service, that is, the IRS, or was it one of the tax preparation services such as H&R Block, Jackson-Hewitt or some other tax preparation service?

Appendix



Demographic Summary Of Pre-Post Survey Samples

- As shown below, the samples secured in each wave of the tracking study were virtually identical in terms of their demographic characteristics. This assures us that any wave-to-wave differences noted earlier are likely to be real changes occurring among the target audience and not differences that are due to sampling inconsistencies.

	Total Taxpayers Pre-Wave (507) 100%	Total Taxpayers Post-Wave (502) 100%
Total Interviews		
Q. B---Gender...Male	50	49
Female	50	51
Q.20--Average HH Size (Mean)	2.9	2.9
Q. 21--% With Children	45	46
Q. 22--% Married	61	61
Q. 23--% With College Education	64	63
Q. 24--% Median HH Income	53	53

Individual questions are referenced above.