

# **IRS PAID MARKETS TRACKING STUDY 'PRE' - 'POST' TABLE REPORT**

**A summary report on the effects of IRS E-file advertising  
in selected "Paid" and "Control" markets.**

**May, 1999**

**Angell & Company**

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# Objectives

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The purpose of this taxpayer research project is to accurately and objectively determine any significant changes in taxpayer awareness of IRS E-file resulting from the 1999 Paid Market advertising.

# Methodology

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During the period of January 4 through January 12 (1999), a total of 1,205 WATS-line CATI interviews were completed with taxpayers.

This interviewing provided the 'benchmark' interviewing wave for 1999.

Interviewing in in this wave was divided among 'Paid' and 'Control' markets.

The Paid markets were:

Albany

Fargo

Omaha

Sioux Falls

The Control markets were:

Dayton

Des Moines

Lansing

Peoria

In the Paid markets, a total of 804 interviews were completed on this 'pre' benchmark wave.

These interviews were divided in the following manner:

<u>Market</u>	<u># of Interviews</u>
Albany	200
Fargo	200
Omaha	200
Sioux Falls	204

In the Control markets, a total of 401 interviews were completed on this 'pre' benchmark wave.

These interviews were divided in the following manner:

<u>Market</u>	<u># of Interviews</u>
Dayton	100
Des Moines	100
Lansing	101
Peoria	100



This "benchmark" interviewing wave was succeeded by a follow-up interviewing wave. Conducted during the period of April 16 - 27 (1999), this interviewing wave **replicated** the research conducted in January.

For this April interviewing wave, a total of 800 interviews were completed in the Paid markets.

These interviews were divided in the following manner:

<u>Market</u>	<u># of Interviews</u>
Albany	200
Fargo	200
Omaha	200
Sioux Falls	200

In April in the Control markets, a total of 400 interviews were completed.

These interviews were divided in the following manner:

<u>Market</u>	<u># of Interviews</u>
Dayton	100
Des Moines	100
Lansing	100
Peoria	100

It should be noted that this 1999 research program is part of an on-going program established in 1998.

This 1999 research program -- with the exception of modest questionnaire changes -- essentially replicated the 1998 study.

# Screening

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All respondents were screened to ensure they ...

- ◆ Were at least 18 years of age;
- ◆ Had filed a 1997/1998 federal tax return, or would be filing a 1998 federal tax return;
- ◆ Were the household member most responsible for deciding the method the household uses to file its federal tax return;

# Highlights

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# Advertising Issues

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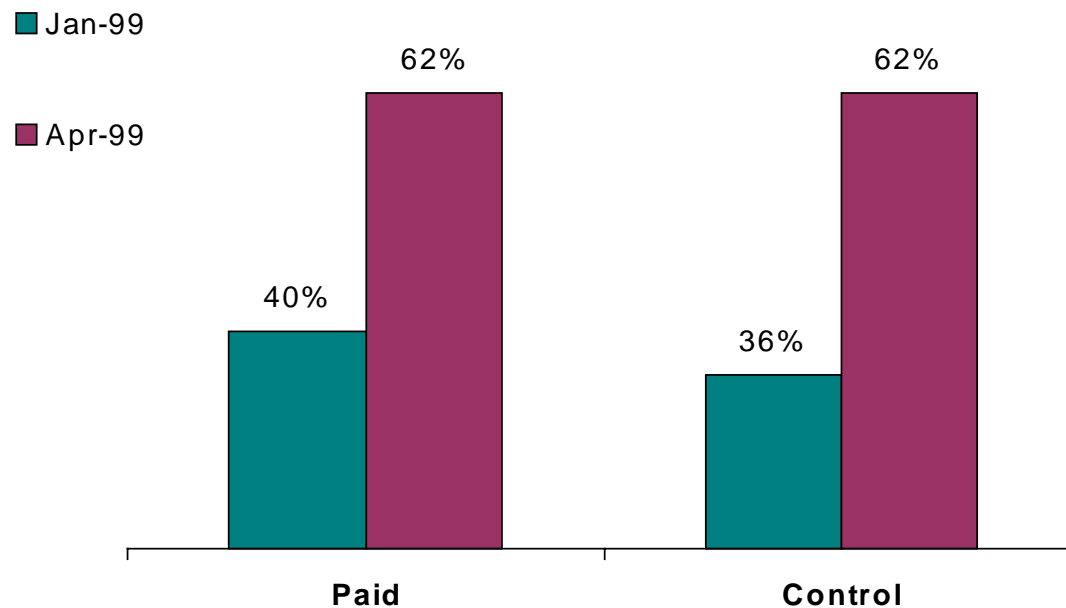
# Unaided Awareness of Federal Tax Return Advertising

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After screening, all respondents were asked the following initial question:

**First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed?**

In response, both the Paid and the Control markets posted statistically significant gains between January of 1999 and April. As the below table indicates, these gains were in relatively equal proportions.



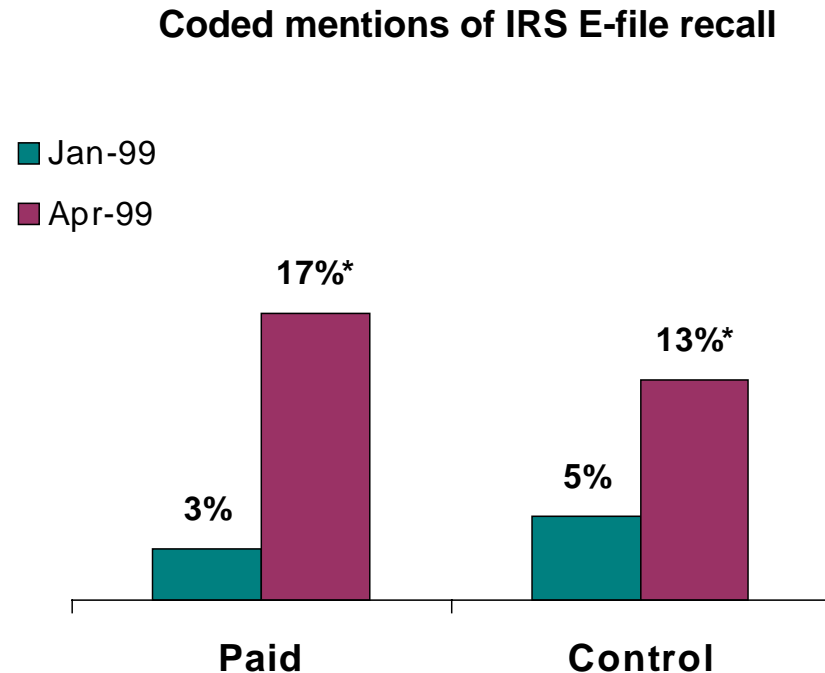


# Specific Awareness of Federal Tax Return Advertising

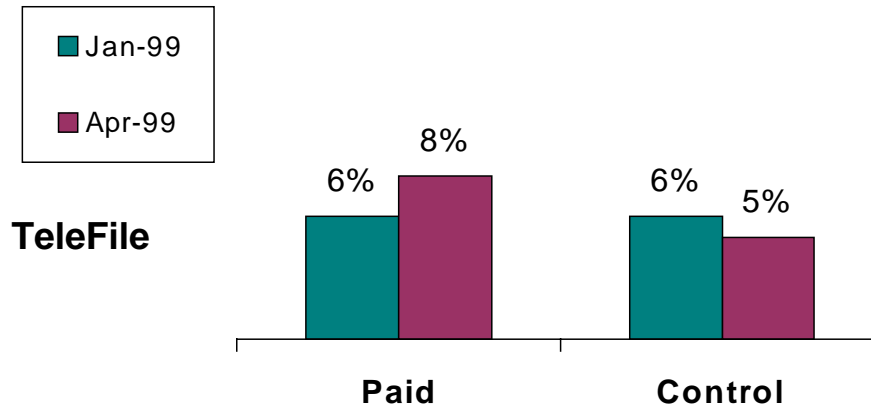
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Those respondents that indicated they had “seen/heard” advertising regarding different ways tax returns can be filed, were next asked to play back what the advertising “said or showed” about different ways of filing. These responses were coded to match some of the advertising in the market.

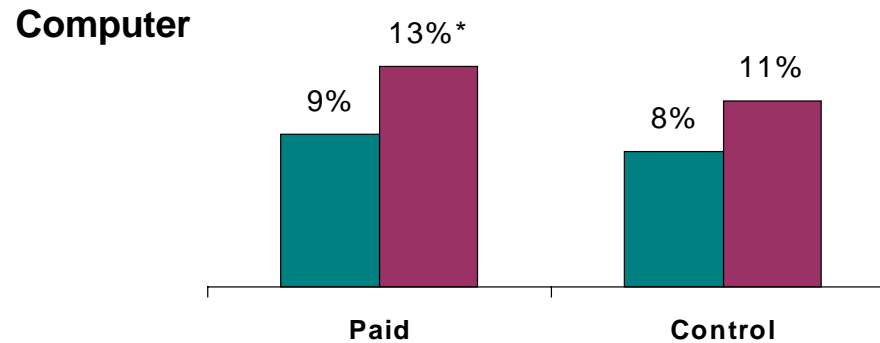
In response to this unaided question, mentions of IRS E-file gained significantly in both the Paid and Control markets. **However, the gains posted in the Paid markets i.e., 3% to 17%) were substantially larger than the gains posted in the Control markets (which went from 5% to 13%.)**



Mentions of **TeleFile** were unchanged between January and April in both the Paid and Control markets.



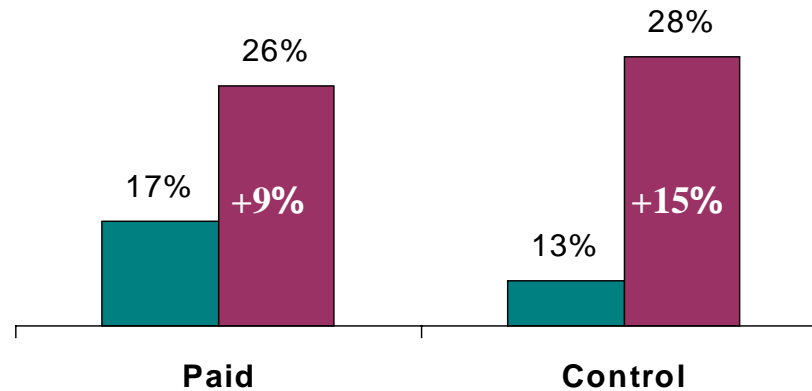
However, mentions of **Computer Filing** were up significantly between January and April in the Paid markets but not in the Control markets.



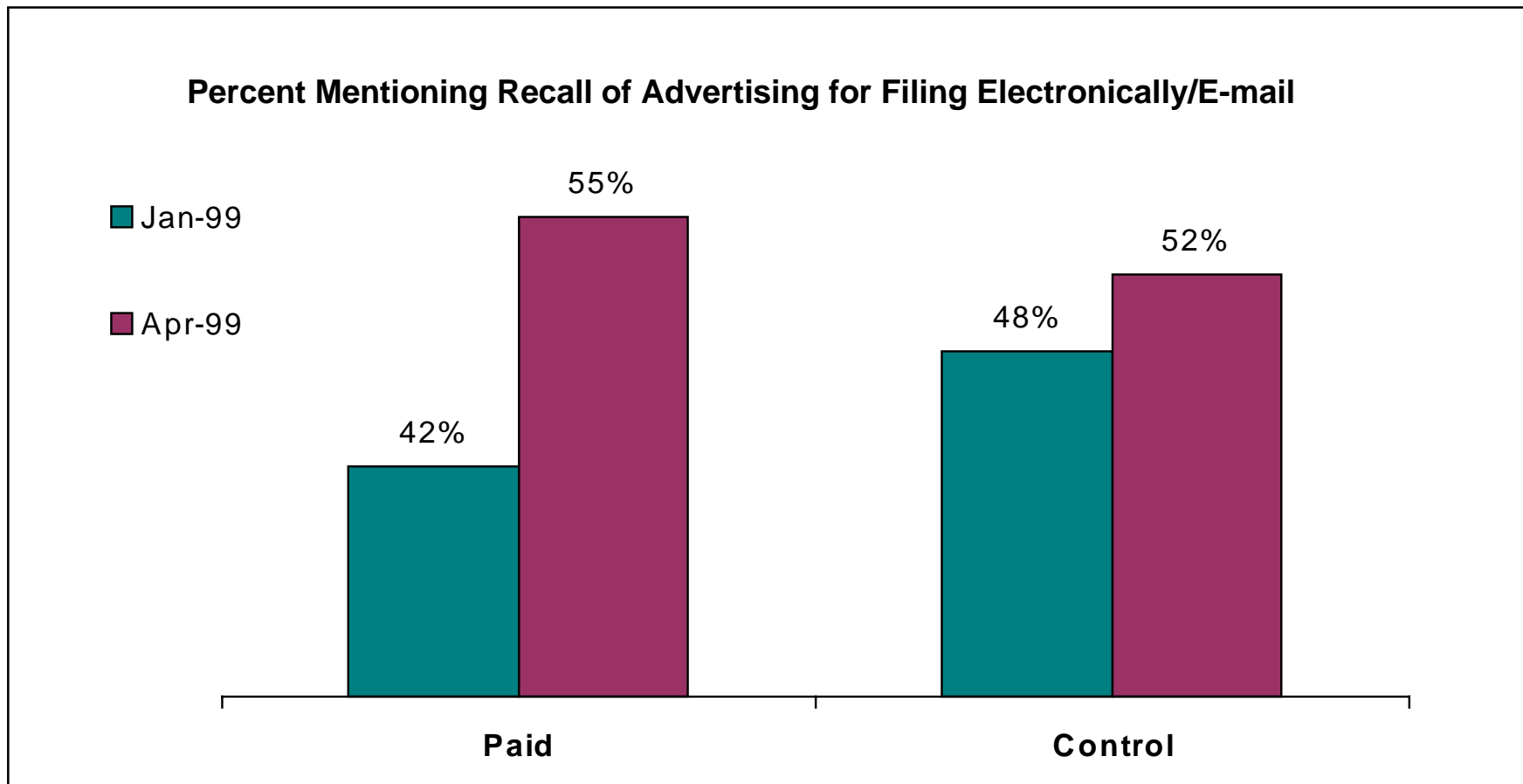
Mentions of **Electronic Filing** were **up significantly** in both the Paid and Control markets.

However, the gains posted in the Control markets were larger than those posted in the Paid markets (i.e., 9% in the Paid markets Vs. 15% in the Control.)

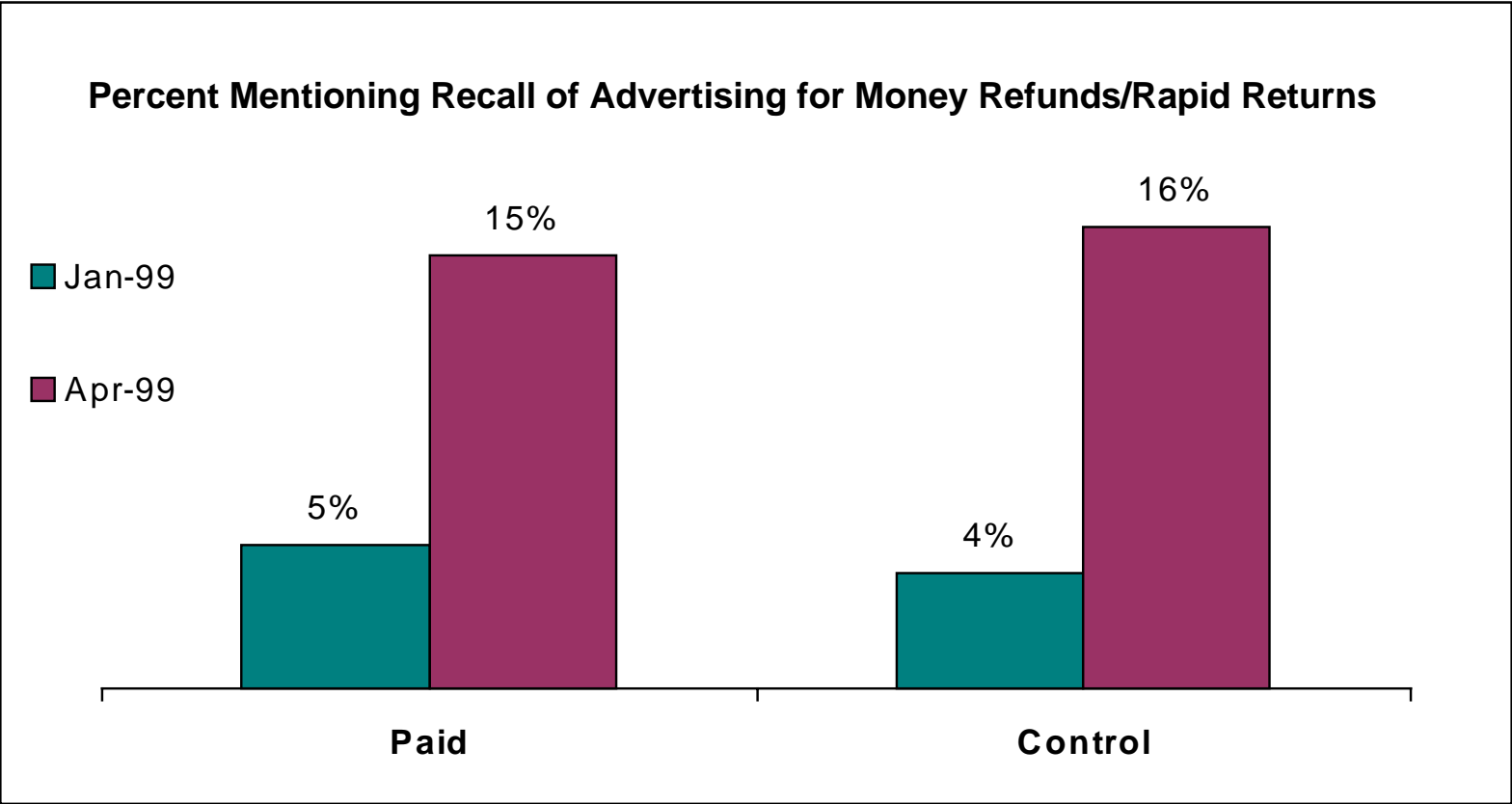
### Electronic Filing



When **all** of the initial advertising awareness response is taken into consideration, **response relating to advertising for E-mail/Electronic filing gained significantly in the Paid markets, but were statistically unchanged in the Control markets.**



Response related to “rapid refund” advertising gained substantially between January and April in both the Paid and Control markets. These gains were in equal proportions for both Paid and Control markets.



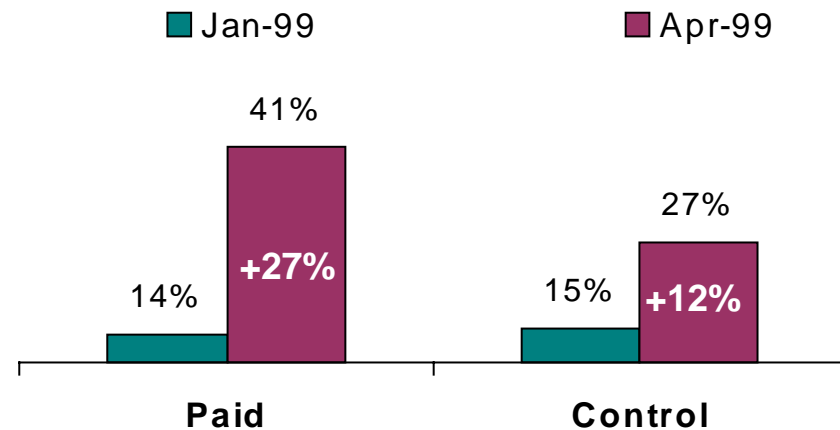
# Aided Awareness of Federal Tax Return Advertising

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Those respondents that did not mention seeing/hearing advertising regarding methods of filing tax returns were next asked specifically (i.e., on an aided basis) if they recalled seeing/hearing advertising recently for IRS E-file, Telefile, Electronic filing, and Personal Computer filing.

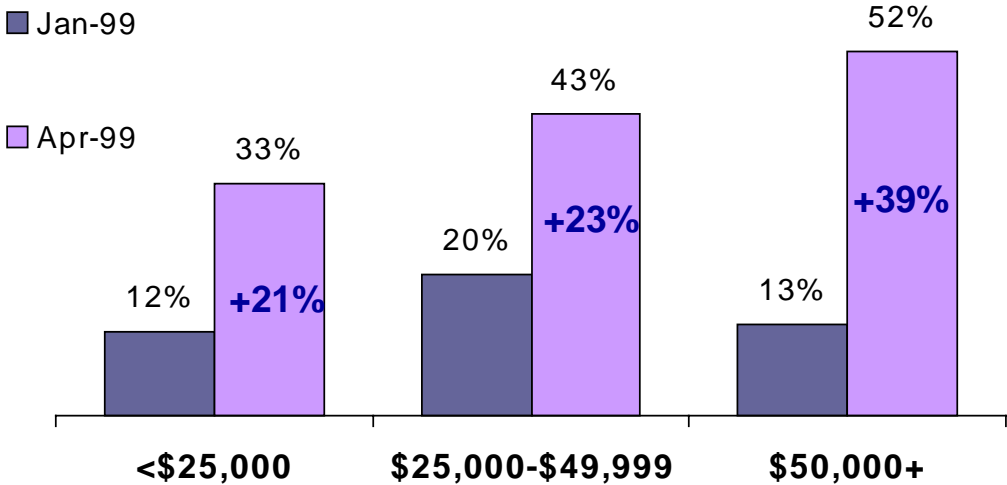
In response, both Paid and Control markets posted significant gains. However, **the gains posted in the Paid markets were larger than those posted in the Control** (i.e., 27 percentage points in the Paid Vs. 12 percentage points in the Control.)

Percent saying they recall seeing/ hearing advertising about E-File



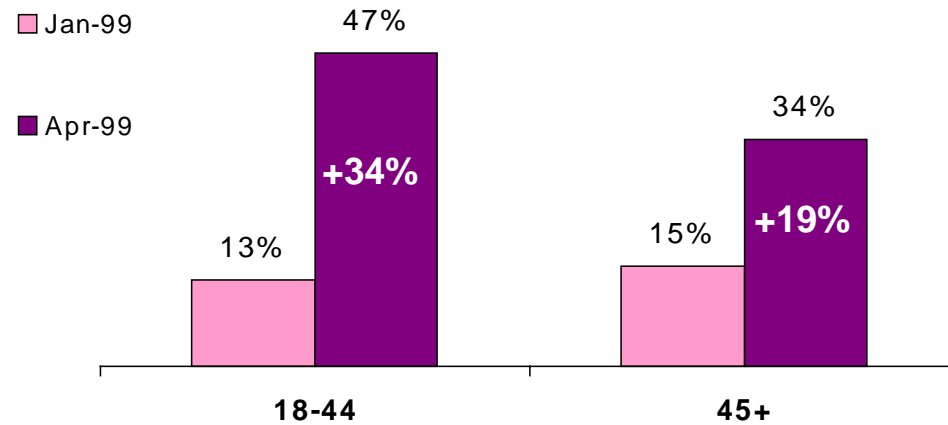
The gains in Aided Awareness of IRS E-File advertising in the Paid markets were largest with higher income respondents.

**Aided Awareness of IRS E-File Advertising by Income in Paid Markets**



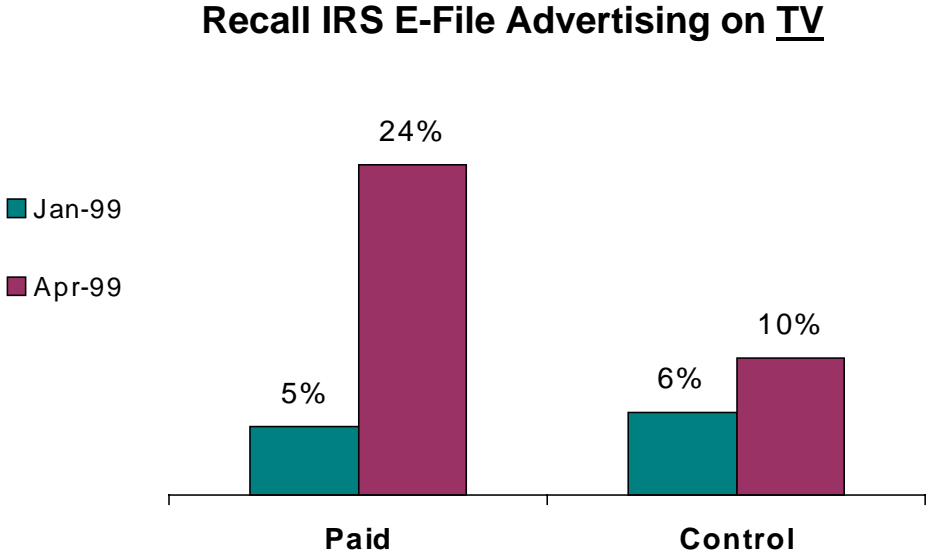
The gains in Aided Awareness of IRS E-File advertising in the Paid markets were largest with younger respondents.

### Aided Awareness of IRS E-File Advertising by Age in Paid Markets



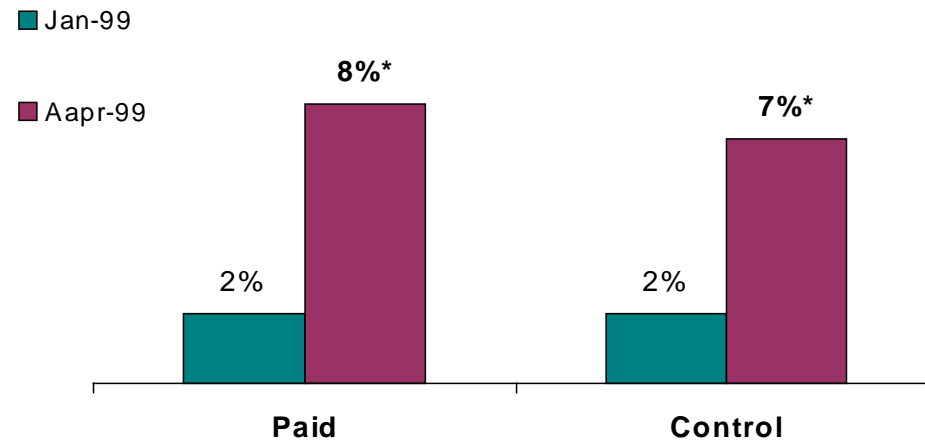


When asked **where** they recalled seeing/hearing the IRS E-File advertising, substantially more respondents in the Paid markets mentioned TV.

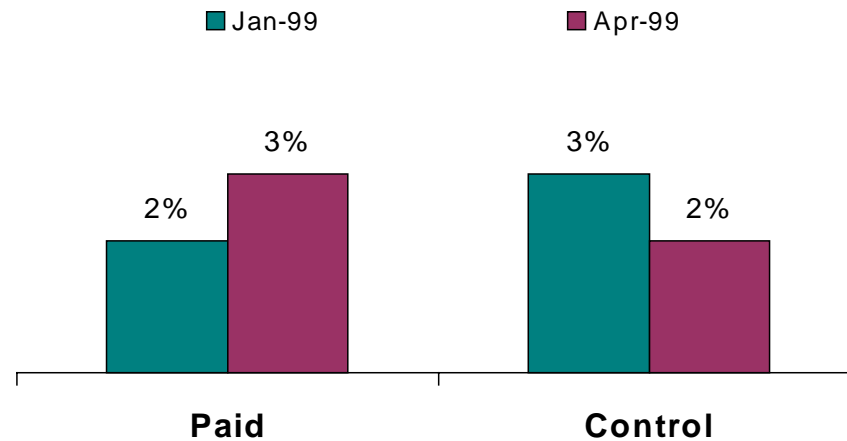


Radio, response significantly increased in the Paid markets and nearly increased significantly in the Control markets.

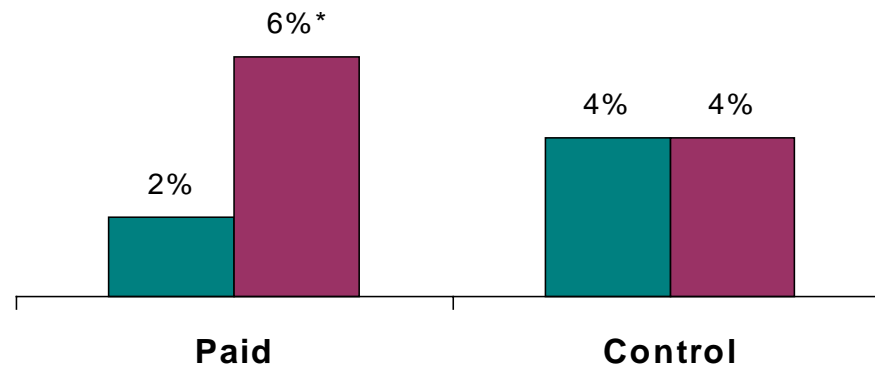
### Recall IRS E-File Advertising on the Radio



It is interesting to note that response related to seeing IRS E-file advertising in **Newspapers** was unchanged between January and April in both the Paid and Control markets.

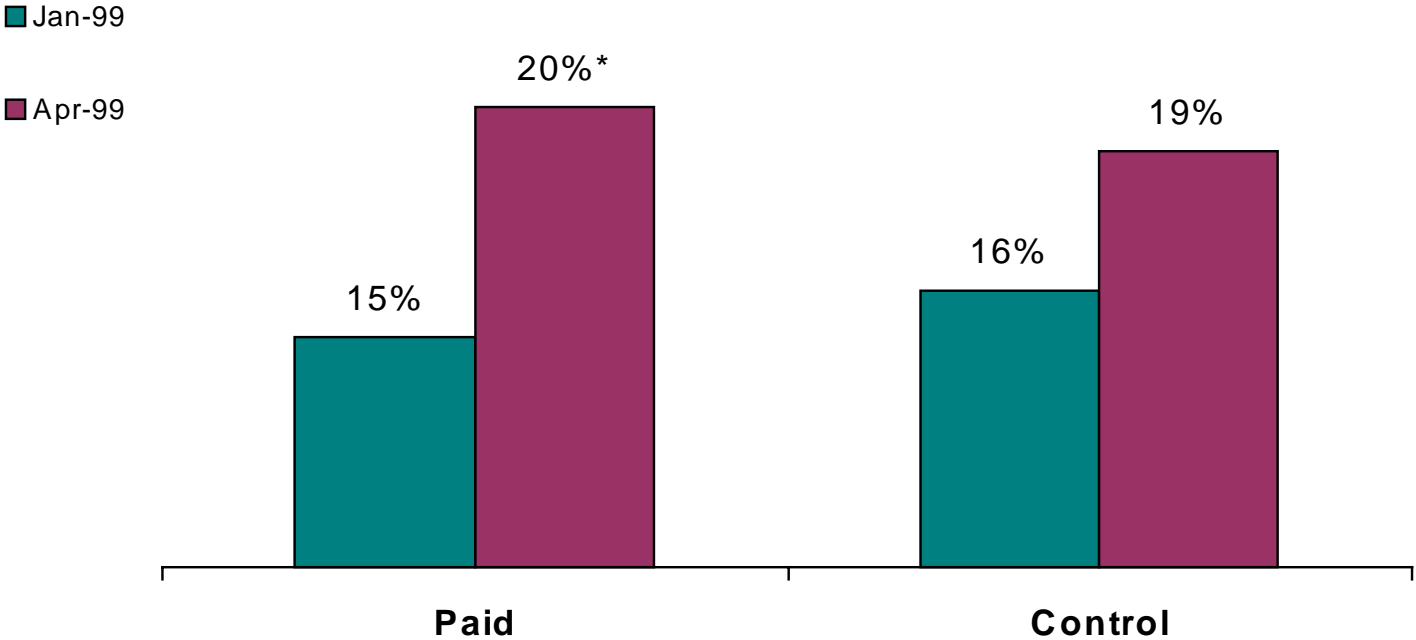


Recall of IRS E-File Advertising in **IRS material**, however, gained in the Paid markets and was unchanged in the Control.



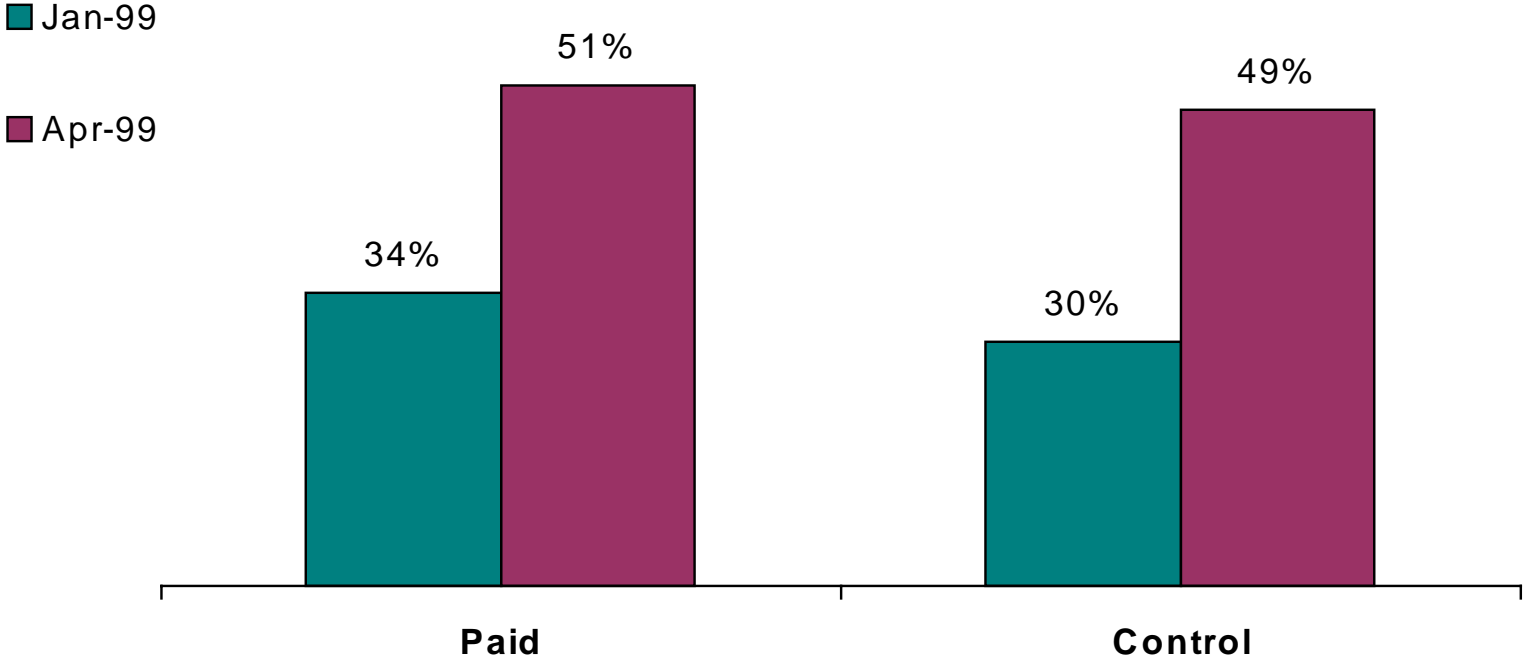
Aided awareness of TeleFile advertising recall gained significantly in the Paid markets but was statistically unchanged in the Control.

**Percent saying they recall seeing/ hearing advertising about TeleFile**



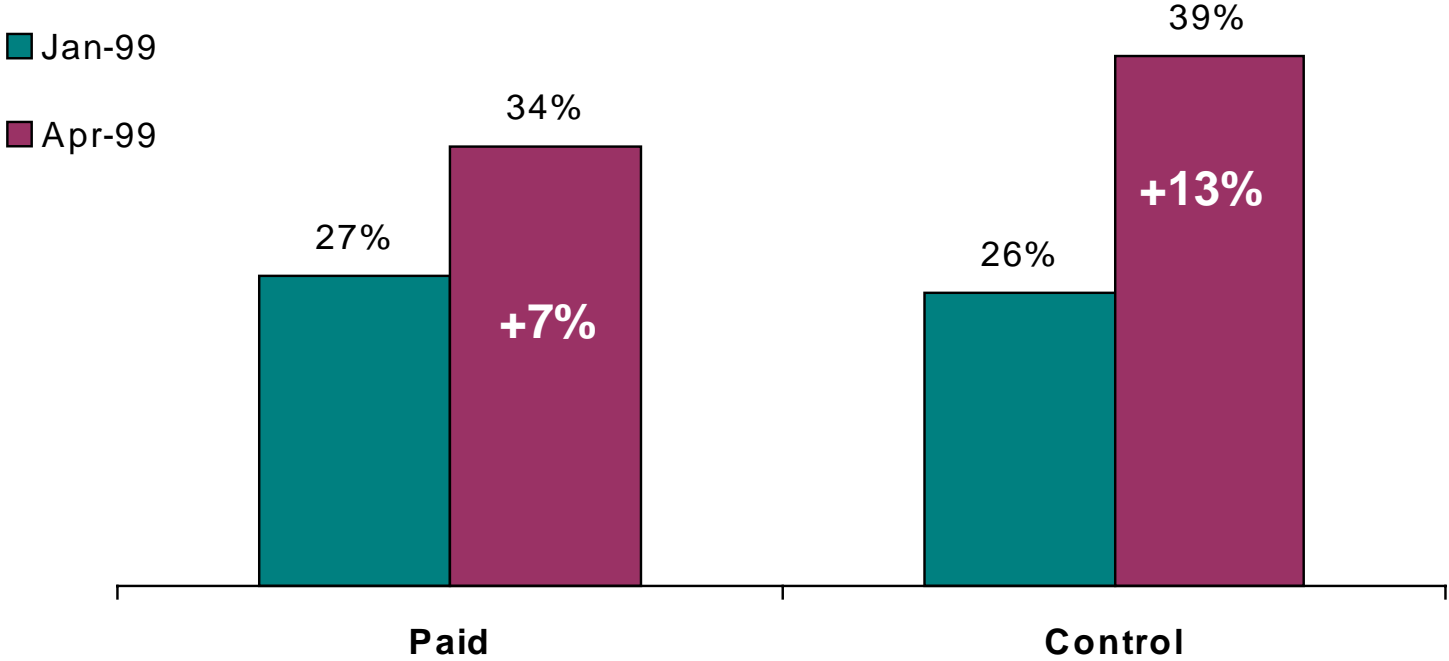
Aided advertising awareness of Electronic Tax Filing increased significantly in both the Paid and Control markets (and in essentially equal proportions.)

**Percent saying they recall seeing/ hearing advertising about Electronic Tax Filing**



Gains were also posted in both Paid and Control markets with respect to Personal Computer filing. These **gains were larger in the Control markets than the Paid.**

**Percent saying they recall seeing/ hearing advertising about Personal Computer Filing**

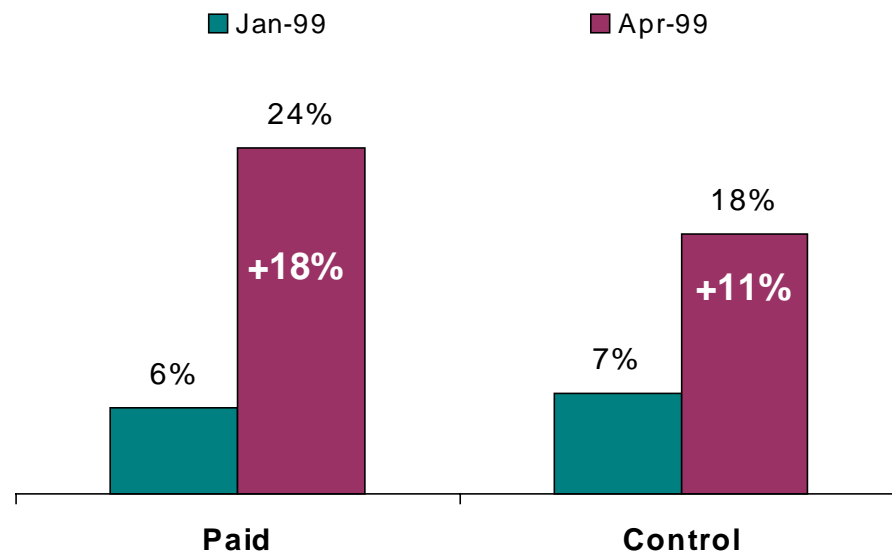


Those who claimed they noticed IRS E-File advertising were asked to play back -- on an open-ended basis -- what the advertising they saw “said or showed.”

In response, mentions of “filing taxes electronically/e-mail” gained between January and April in both the Paid and Control markets.

The gain in the Paid markets was substantially higher than the Control, however.

### IRS E-File Copy Point Recall Mentions of Filing Taxes Electronically/E-Mail



# Recall of Specific Advertising Features

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All respondents were read the following:

**I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised.**

The interviewer then proceeded to read the statements noted on the next page. Each statement was rotated to minimize any possible positioning bias.

These statements were prepared to reflect the communications propositions mentioned in the 1998 tax filing season IRS advertising. As such, there were some minor changes in the statements for the 1999 version of this study.

The purpose of these statements, of course, is to measure any changes in awareness of these features resulting from the IRS communications programs.

There were few substantive differences in response between the Paid and Control markets. Note on the following page, however, that the statement -- "With IRS E-file, taxpayers get their refund twice as fast" -- gained by 20 percentage points in the Paid markets but only 5 points in the Control.



## RECALL OF SPECIFIC ADVERTISING FEATURES

PAID/CONTROL MARKETS (Comparison of January to April Percentage Changes)

BASE: Total Sample	<u>Paid</u> %	<u>Control</u> %
Taxpayers can file their returns electronically .....	+9	+14
Refunds can be directly deposited to your bank account .....	+13	+14
Taxpayers can file their return using their own personal computer .....	+8	+13
With IRS e-file, taxpayers get their refund twice as fast .....	+20	+5
Even if you are not getting a refund, you can still file electronically .....	+6	+10
Electronic filing is accurate .....	+6	+7
IRS E-file offers a number of convenient options for filing federal tax returns .....	+8	+11
There are many ways to e-file .....	+9	+5
Taxpayers receive proof of acceptance .....	+1	+4
Taxpayers who use IRS e-file will get an acknowledgment from the IRS within 48 hours .....	+4	+5

Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised? (T-11a)

## RECALL OF SPECIFIC ADVERTISING FEATURES

### PAID MARKETS (1999)

BASE: Total Sample	No.	<u>January</u> (804) %	<u>April</u> (800) %	$\Delta$ +/-
Taxpayers can file their returns electronically .....		72	81	+9
Refunds can be directly deposited to your bank account ....		65	78	+13
Taxpayers can file their return using their own personal computer .....		52	60	+8
With IRS e-file, taxpayers get their refund twice as fast .....		50	70	+20
Even if you are not getting a refund, you can still file electronically .....		41	47	+6
Electronic filing is accurate .....		36	42	+6
IRS E-file offers a number of convenient options for filing federal tax returns .....		28	36	+8
There are many ways to e-file .....		21	30	+9
Taxpayers receive proof of acceptance .....		16	17	+1
Taxpayers who use IRS e-file will get an acknowledgment from the IRS within 48 hours .....		13	17	+4

Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised? (T-11a)

## RECALL OF SPECIFIC ADVERTISING FEATURES

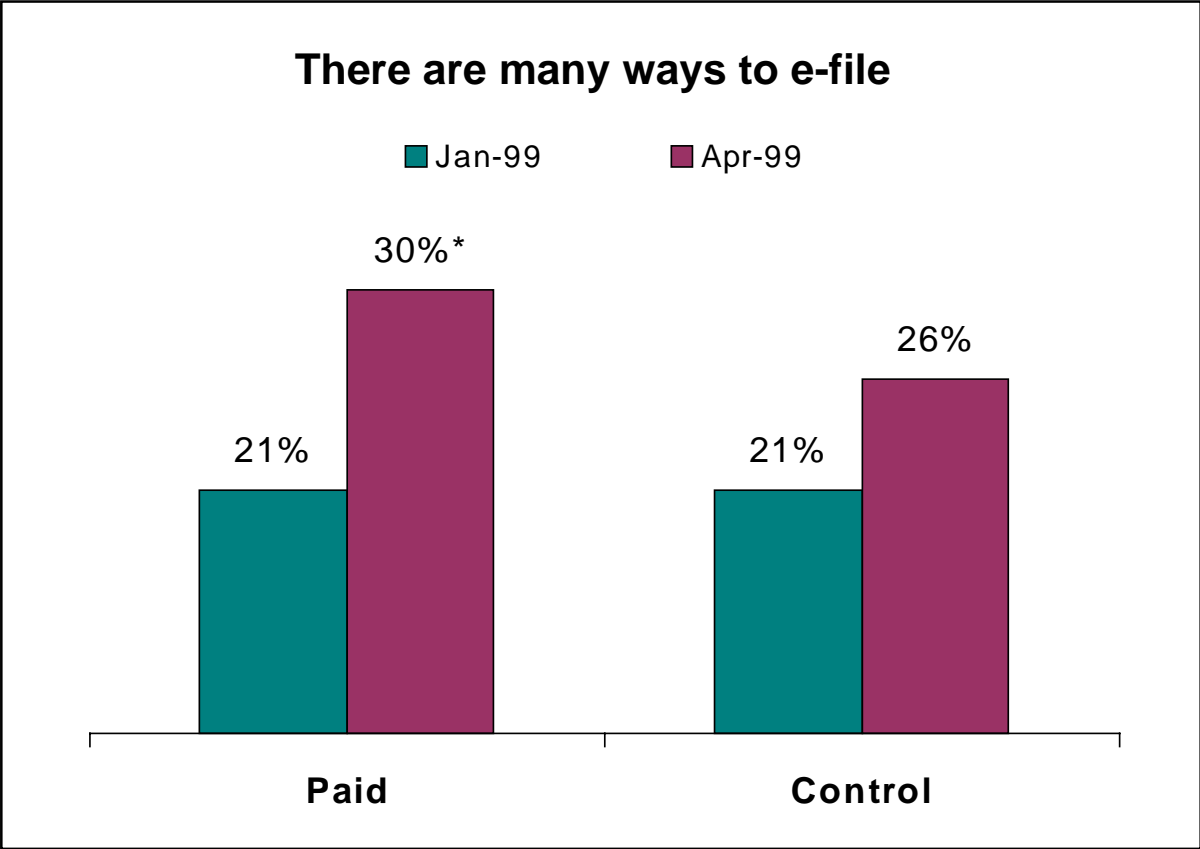
CONTROL MARKETS (1999)

BASE: Total Sample	No.	<u>January</u> (401) %	<u>April</u> (400) %	$\Delta$ +/-
Taxpayers can file their returns electronically .....		65	79	+14
Refunds can be directly deposited to your bank account ....		63	77	+14
Taxpayers can file their return using their own personal computer .....		46	59	+13
With IRS e-file, taxpayers get their refund twice as fast .....		47	52	+5
Even if you are not getting a refund, you can still file electronically .....		37	47	+10
Electronic filing is accurate .....		34	41	+7
IRS E-file offers a number of convenient options for filing federal tax returns .....		22	33	+11
There are many ways to e-file .....		21	26	+5
Taxpayers receive proof of acceptance .....		16	20	+4
Taxpayers who use IRS e-file will get an acknowledgment from the IRS within 48 hours .....		13	18	+5

Q. 11: I'm going to read you some phrases about filing that were mentioned in advertising. As I read each feature, please tell me if you recall hearing this feature advertised? (T-11a)

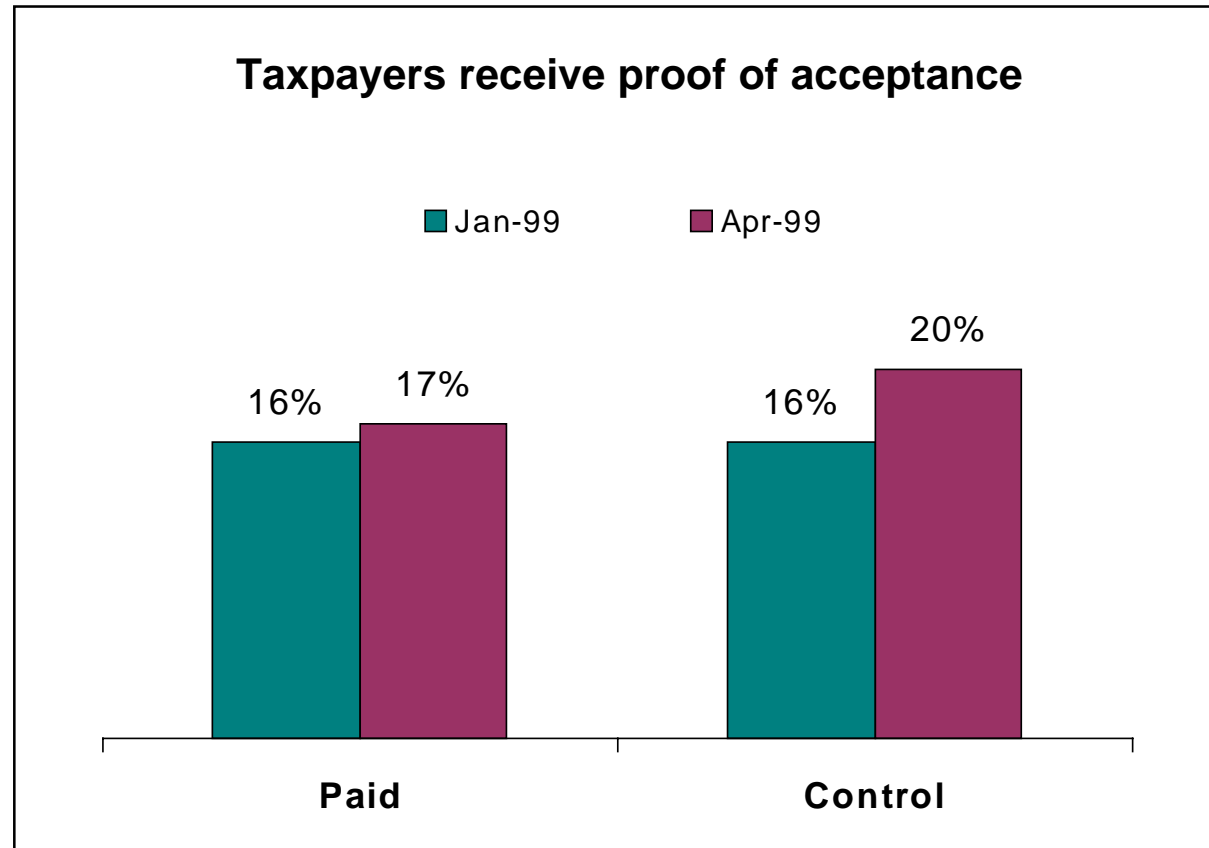
**There are many ways to e-file**

Response relating to this feature **gained significantly in the Paid markets** and was up directionally but statistically unchanged in the Control markets.



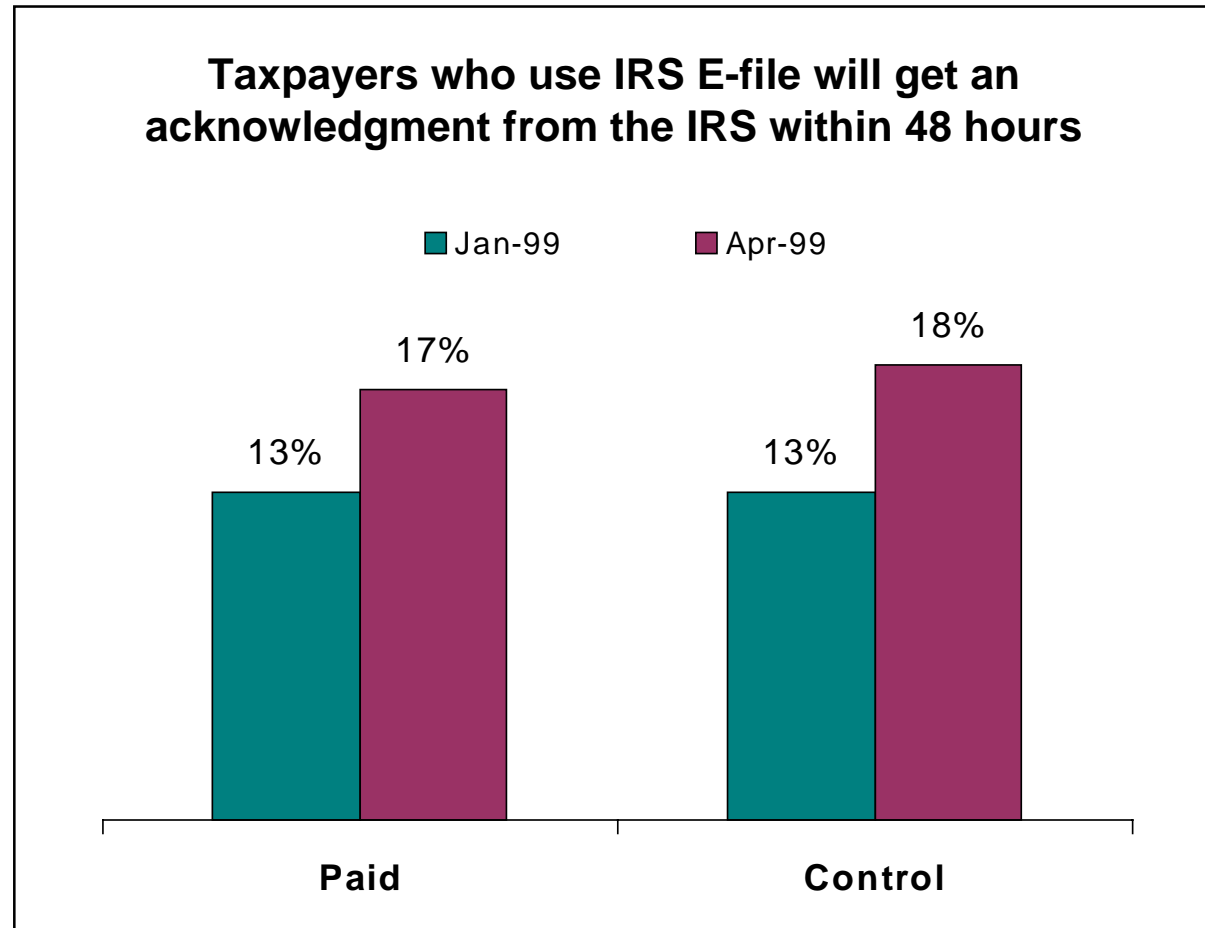
## Taxpayers receive proof of acceptance

Response relating to this feature was **unchanged** between January and April in both the Paid and the Control markets.



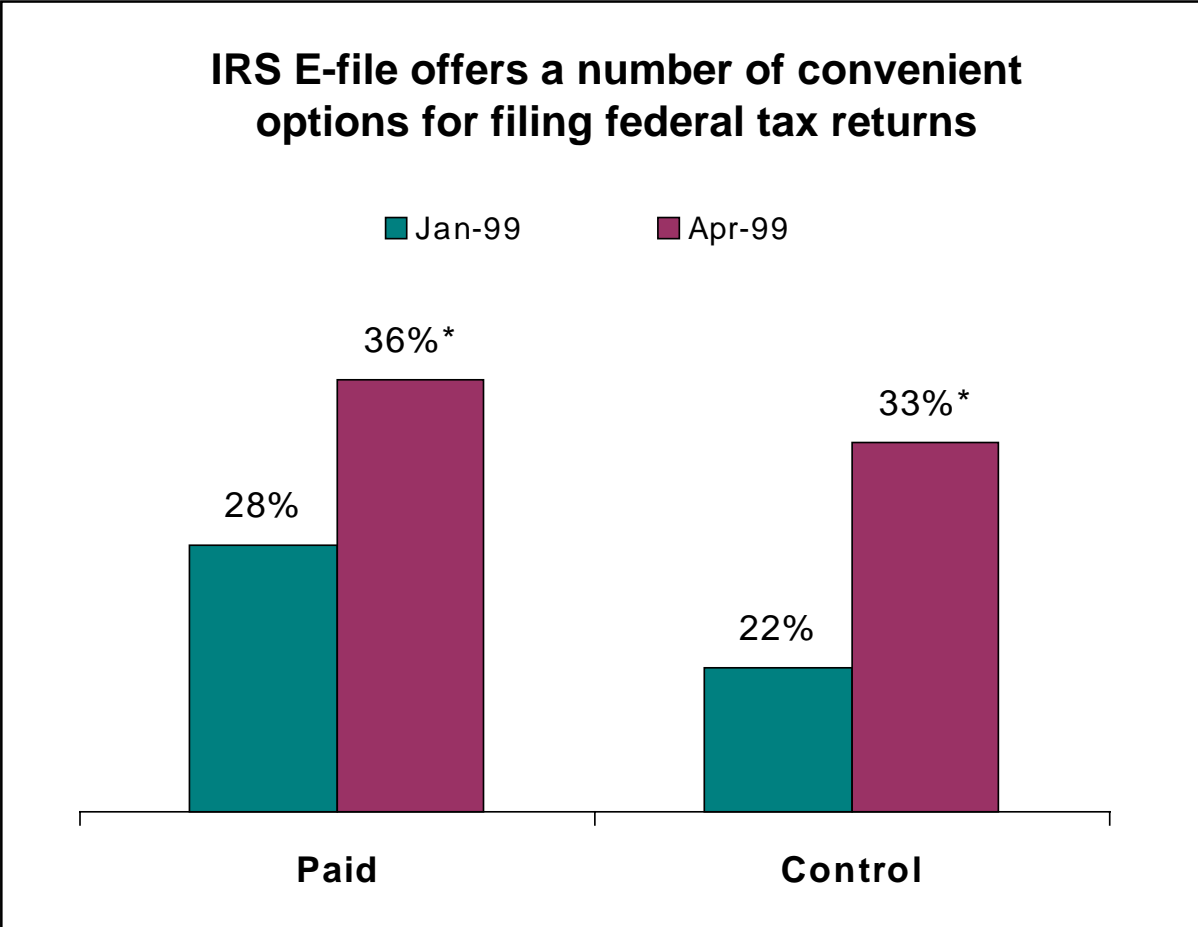
**Taxpayers who use IRS E-file will get an acknowledgment from the IRS within 48 hours**

Response relating to this feature was **unchanged** between January and April in both the Paid and Control markets.



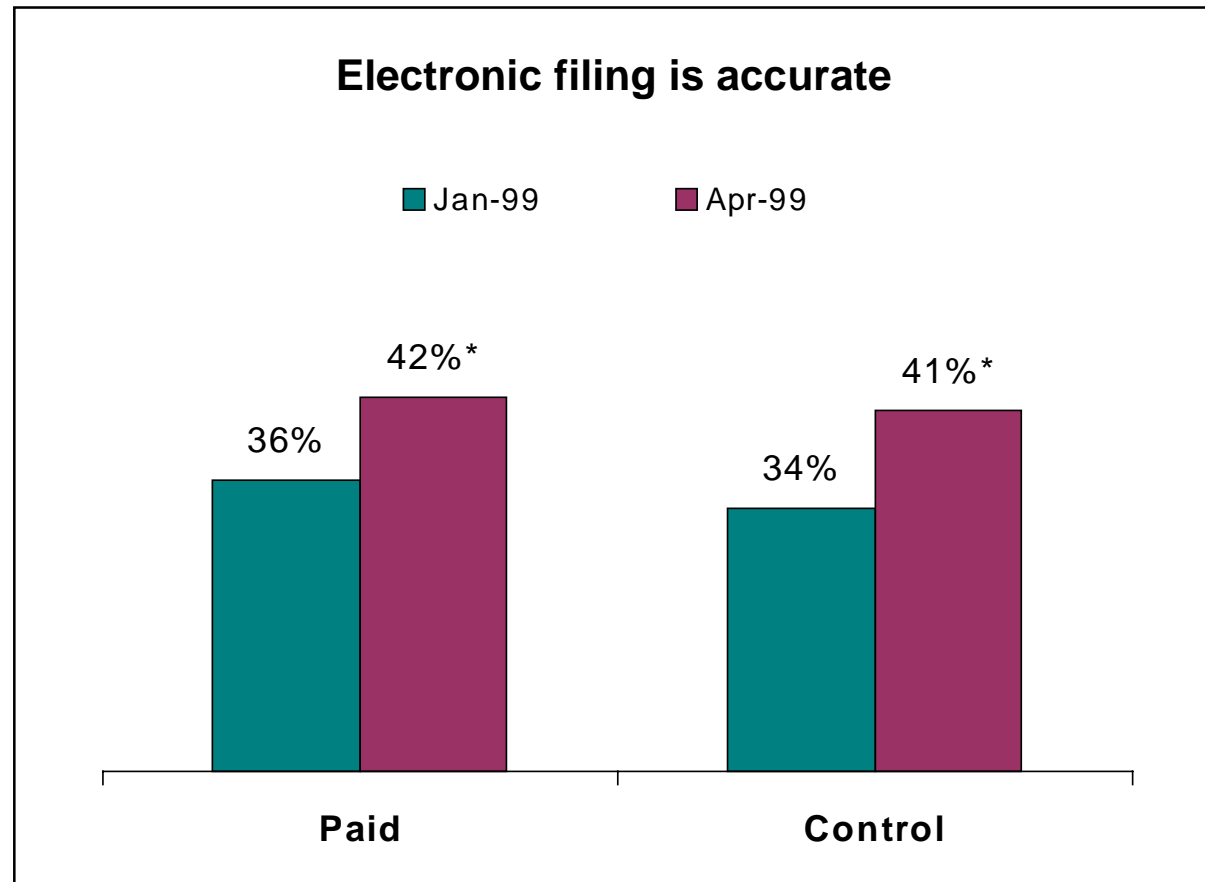
**IRS E-file offers a number of convenient options for filing federal tax returns**

Response for this statement **gained** between January and April in both the Paid and Control markets.



## Electronic filing is accurate

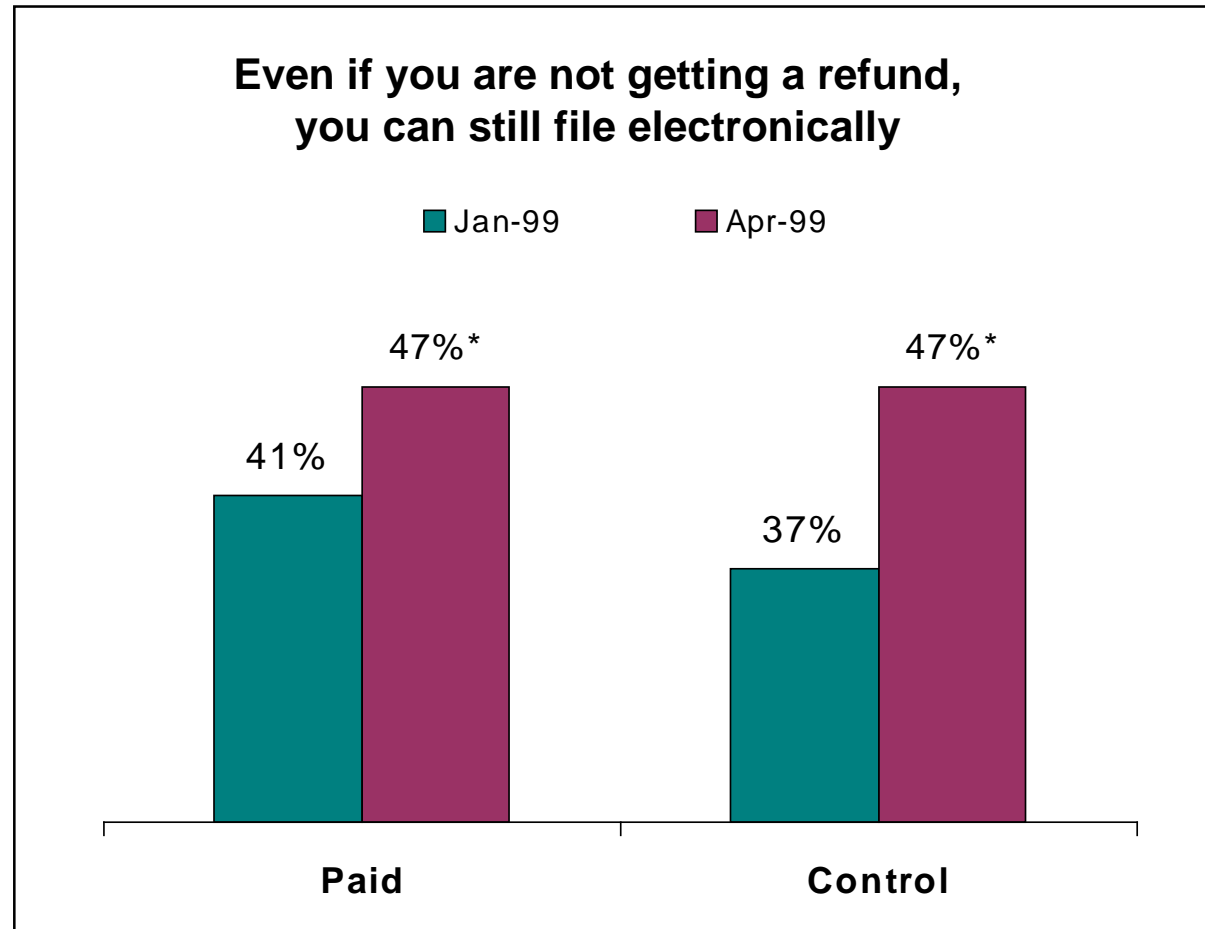
Response relating to this feature **increased significantly** in both the Paid and Control markets between January and April.





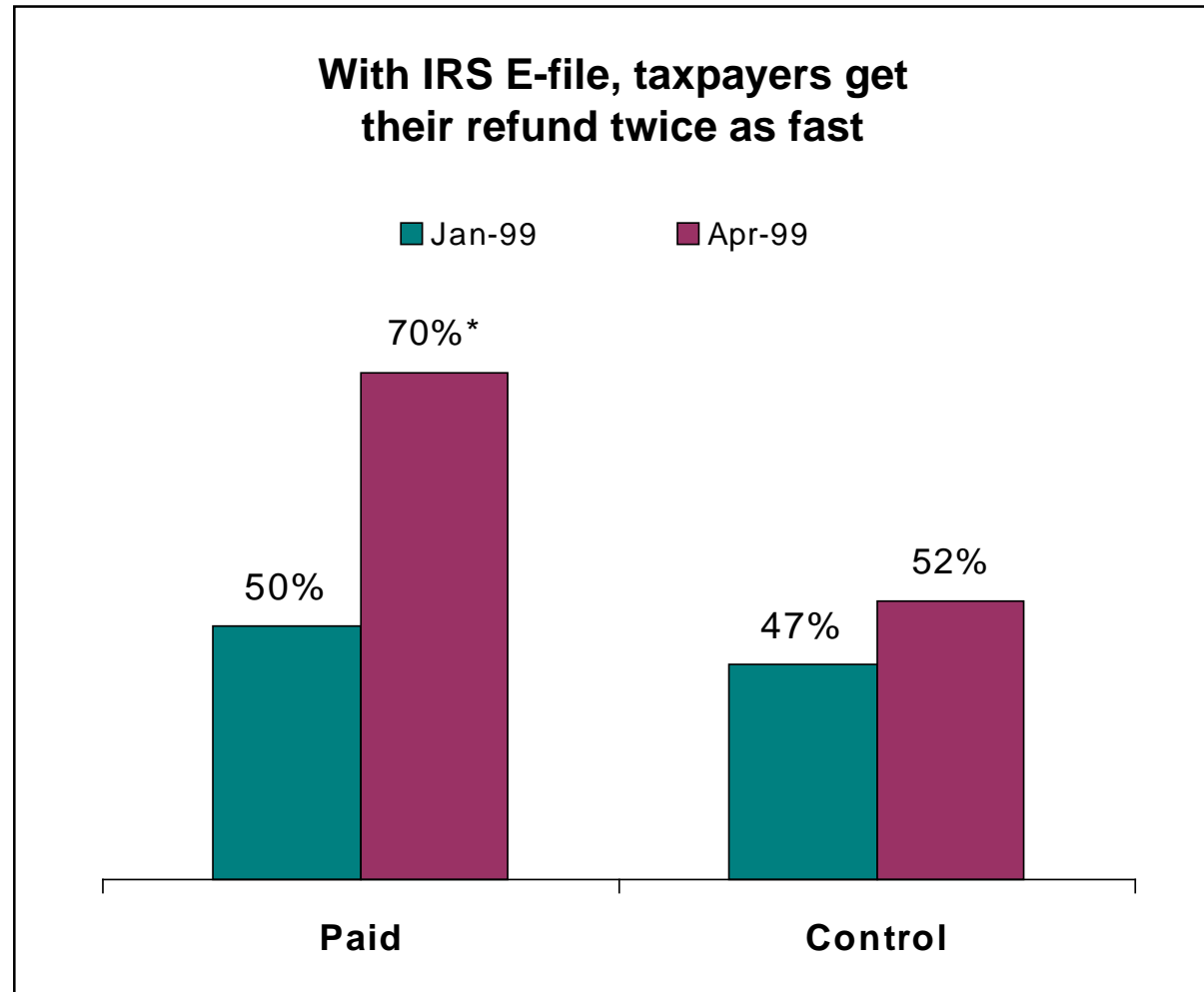
**Even if you are not getting a refund, you can still file electronically**

Response relating to this feature **increased significantly** in both the Paid and Control markets.



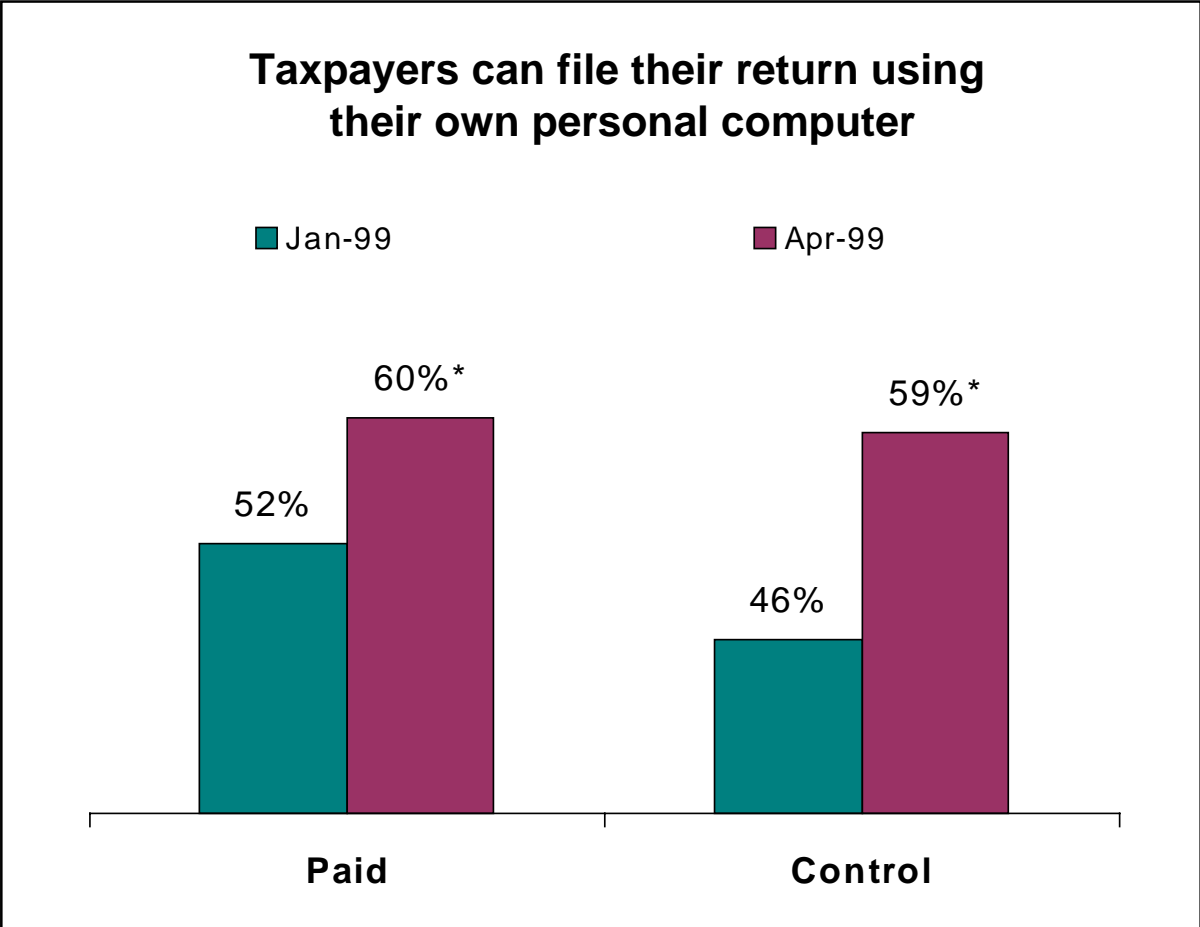
**With IRS E-file,  
taxpayers get their  
refund twice as fast**

Response on this  
statement **gained  
dramatically in the  
Paid markets**  
between January and  
April, but response  
was **statistically  
unchanged in the  
Control markets.**



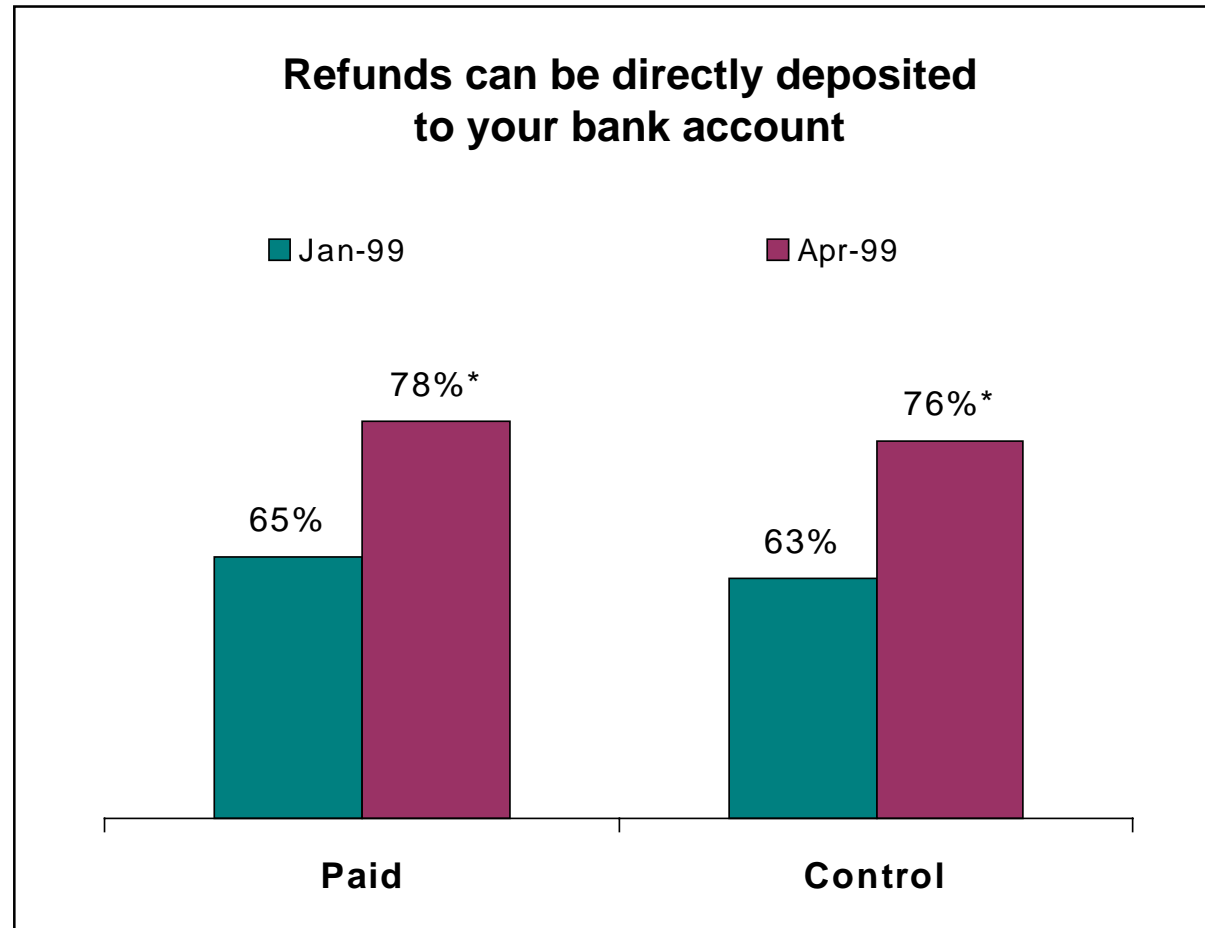
**Taxpayers can file their return using their own personal computer**

Response for this statement **gained significantly in both the Paid and Control** markets (with the Control markets showing the largest gain.)



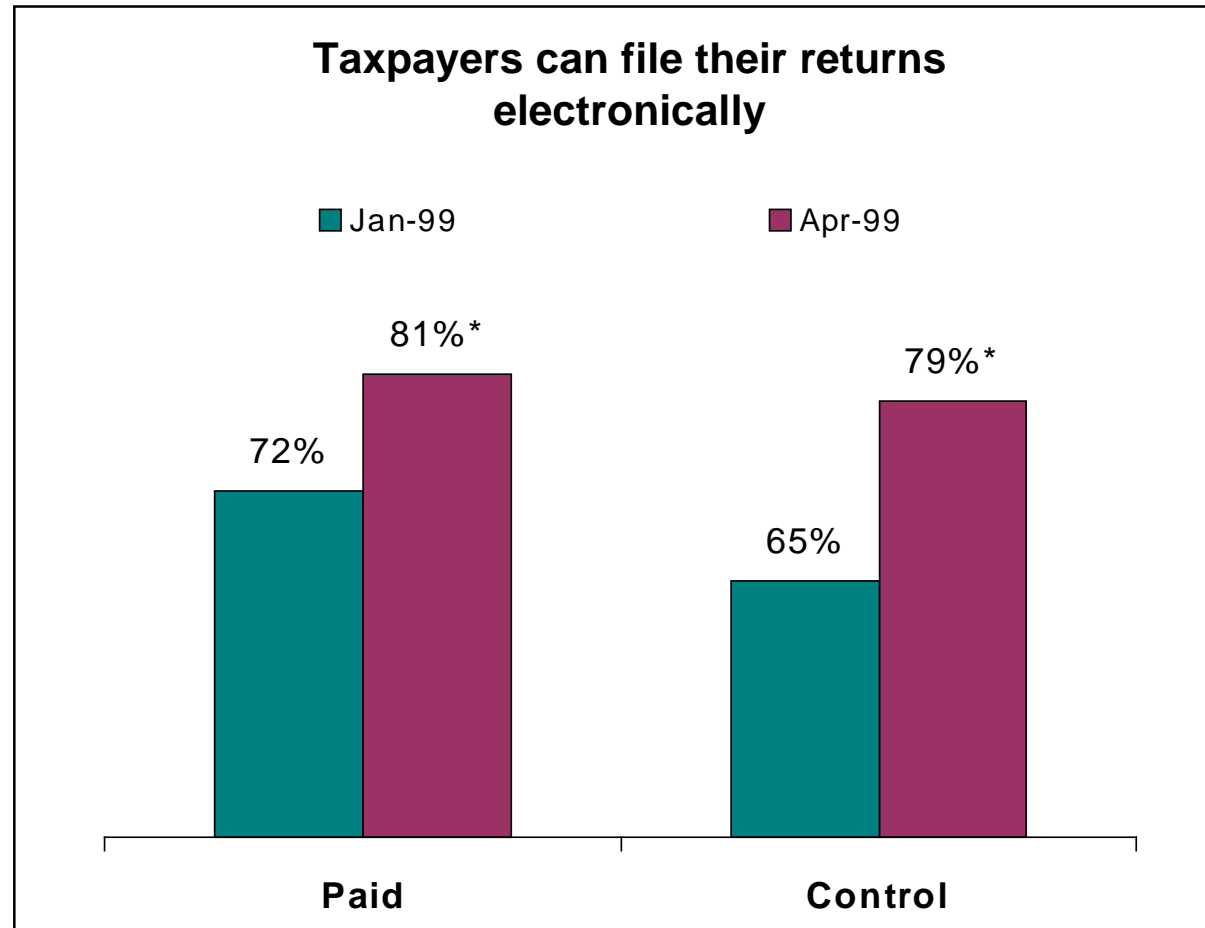
**Refunds can be directly deposited to your bank account**

Response for this statement **gained significantly in both** the Paid and the Control markets.



## Taxpayers can file their returns electronically

Gains were posted in both Paid and Control markets -- with the Control markets posting a larger gain.



# Awareness Issues

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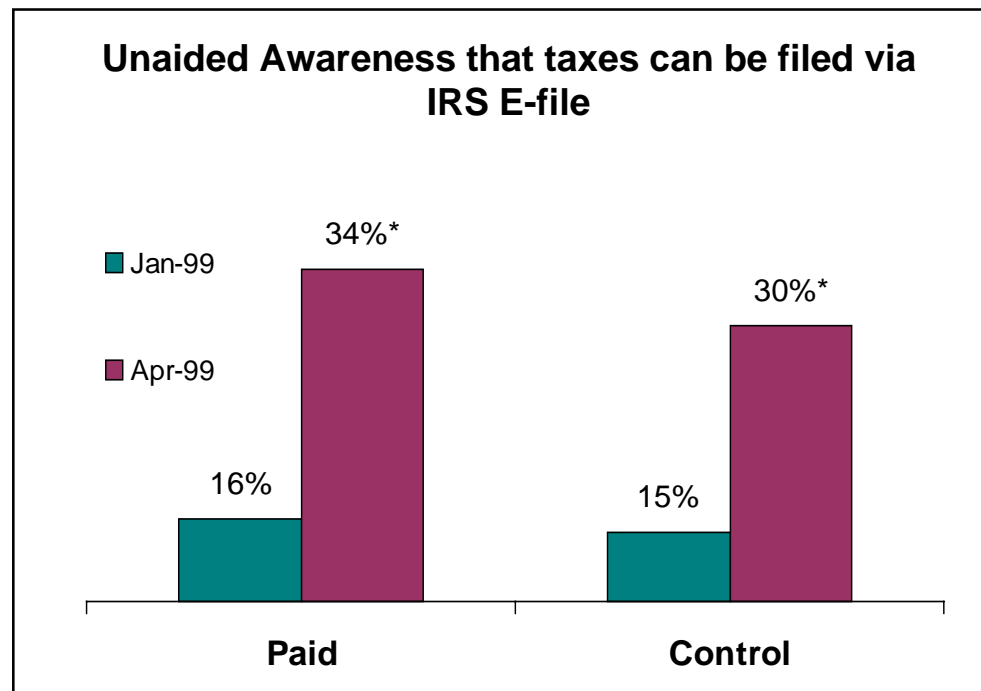
# Awareness of Ways Taxes Can Be Filed (Unaided)

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All respondents were read the following question:

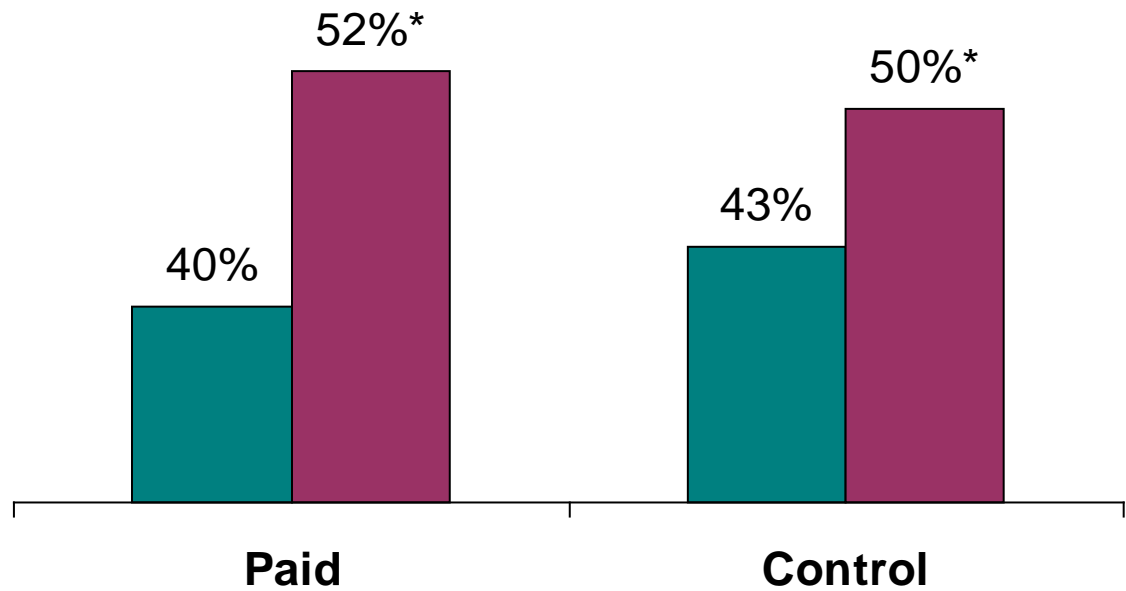
**There are a number of ways taxpayers can file their returns. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of that you can use to file your tax returns other than by mail. What other ways can you think of?**

In response, both Paid and Control markets increased significantly between January and April (and in relatively equal proportions.)



Unaided Awareness of Electronic Filing also gained significantly in both Paid and Control markets (although the Paid markets gain was slightly larger.)

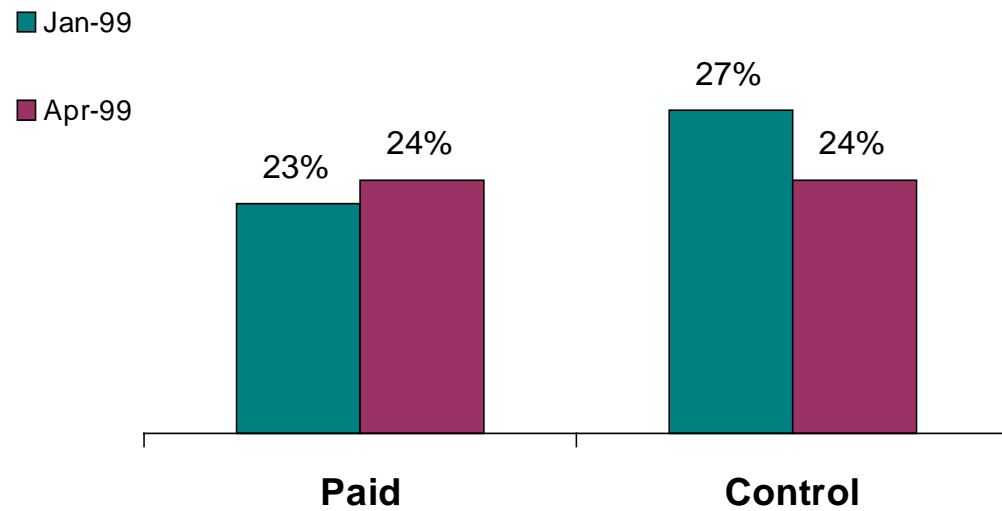
### Unaided Awareness that taxes can be filed Electronically





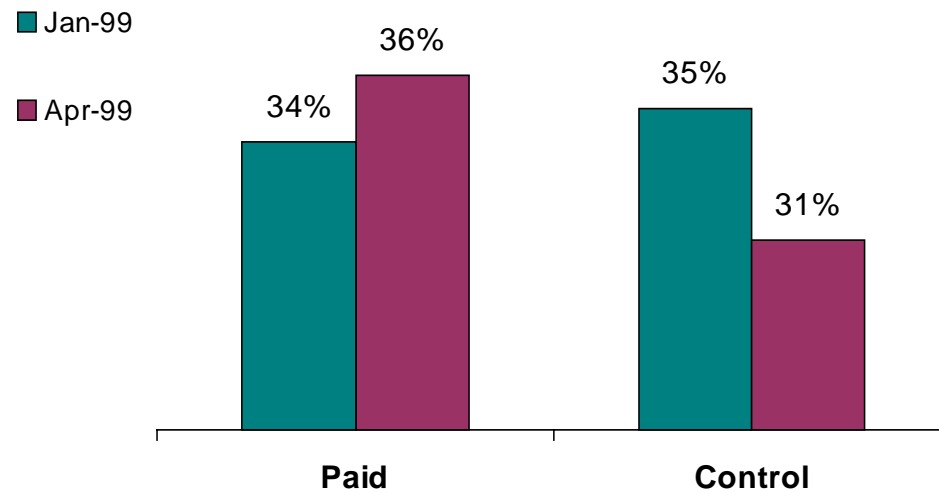
Unaided Awareness of Telephone Filing was statistically unchanged in both the Paid markets and Control markets.

### Unaided Awareness that taxes can be filed by Telephone



With respect to Personal Computer Filing, there were no statistically significant changes in either the Paid or the Control markets.

### Unaided Awareness that taxes can be filed by Personal Computer



## Ways Taxes Can Be Filed (Unaided & Aided)

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Respondents who did not mention “Electronic Tax Filing’, A Personal Computer’, ‘IRS E-file’, or “TeleFile” in response to the previous unaided question were next asked the following question:

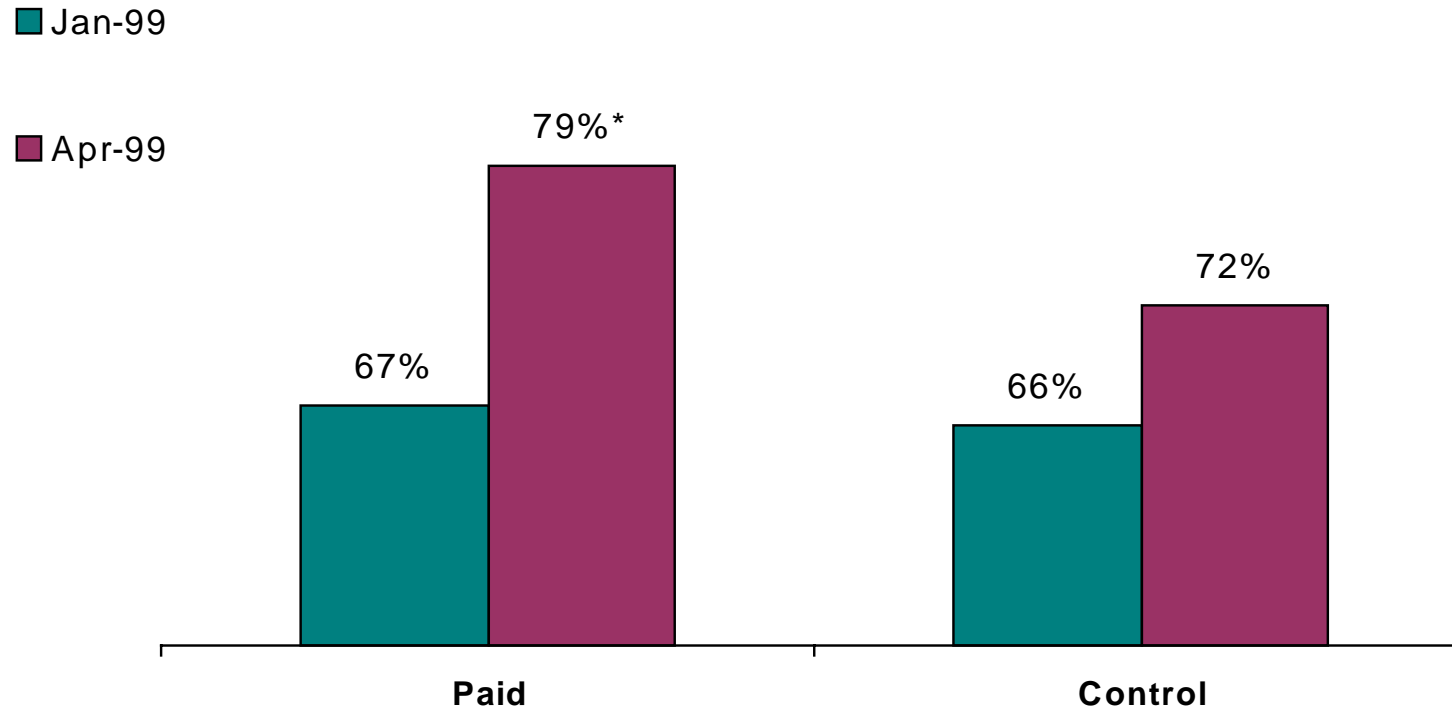
**I’m going to read you a number of ways taxpayers can file their federal tax returns and, as I read each way, please tell me if you were aware of it before today. Let’s start with ... Before today, were you aware that you could file your federal tax return using ... ?**

This response was combined with the ‘unaided’ response to form a **total awareness** measurement.

In April, **total awareness of IRS E-File as a filing option ...**

1. Gained significantly in the Paid markets, and;
2. Was statistically unchanged in the Control markets.

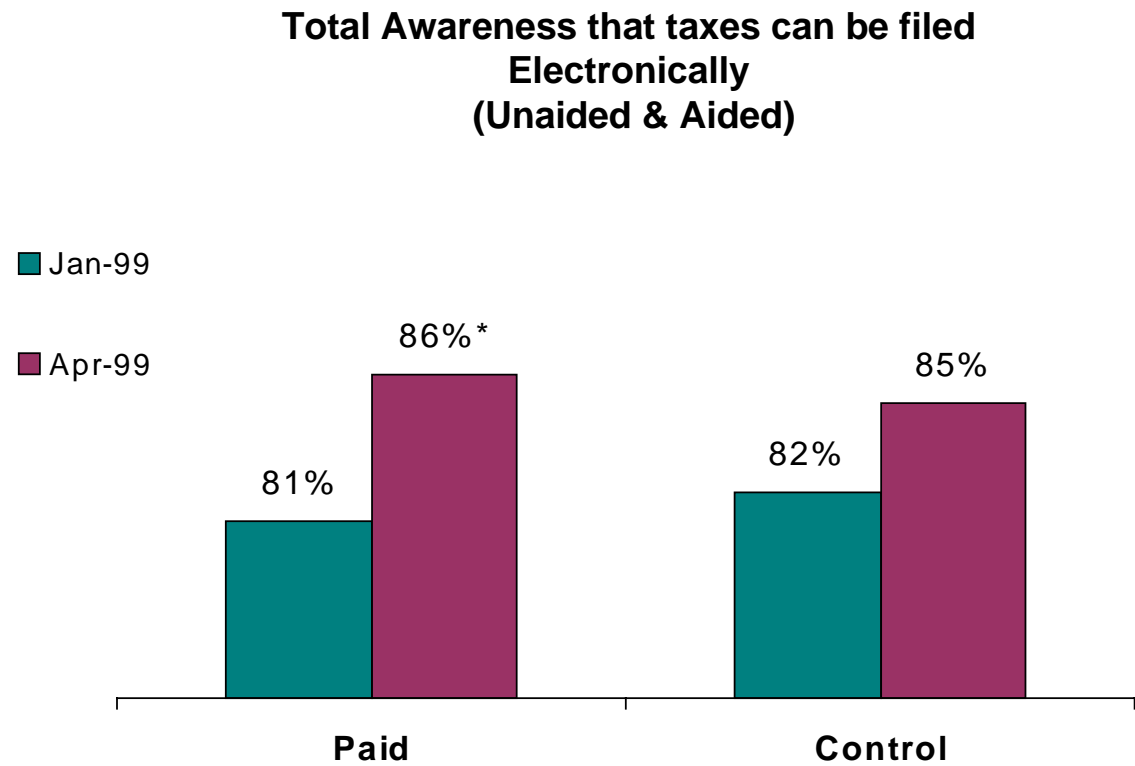
## Total Awareness That Taxes Can Be Filed Via IRS E-File (UNAIDED & AIDED)



- Q. 3: There are a number of ways taxpayers can file their returns. One of the ways a tax return can be filed is simply by mailing it in to the Internet Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of that you can use to file your tax returns other than by mail. What other ways can you think of? (T-3)
- Q. 4: I'm going to read you a number of ways taxpayers can file their federal tax returns and, as I read each way, please tell me if you were aware of it before today. Let's start with ... Before today, were you aware that you could file your federal tax return using ... ? (T-4)

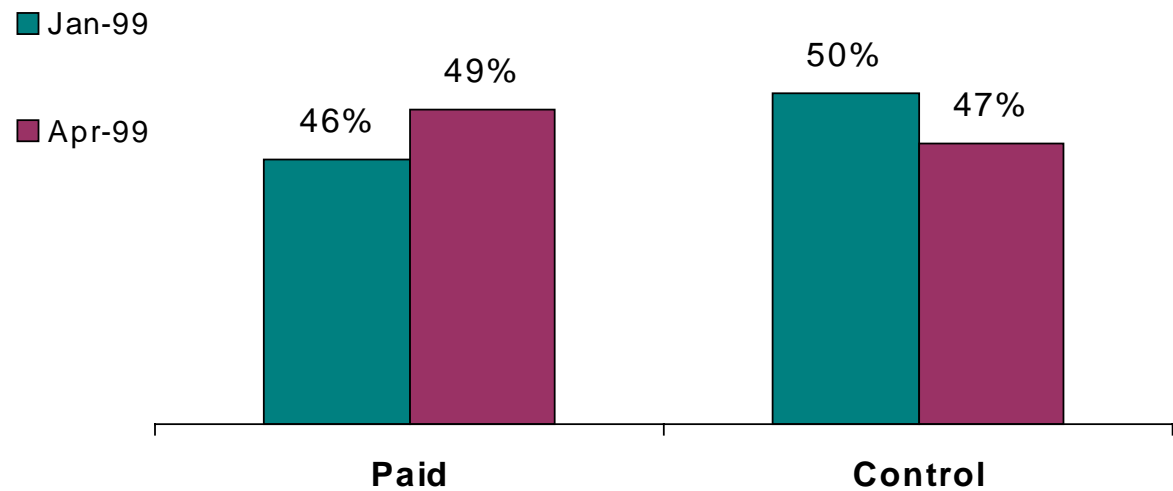
**BASE: Total Sample**

Total Awareness of Electronic Filing **gained significantly in the Paid markets** and was unchanged in the Control markets.



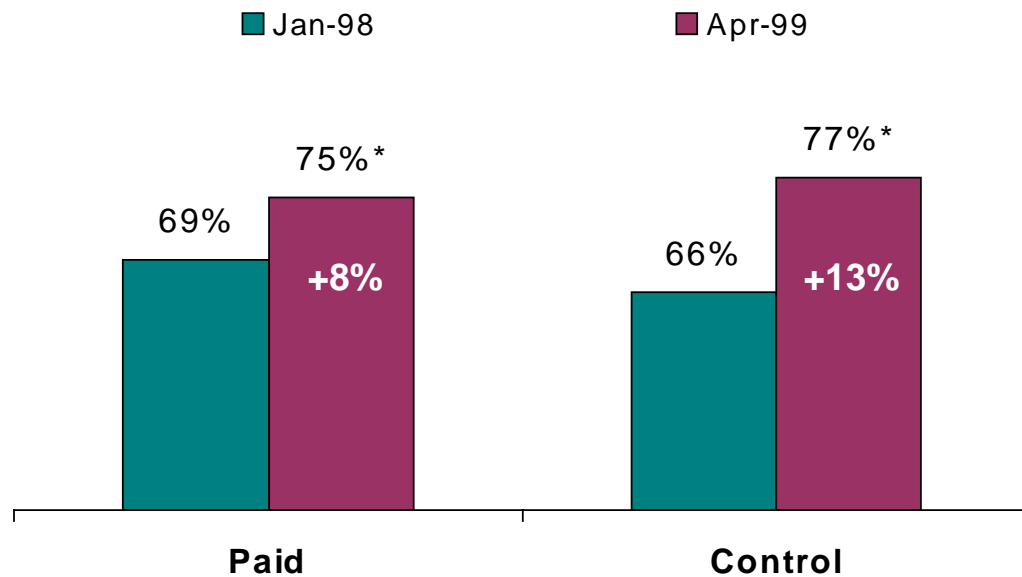
Total Awareness of Telephone Filing was statistically unchanged between January and April in both the Paid and Control markets.

**Total Awareness that taxes can be filed by Telephone**  
(Unaided & Aided)



Total Awareness of Personal Computer Filing between January and April gained significantly in both the Paid and Control markets (with the Control market posting a larger gain.)

### Total Awareness that taxes can be filed by Personal Computer (Unaided & Aided)



# Behavior

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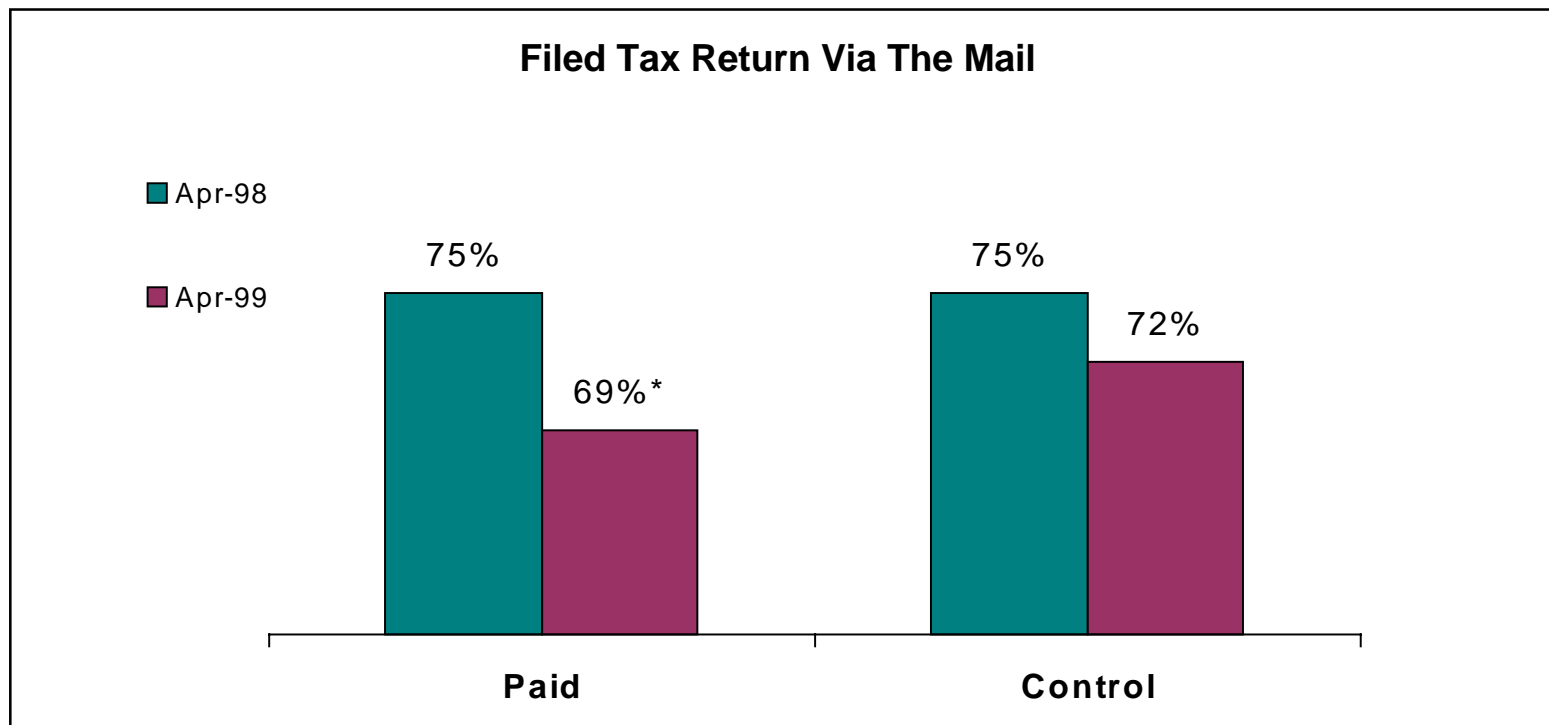


# Way Filed Tax Returns

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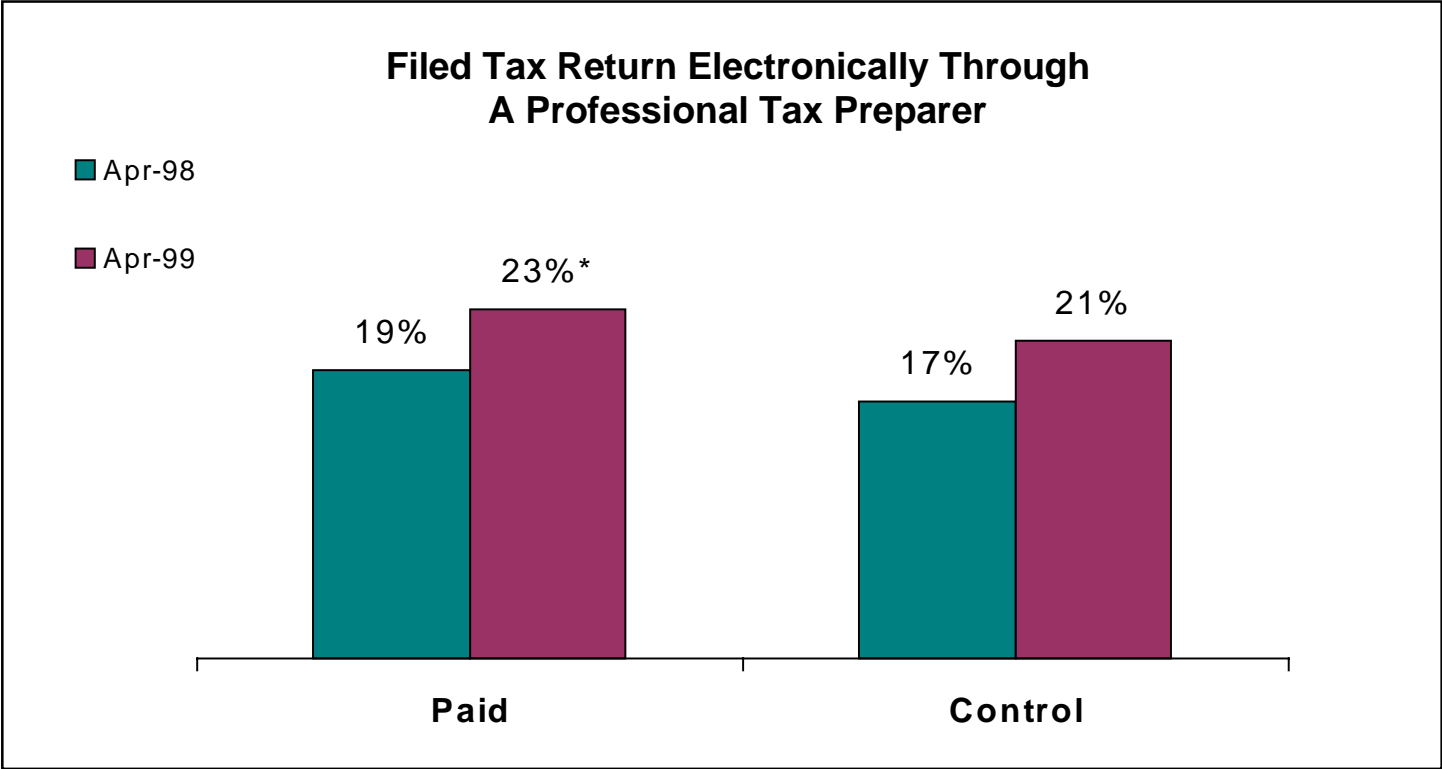
All respondents that filed a 1997 return were asked -- in April of 1998 -- how they filed their return. The same question -- related to filing of a 1998 return -- were asked in April of 1999.

As the table below indicates, significantly fewer respondents in the Paid markets in April 1999 said they filed via the Mail than in April 1998. Usage of the Mail in the Control markets declined directionally (but not significantly).

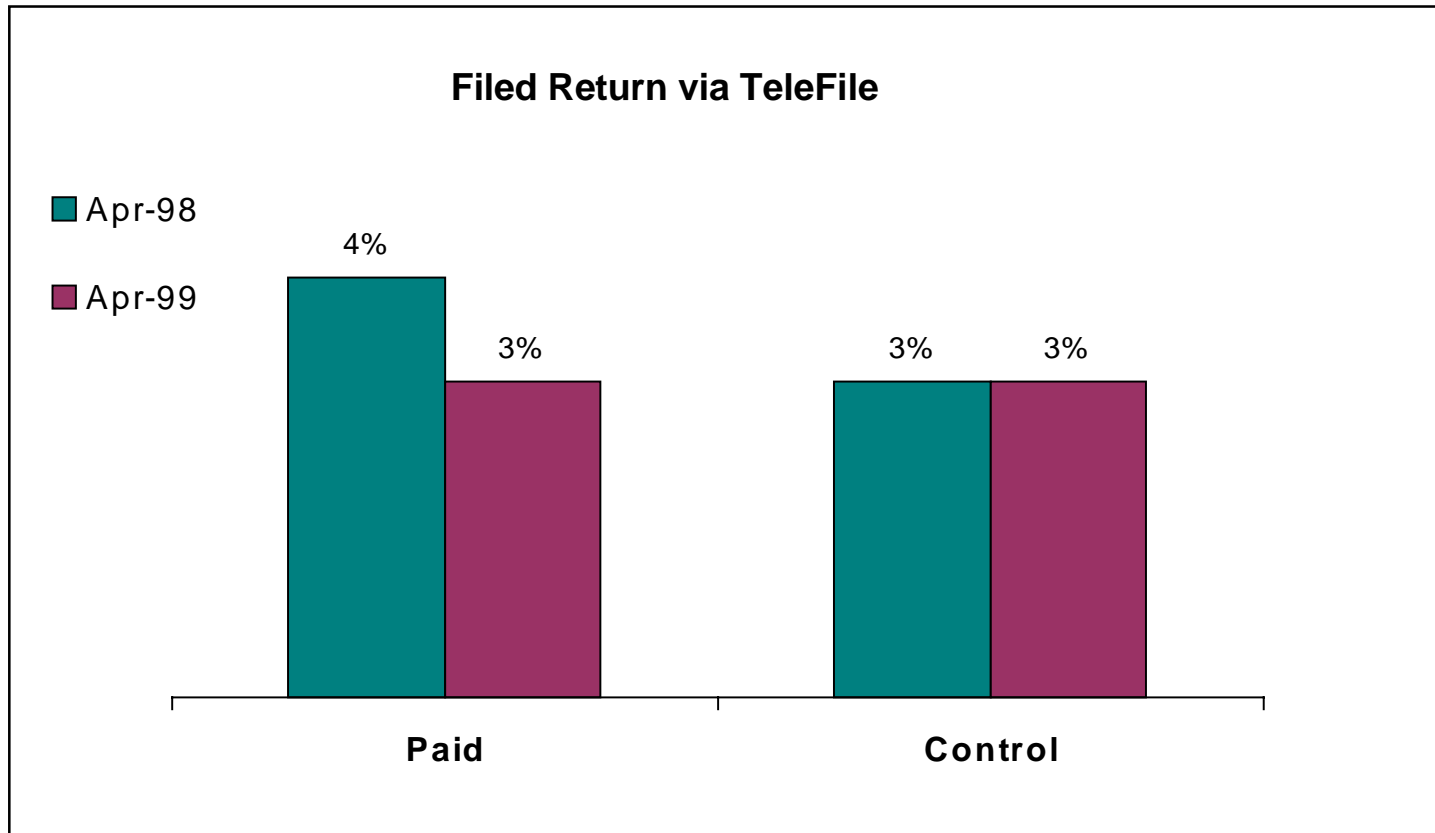


That decline in mail usage in the Paid markets was likely converted into usage of Electronic Filing via a tax professional. Note, on the table below, that usage of Electronic Filing was up significantly in April of 1999.

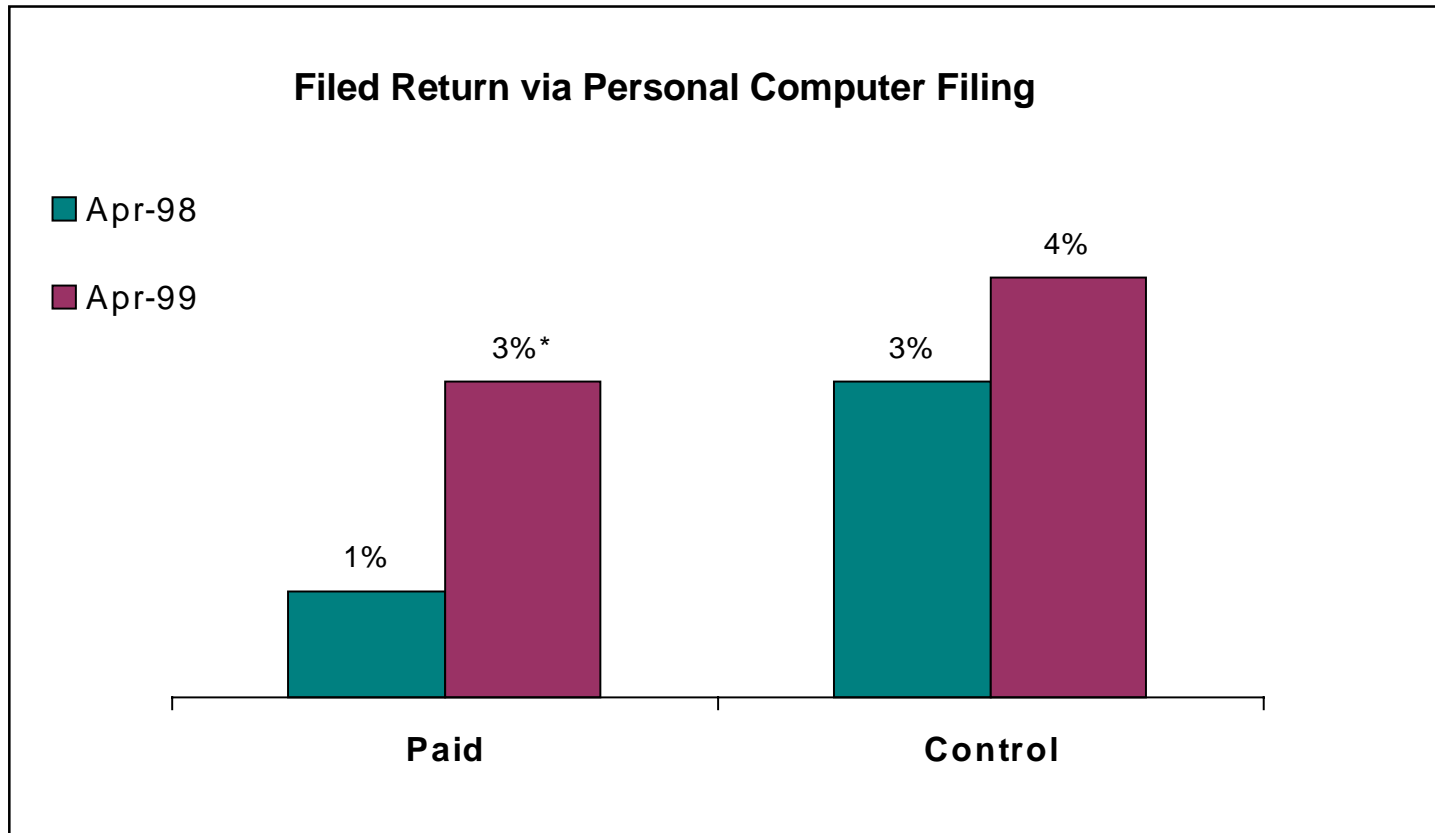
In the Control markets, usage of Electronic Filing increased directionally (but not significantly).



There were virtually no changes with respect to Telephone filing between 1998 and 1999 in either the Paid or the Control markets.



While slight, usage of Personal Computer Filing was higher in April of 1999 than April of 1998. There were no changes in the Control markets.

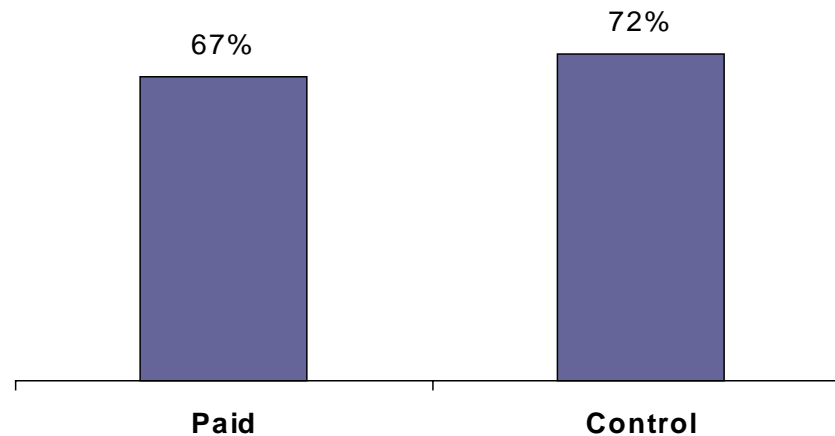


All respondents in 1999 were asked if they expected to receive a refund in 1999 for tax year 1998. This was a new question in 1999.

In response, 67% of those in the Paid markets said they expected a refund versus 72% in the Control markets.

Statistically, there were no differences between the two.

**Percent of filers expecting a refund in 1999**



# **Conclusions and Observations**

Angell & Company

## Conclusions and Observations

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This research indicates that the 1999 IRS communications program was especially effective in the 'Paid' markets with respect to **IRS E-file**.

While both the Paid *and* the 'Control' markets showed increases in ...

- Unaided Advertising Awareness of IRS E-file;
- Aided Awareness of IRS E-file;
- Communication of the copy point -- "With IRS E-file, taxpayers get their refunds twice as fast;
- "Unaided Awareness of the term IRS E-file, and;
- Total Awareness of the term IRS E-file.

... the increases in the Paid Markets were much larger than those in the Control.

Moreover, the growth for IRS E-file was so strong that response on these key measurements were higher in April of 1999 than in April of 1998. Hence, the communications in 1999 didn't merely replace the fall-off that naturally occurred between April of 1998 and January of this year (when communications were on hiatus.) Rather, the IRS E-file communications this year clearly built on what was established last year.

**Electronic Filing** and **Personal Computer Filing** also posted communications gains in the Paid markets (although not to the extent of the gains posted by IRS E-file.) Additionally, these gains -- when contrasted with the Control markets -- were not as substantial.

**TeleFile**, however, was essentially **unchanged** on a January to April basis (and even declined in the Control markets on an April to 1998 to April 1999 basis.)


The tables that appear on the following six pages summarize the results in the Paid and Control markets for 1999.



## TeleFile

Statistically speaking, the only change posted between the Paid and Control markets with respect to TeleFile was that Total Advertising Awareness of TeleFile gained in the Paid markets.

Otherwise, there were no significant changes.

	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Advertising Awareness		<b>+/-0</b>
Unaided Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Awareness	<b>+/-0</b>	<b>+/-0</b>
Usage	<b>+/-0</b>	<b>+/-0</b>









## Electronic Filing

With respect to Electronic Filing, both Paid and Control markets gained significantly between January and April on the Advertising Awareness measurements.

Both gained significantly in Unaided Awareness of Electronic Filing (although the gain in the Paid markets was slightly larger than the gain in the Control.)

Only the Paid markets gained significantly in Total Awareness of Electronic Filing.

And only the Paid markets gained significantly with respect to usage of Electronic Filing.







	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness		 *
Total Advertising Awareness		
Unaided Awareness	 *	
Total Awareness		+/-0
Usage		+/-0

## Personal Computer Filing

Unaided Advertising Awareness for Personal Computer Filing gained in the Paid markets but was unchanged in the Control. However, with respect to Total Advertising Awareness, both Paid and Control markets gained (and the Control market gain was larger than the Paid.)


Unaided Awareness of Personal Computer Filing was unchanged in both the Paid and Control markets, but Total Awareness of Personal Computer Filing gained in both.

Usage gained only in the Paid markets.

	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness		+/-0
Total Advertising Awareness		
Unaided Awareness	+/-0	+/-0
Total Awareness		
Usage		+/-0

# The Mail

As previously noted, usage of the Mail declined in the Paid markets and was unchanged in the Control.

	<u>Paid</u>	<u>Control</u>
Usage – Filed Return via the Mail		+/-0

## IRS E-file

IRS E-file is displaying significant gains on all of the major survey measurements.

	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness	↑*	↑
Total Advertising Awareness	↑*	↑
Communicate "Twice as fast"	↑*	↑
Unaided Awareness	↑*	↑
Total Awareness	↑	+/-0

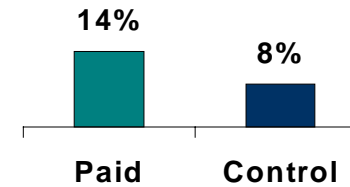
## IRS E-file

These small charts (on this page and the next) display the percentage changes between January and April (1999) on the key survey communications measurements. For example, on Unaided Advertising Awareness, the Paid markets gained 14% while the Control markets gained 8%. Both Paid and Control markets were up significantly, but the Paid markets were up by a larger percent (14%) than the Control (11%).

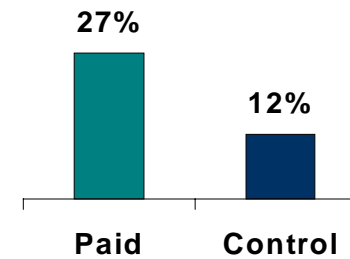
The disparity is even larger with Total Advertising Awareness (27% to 12%).

The “Twice as Fast” copy point gained four-fold in the Paid markets versus the Control.

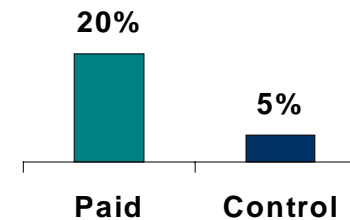
### Unaided Advertising Awareness



### Total Advertising Awareness

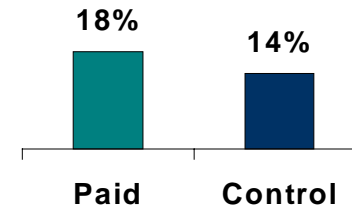


### Communicate “Twice as fast”



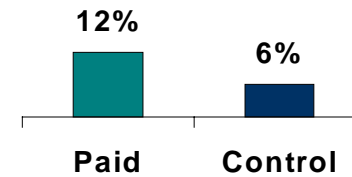
The disparity of Unaided Awareness of IRS E-file was not that dramatic between the Paid and Control markets. Both made sizeable gains.

### Unaided Awareness



But the gains posted on Total Awareness of IRS E-file in the Paid markets was twice that of the Control.

### Total Awareness



# A Comparison with 1998

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The following section of this report briefly examines the key findings of this study on the major measurements since the initial interviewing wave conducted in January of 1998.



# Advertising Issues

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# Unaided Awareness of Federal Tax Return Advertising

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After screening, all respondents were asked the following initial question:

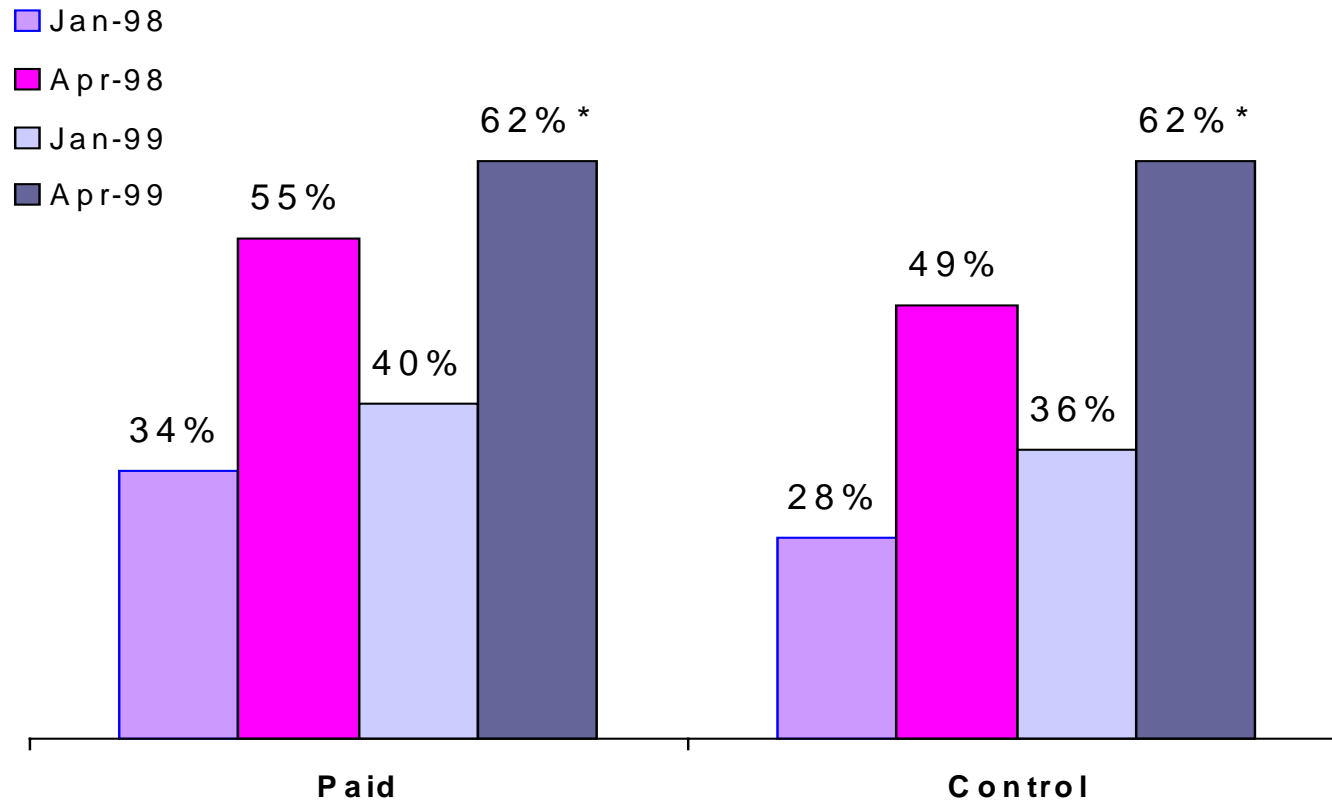
**First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed?**

In response, and as indicated on the table on the following page, both the Paid and the Control markets displayed a similar pattern. That is, both gained last April, fell-off in January of 1999, and gained back the loss this April.

The levels of response in both Paid and Control markets for April of 1999 are higher than those achieved in either market in April of 1998.

Both Paid and Control markets received 62% positive response this April.

## AWARENESS OF FEDERAL TAX RETURN FILING ADVERTISING



Q. 1: First, do you recall seeing or hearing any advertising recently about different ways that federal tax returns can be filed? (T-1)

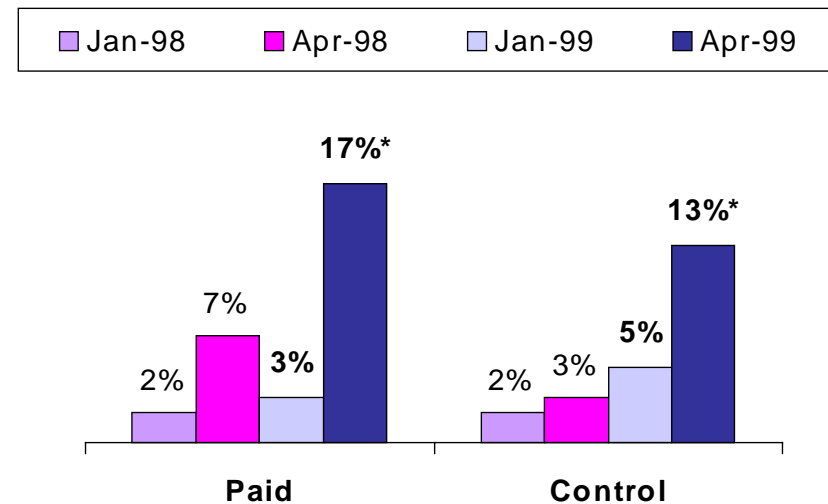
BASE: Total Sample

# Specific Awareness of Federal Tax Return Advertising

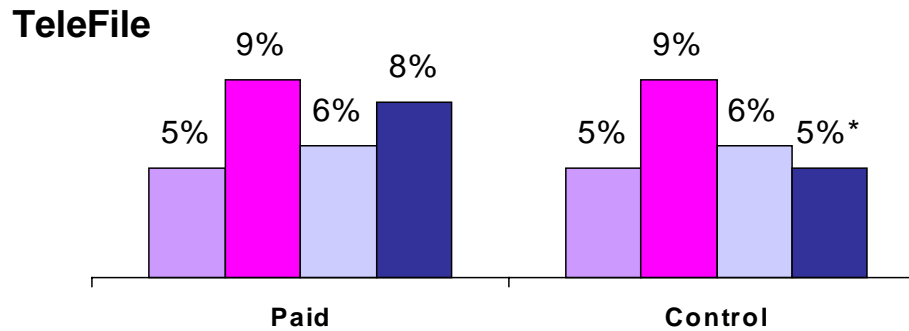
Those respondents that indicated they had “seen/heard” advertising regarding different ways tax returns can be filed, were next asked to play back what the advertising said or showed about different ways of filing. These responses were coded to match some of the advertising in the market.

In response to this unaided question, mentions of IRS E-file in the Paid and Control markets were identical in January of 1998 (2%). **Based on substantial increases posted this April, both are well above the levels achieved in April of 1999.**

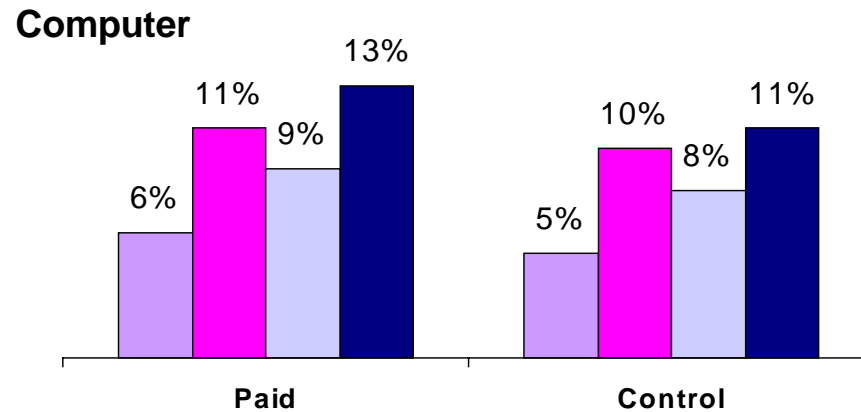
Coded mentions of IRS E-file recall



In the Control markets, mentions of **TeleFile** this April are below those achieved last April. As a result of that, mentions of TeleFile are now higher in the Paid markets than the Control.



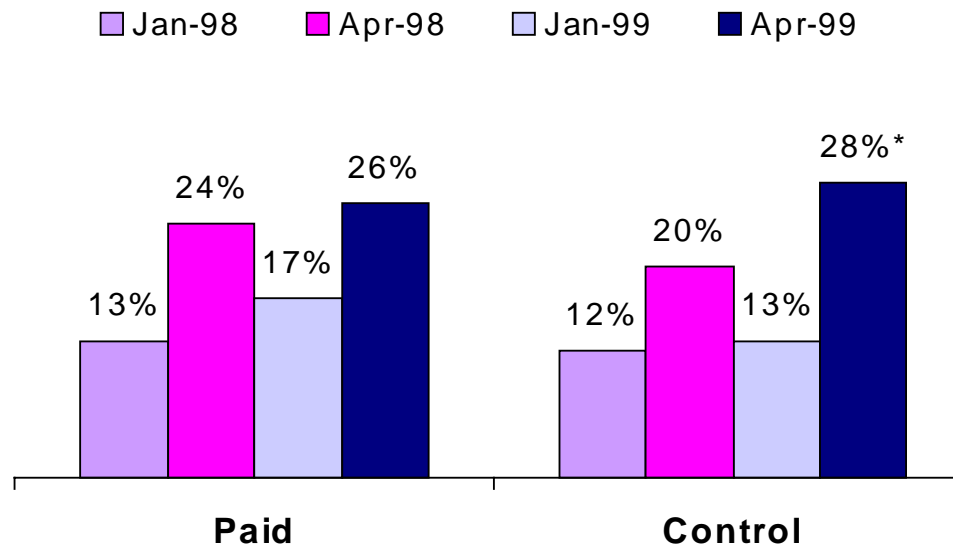
Mentions of Computer Filing -- with expected fall-off in January -- show a positive trend in both Paid and Control markets. Throughout the year, Paid and Control market response has been equal.



Mentions of **Electronic Filing** are both showing positive trends in both Paid and Control markets since this study was initiated in January of 1998.

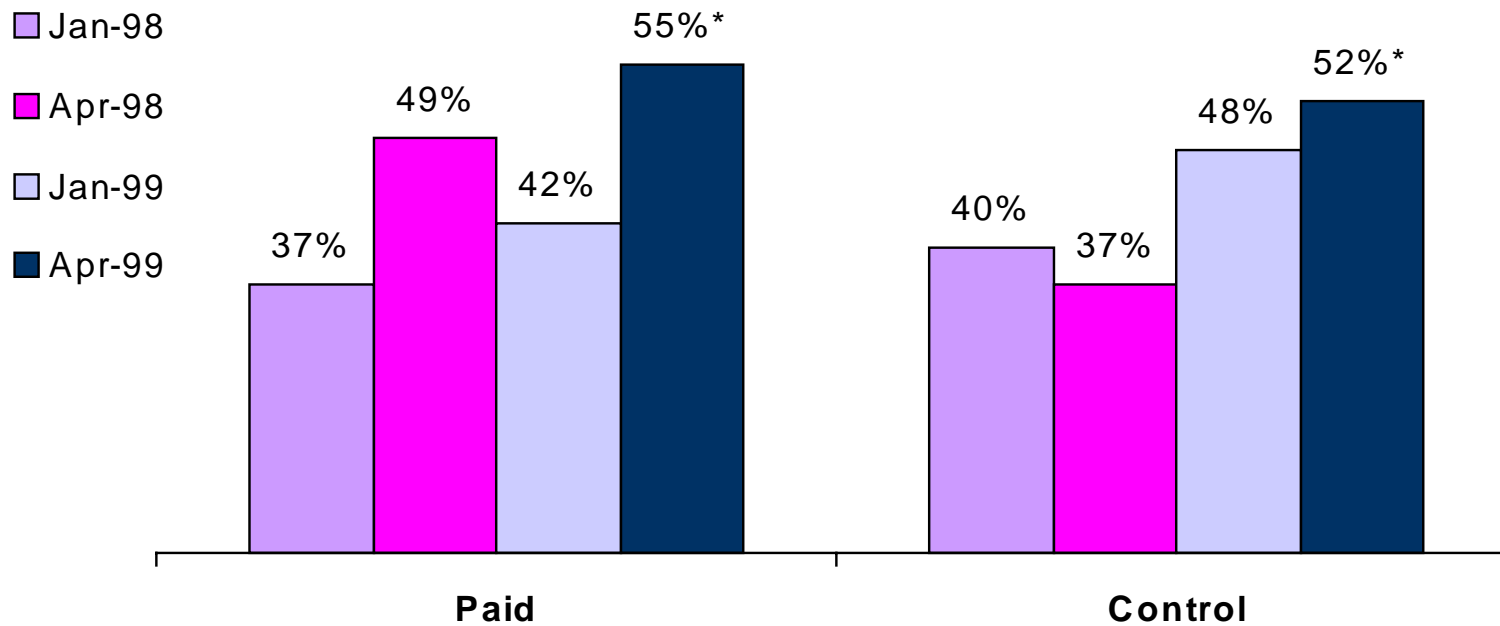
As of April (1999), mentions of Electronic Filing are equal in the Paid and Control markets (26% for Paid Vs. 28% for Control.)

### Electronic Filing



When **all** of the initial advertising awareness response is taken into consideration, response relating to advertising for E-mail/Electronic filing is higher this April than last in both the Paid and Control markets. The pattern of change, however, is slightly different -- that is, the Control markets seem to be making steady progress while the Paid markets are more 'bumpy'.

### Percent Mentioning Recall of Advertising for Filing Electronically/E-mail



# Aided Awareness of Federal Tax Return Advertising

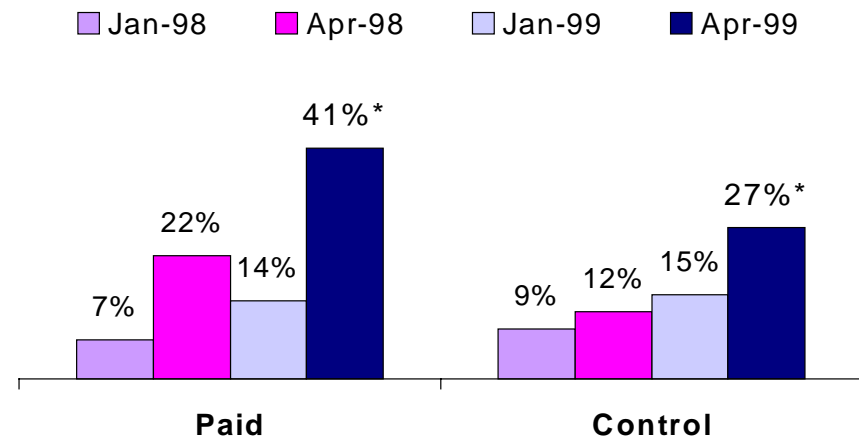
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Those respondents that did not mention seeing/hearing advertising regarding methods of filing tax returns were next asked specifically (i.e., on an aided basis) if they recalled seeing/hearing advertising recently for IRS E-file, Telefile, Electronic filing, and Personal Computer filing.

In response, both Paid and Control markets are up substantially with respect to IRS E-file response since the study was initiated (and both are up this April over last.)

However, the gains on IRS E-file response have been **larger in the Paid** than the Control markets.

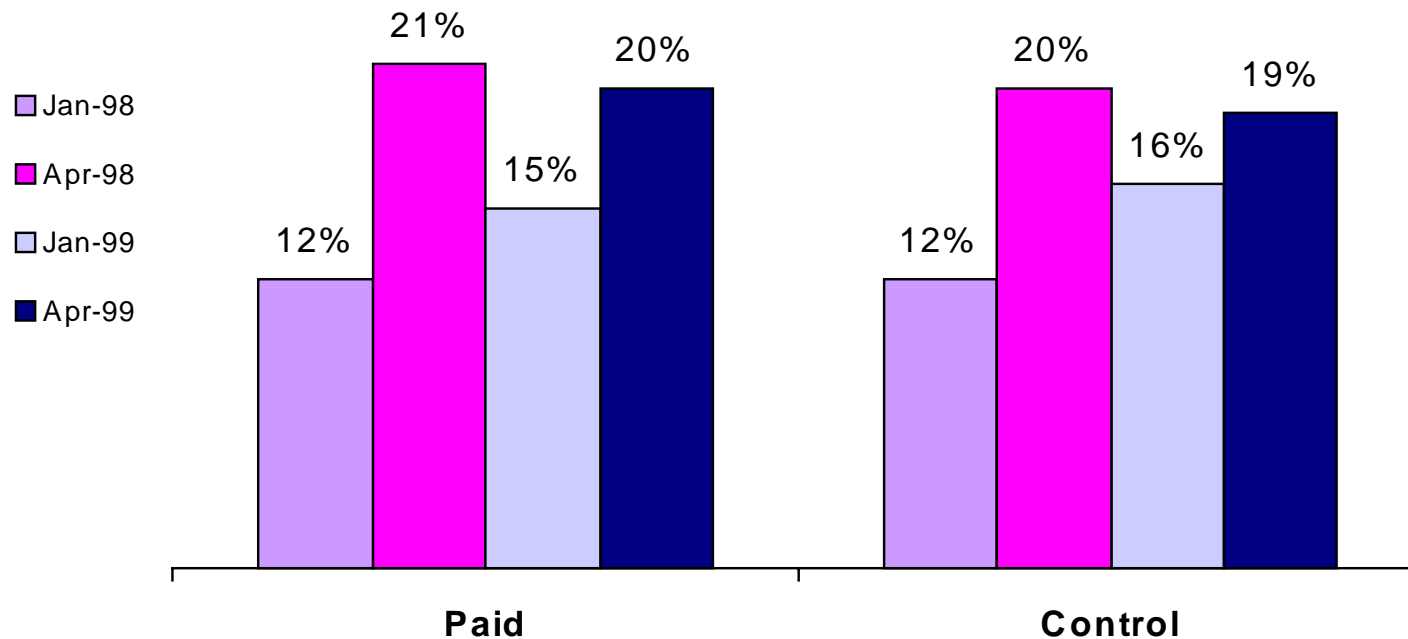
Percent saying they recall seeing/ hearing advertising about E-File





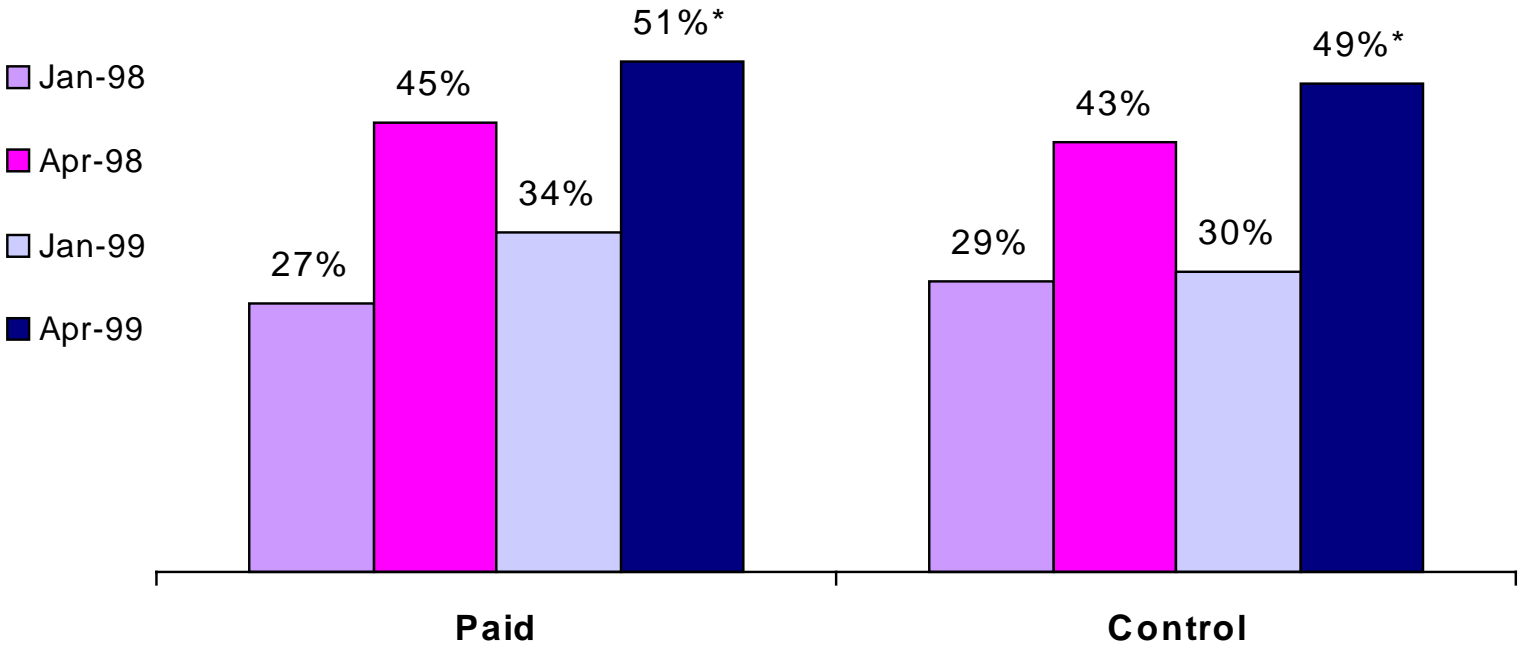
Response relating to TeleFile has not shown gains of the extent of IRS E-file (even though both are up since January of 1998.) While up, the levels of response in both Paid and Control markets in April of 1999 are the same they were in April of 1998.

### Percent saying they recall seeing/ hearing advertising about TeleFile



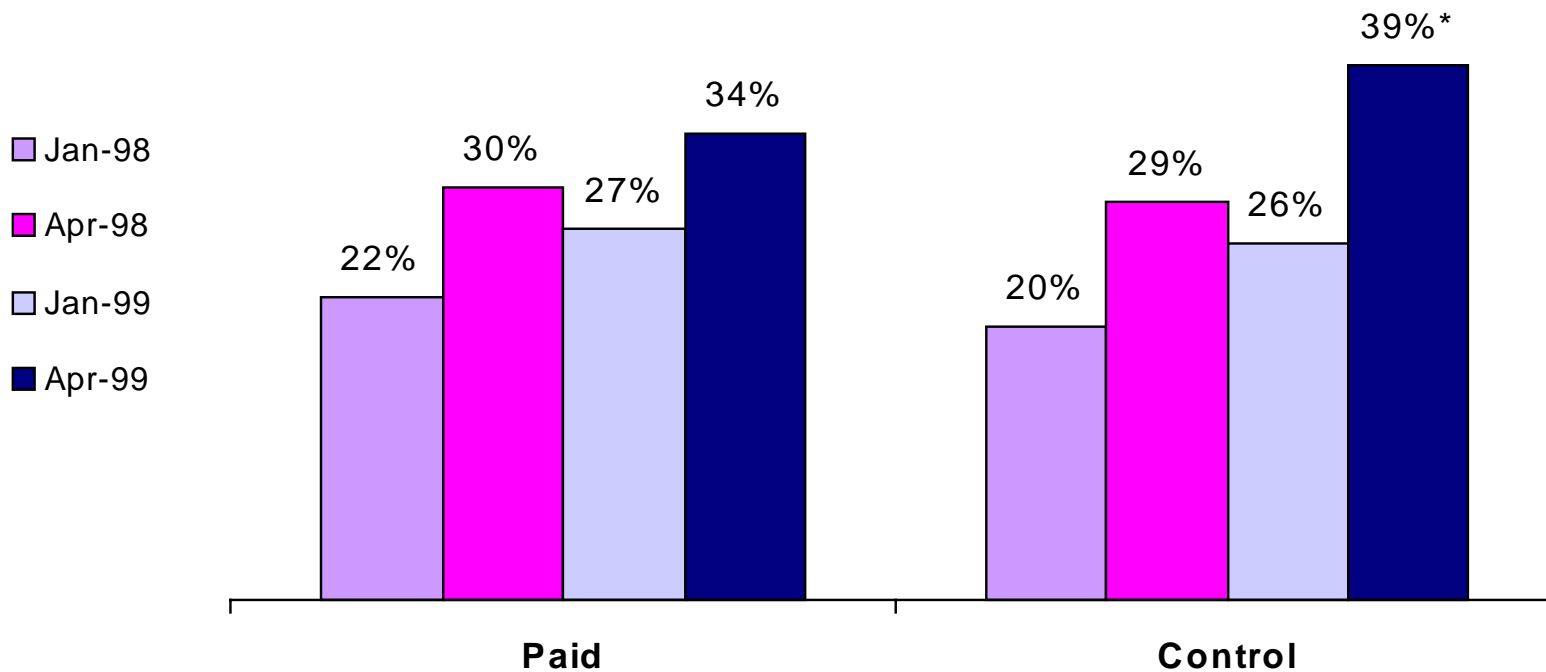
Response relating to Electronic Tax Filing is also up significantly since January of 1998 in both Paid and Control markets (and in very similar proportions.).

**Percent saying they recall seeing/ hearing advertising about Electronic Tax Filing**



Response relating to Personal Computer filing is also up substantially in both Paid and Control markets since January of 1998. However, the gains posted in the Control markets are slightly larger than those posted in the Paid in 1999.

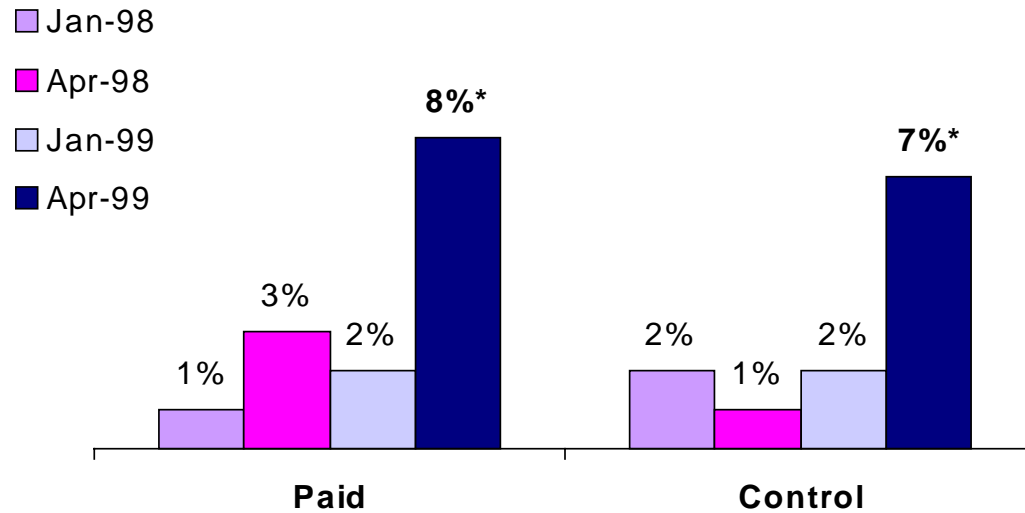
**Percent saying they recall seeing/ hearing advertising about Personal Computer Filing**



Recall of IRS E-file advertising on the radio gained significantly in April of 1998 in both the Paid and Control markets (and in equal proportions).

No such gains were posted in 1998.

### Recall IRS E-File Advertising on the Radio



# **Awareness Issues**

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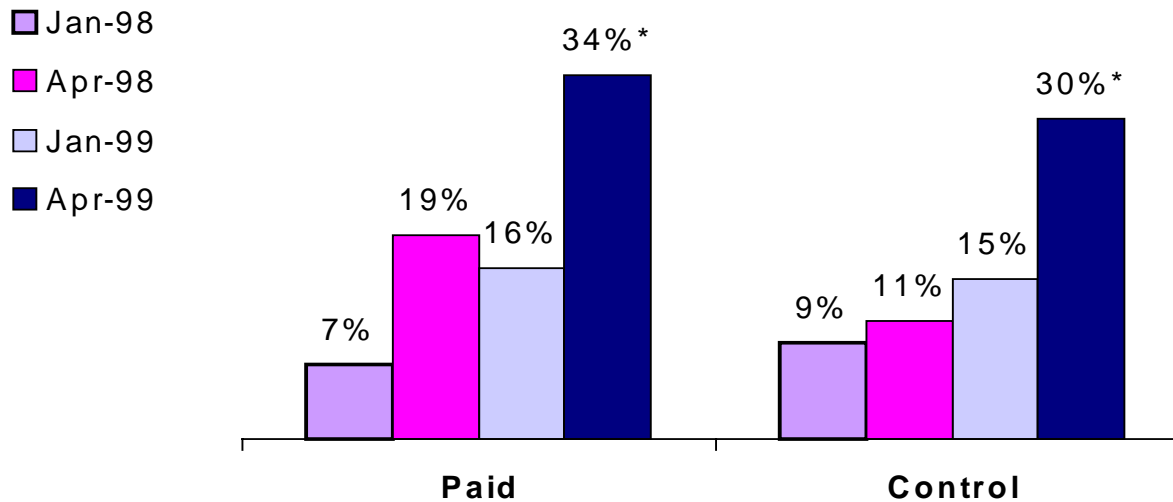
# Awareness of Ways Taxes Can Be Filed (Unaided)

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All respondents were read the following question:

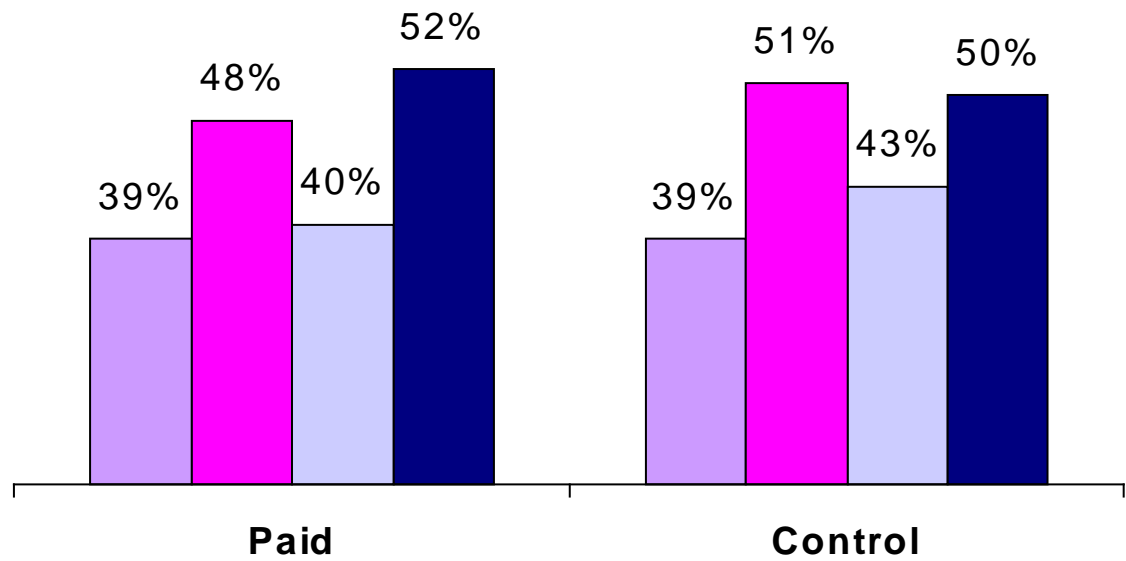
**There are a number of ways taxpayers can file their returns. One of the ways a tax return can be filed is simply by mailing it in to the Internal Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of that you can use to file your tax returns other than by mail. What other ways can you think of?**

Both the Paid and Control markets posted substantial gains in April of 1999 and are both above the levels achieved in April of 1998.



### Unaided Awareness that taxes can be filed Electronically

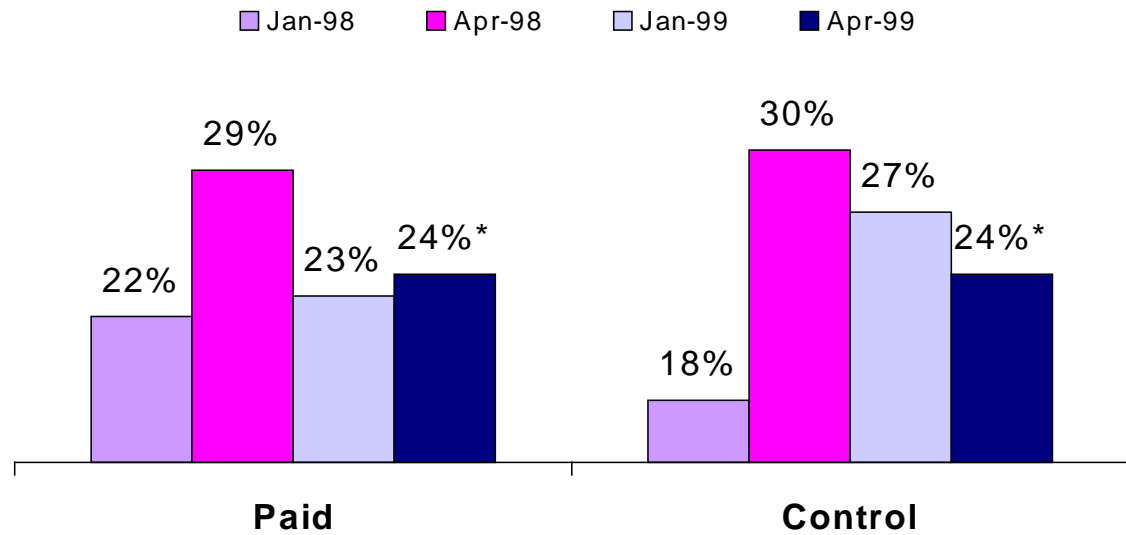
Unaided Awareness of Electronic filing is showing a positive trend in both the Paid and Control markets. But this trend is not sufficiently large to post any gains this April over April of 1998.



Unaided Awareness of Telephone filing is showing a declining trend in the Control markets.

Response for the Paid markets in April 1999 are below April of 1998.

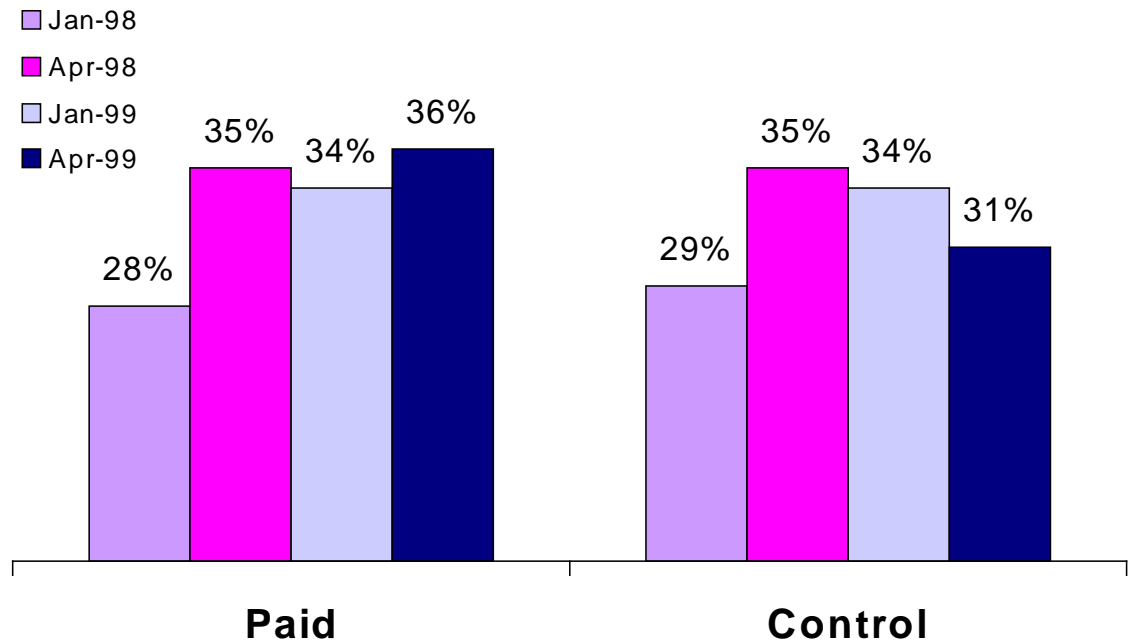
### Unaided Awareness that taxes can be filed by Telephone





With respect to Personal Computer filing, the Control markets are also starting to show a declining trend while the Paid markets are unchanged since last April.

### Unaided Awareness that taxes can be filed by Personal Computer



# Ways Taxes Can Be Filed (Unaided & Aided)

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Respondents who did not mention “Electronic Tax Filing”, ‘A Personal Computer’, ‘IRS E-file’, or “TeleFile” in response to the previous unaided question were next asked the following question:

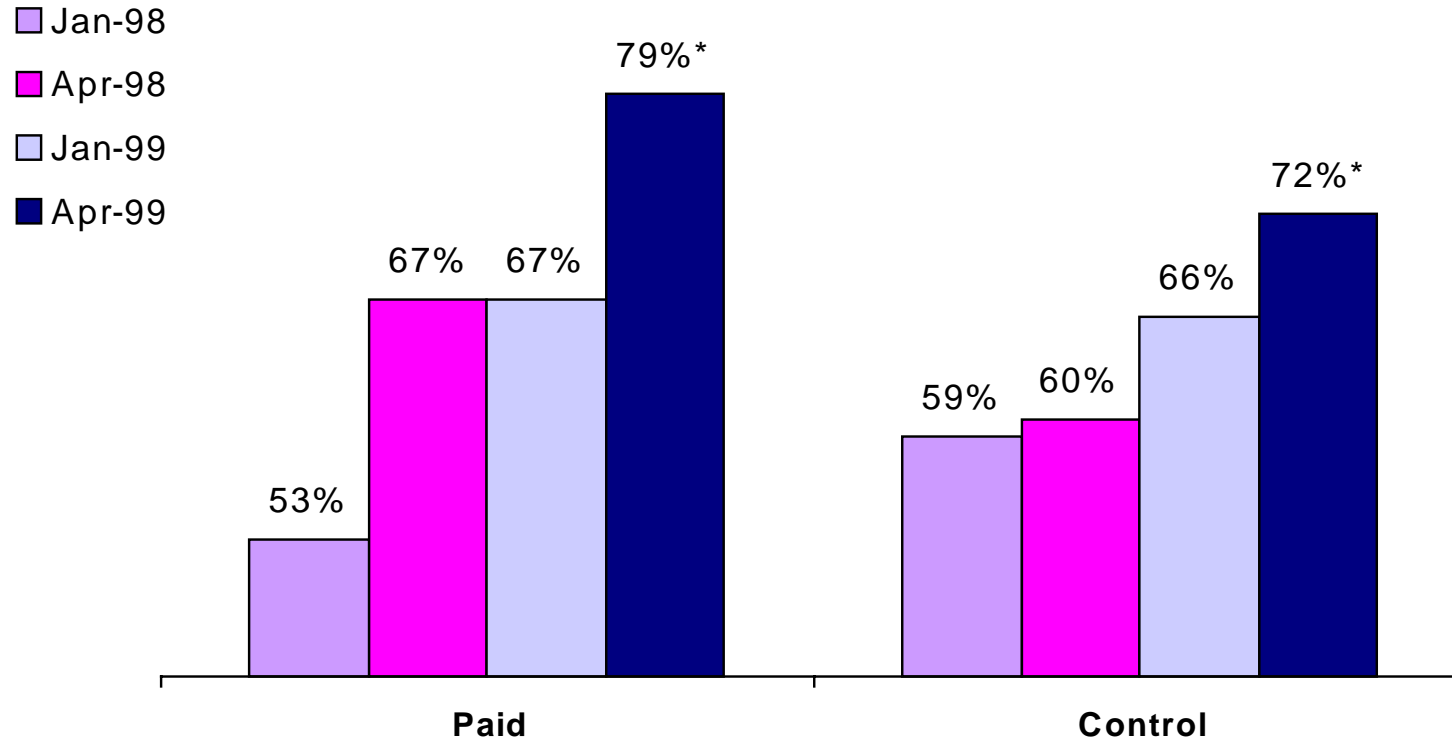
**I’m going to read you a number of ways taxpayers can file their federal tax returns and, as I read each way, please tell me if you were aware of it before today. Let’s start with ... Before today, were you aware that you could file your federal tax return using ... ?**

This response was combined with the ‘unaided’ response to form a **total awareness** measurement.

## **Awareness of IRS E-File as a filing option ...**

1. Is significantly above the levels achieved in April of 1998.
2. However, the growth in Paid markets is substantially larger in the Paid markets than it is in the Control.

## Total Awareness That Taxes Can Be Filed Via IRS E-File (Unaided & Aided)



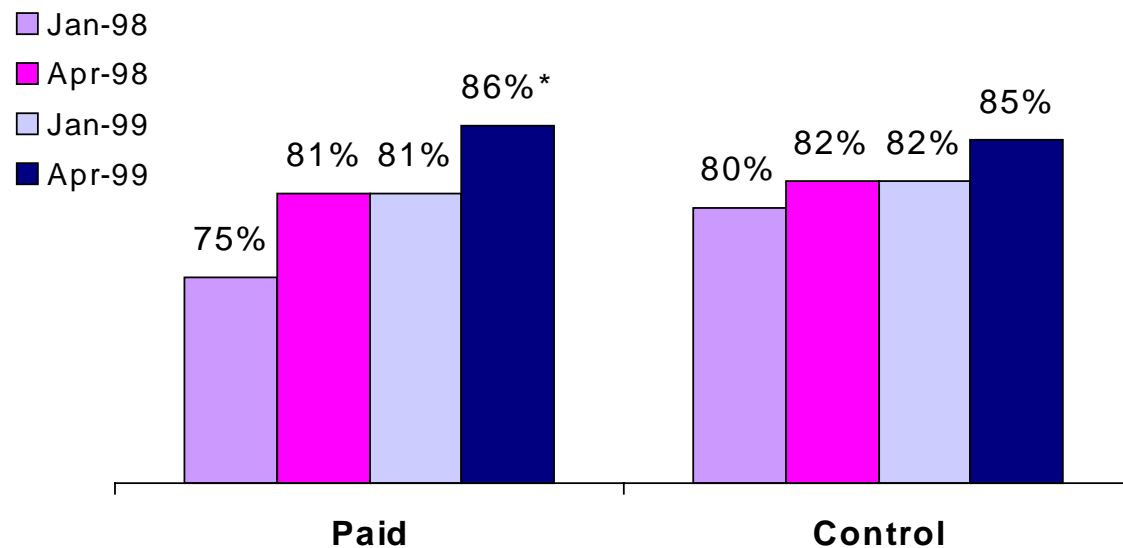
- Q. 3: There are a number of ways taxpayers can file their returns. One of the ways a tax return can be filed is simply by mailing it in to the Internet Revenue Service. But there are other ways to file a federal tax return. Please name for me all of the ways you can think of that you can use to file your tax returns other than by mail. What other ways can you think of? (T-3)
- Q. 4: I'm going to read you a number of ways taxpayers can file their federal tax returns and, as I read each way, please tell me if you were aware of it before today. Let's start with ... Before today, were you aware that you could file your federal tax return using ... ? (T-4)

**BASE: Total Sample**

Total Awareness of Electronic filing is showing a positive trend in both the Paid and Control markets.

The Paid markets are up significantly over last April, but the Control markets are not.

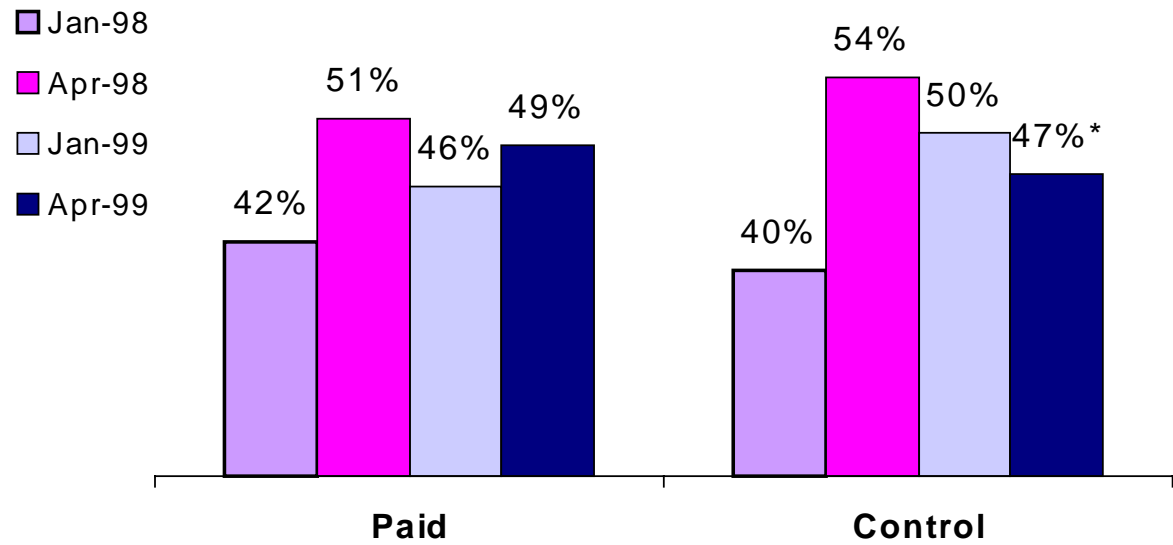
### Total Awareness that taxes can be filed Electronically (Unaided & Aided)



Total Awareness of Telephone filing is statistically lower in the Control markets this April than last.

The Paid markets are essentially unchanged in 1999.

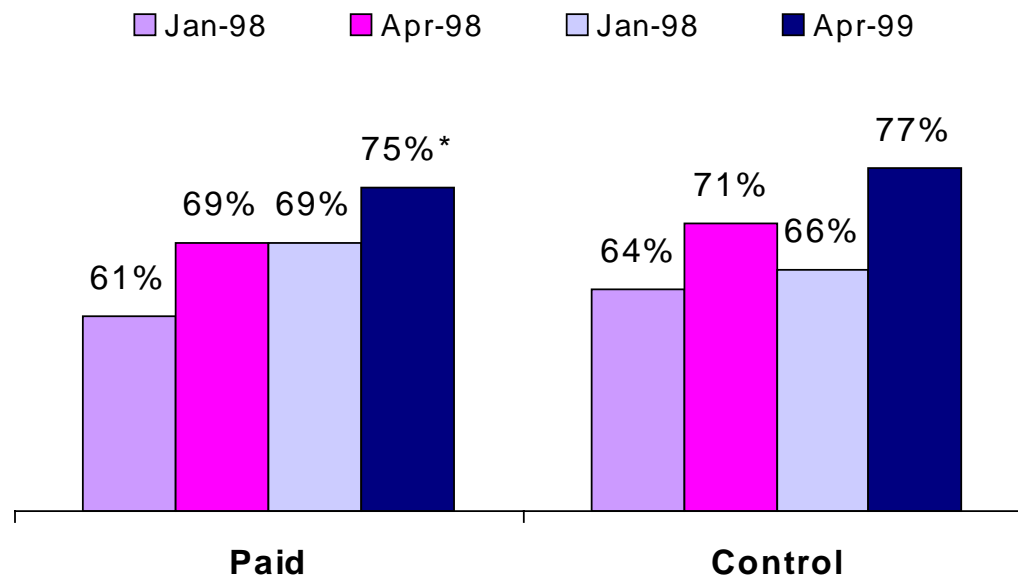
### Total Awareness that taxes can be filed by Telephone (Unaided & Aided)



Total Awareness of Personal Computer filing was up significantly in the Paid markets for this April over April of 1998.

Total Awareness of Personal Computer filing was almost up significantly in the Control markets.

### Total Awareness that taxes can be filed by Personal Computer (Unaided & Aided)



# **Conclusions and Observations**

The summaries that appear on the next four pages reveal that **IRS E-file is above the levels achieved in 1998 on virtually all of the primary communications measurements.**

**TeleFile**, however, is not (and is has actually declined on some key dimensions.)

**Electronic Filing** did not post the number of gains that E-file posted, but nearly posted as many (and did not decline).

**Personal Computer Filing** -- with two minor exceptions -- was virtually unchanged.

It would have been a cause for consideration if gains had not been made after the expected fall-off in response between April of 1998 and January of 1999. This would have indicated that the communications for this year had merely recouped this non-advertising period loss.

However, that was not the case -- especially with IRS E-file. The communications for this year generally built on and eclipsed that of last year (especially in the Paid markets.)








## TeleFile

When compared with April of 1998, the Control markets are significantly **lower** in April of 1999 on

...

- Unaided Advertising Awareness
- Unaided Awareness of TeleFile, and;
- Total Awareness of TeleFile.

The Paid markets faired better (although only posted a gain on Total Advertising Awareness.)





	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness	+/-0	
Total Advertising Awareness		+/-0
Unaided Awareness		
Total Awareness	+/-0	

## Electronic Filing

With respect to Electronic Filing, both Paid and Control markets gained significantly between April of 1998 and April of 1999 on Total Advertising Awareness.

Both were unchanged with respect to Unaided Awareness of Electronic Filing.

And Total Awareness of Electronic Filing gained in the Paid markets (but were unchanged in the Control.)



	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness	+/-0	
Total Advertising Awareness		
Unaided Awareness	+/-0	+/-0
Total Awareness		+/-0

## Personal Computer Filing

When the findings of this April wave of interviewing is compared with last April, there are few statistically significant changes in either the Paid or the Control markets.

Total Advertising Awareness was up in the Control markets, while Total Awareness of Personal Computer Filing was up in the Paid markets.

Otherwise, there were no statistically significant differences.

	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Advertising Awareness	<b>+/-0</b>	
Unaided Awareness	<b>+/-0</b>	<b>+/-0</b>
Total Awareness		<b>+/-0</b>

## IRS E-file

IRS E-file is above the levels achieved in April of 1998 on all measurements in both the Paid and Control markets.

	<u>Paid</u>	<u>Control</u>
Unaided Advertising Awareness	↑	↑
Total Advertising Awareness	↑	↑
Unaided Awareness	↑	↑
Total Awareness	↑	↑

# Addendum

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Detailed printouts of tables are appended under separate cover.