

Findings From The 2009 e-Services Customer Satisfaction Study

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Research Background, Purpose, Method, Scope & Timing

- e-Services is a suite of 7 Web-based services, which allow IRS-approved partners to conduct business with the IRS 24/7. The services are:
 - Registration for e-Services
 - PTIN Application
 - Online e-file Application
 - Disclosure Authorization (DA)
 - Electronic Account Resolution (EAR)
 - Transcript Delivery System (TDS)
 - Taxpayer Identification Number (TIN) Matching
- The IRS is tracking customer satisfaction with e-Services. The purpose of the tracking is to measure and trend User satisfaction, attitudes, and concerns about e-Services as well as Non-User interest in use of e-Services and reasons for non-usage.
- Note: a 2007 survey covered the same issues, but with a much differently-configured sample. So, the 2009 survey becomes the benchmark for tracking going forward – though the one comparable sub-group each year, Heavy Users, are examined for year-to-year changes vs. 2007.
- This survey was conducted by telephone in December 2008 thru January, 2009 among 1,906 respondents drawn from lists provided by IRS and allocated across 4 segments:
 1. **500 Heavy Users Of e-Services** – Registered Users who have used 500+ TDS, 100+ EAR, or 250+ DA. *(Note: this is the only segment with identical composition in both the 2007 and 2009 surveys.)*
 2. **504 Medium-Level Users** – Registered Users who have used 50 to <500 TDS, 25 to <100 EAR, or 25 to <250 DA.
 3. **400 Low-Level/Light Users** – Registered Users who have used 1 to <50 TDS, 1 to <25 EAR, or 1 to <25 DA.
 4. **502 Eligible Non-Users**. Preparers who are either non-registered users or registered but inactive, or newly-registered, or registered but with no record of TDS, EAR, or DA usage within the past year.

See Appendix Page 30 for more specific composition and details of how each list was drawn, and see Appendix Page 31 for tabular profiles of the User and Non-User segments.

NOTE: Whenever the 3 **User** groups are shown in “Total” in the report, they are weighted to their real-world proportions among Total Users (10% Heavy, 45% Medium, and 45% Low-Level/Light Users), leaving the “Total” data largely a reflection of Medium and Light User data.

And, whenever segments are compared, significant differences between them (95% confidence level) are noted with a circle around the higher figure or a box around the lower figure. Other graphics are also used as highlighters – e.g., a dotted circle indicates directional differences (90% confidence) which do not reach the 95% confidence level.

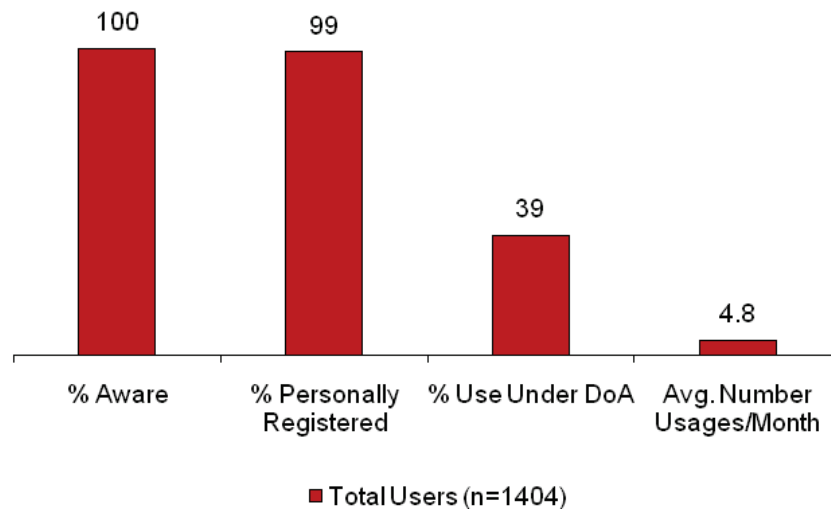
Detailed Findings

Findings Among Users of e-Services

Awareness & Usage Of e-Services

- Virtually all of the combined or “Total Sample” of Users were **aware** of and **personally registered** with e-Services. About 4 in 10 said they **use the Delegation of Authority feature**.
- The **average number of usages per month** across all Users was about 5.

Awareness & Usage Of e-Services: Total Users



Q1: Prior to today, were you aware of...e-Services?

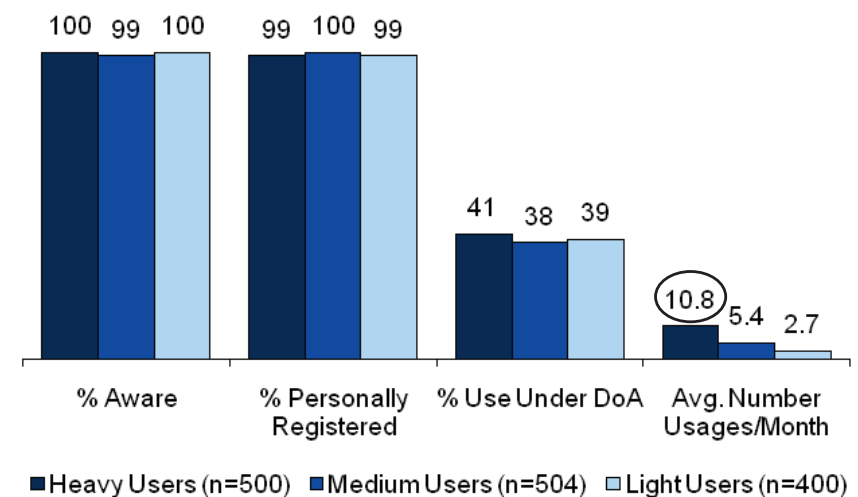
Q2: Are you personally registered as a user of e-Services?

Q3: Do you ever access the e-Services site as a result of being delegated the authority to do so by another member of your firm or organization?

Q4: On average throughout the year, about how often would you say you access and use e-services at the IRS website? (Converted to Times/Month)

- Comparing the 3 User segments (Heavy, Medium, and Light), there was only one point of difference in awareness and usage – it was on the **frequency of usage** measure, where the most frequent usage, naturally, came among the Heavy Users, followed by Medium Users, and then Light Users.

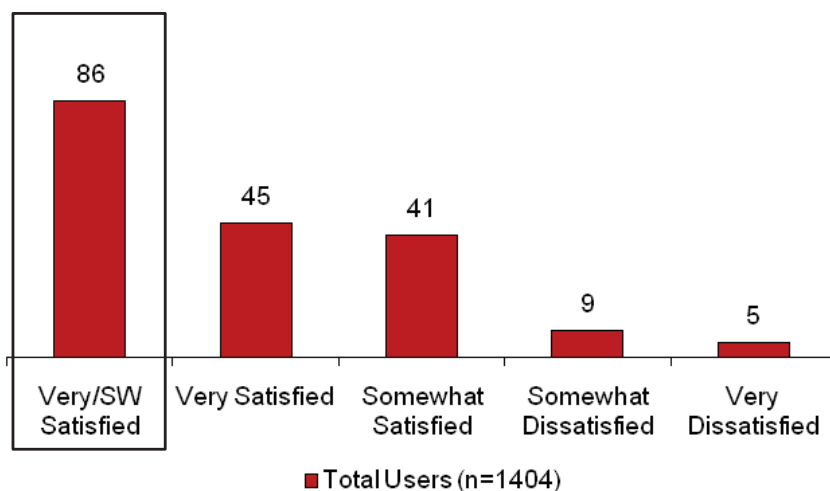
Awareness & Usage Of e-Services: By User Segments



User Satisfaction With e-Services (Overall Program Satisfaction)

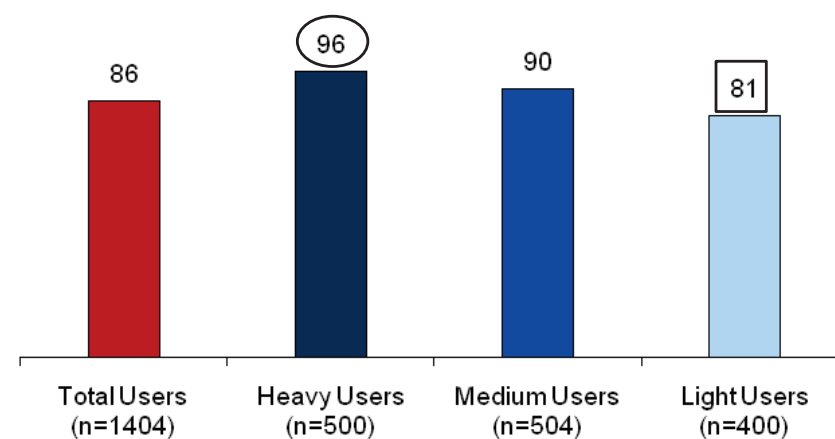
- **Overall satisfaction** with the e-Services program among all Users was at 86% – with 45% “Very Satisfied” and 41% “Somewhat Satisfied”.

Satisfaction With e-Services: Total Users



- By User segments, there was significantly higher satisfaction among Heavy Users than among the other two groups, with the Light Users clearly having the lowest satisfaction.

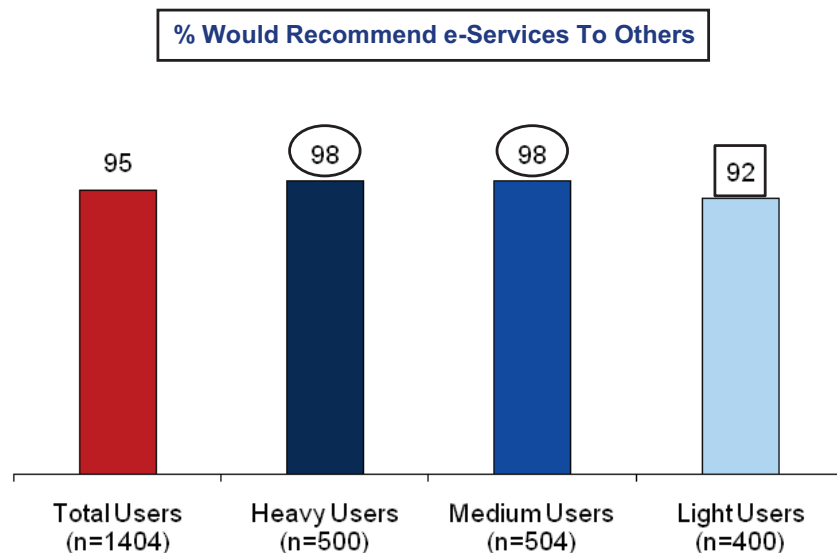
% Very/Somewhat Satisfied With e-Services: By User Segments



Q5: Thinking about the total e-Services program, including ALL of the specific services that you're familiar with, how satisfied are you with the e-Services program overall?

Recommendation Intent & Specific Likes Of e-Services Program

- 95% of Users said they would recommend e-Services to other tax professionals – with this significantly higher among the Heavy and Medium segments.



Q6: Would you recommend e-Services to other professionals like yourself?

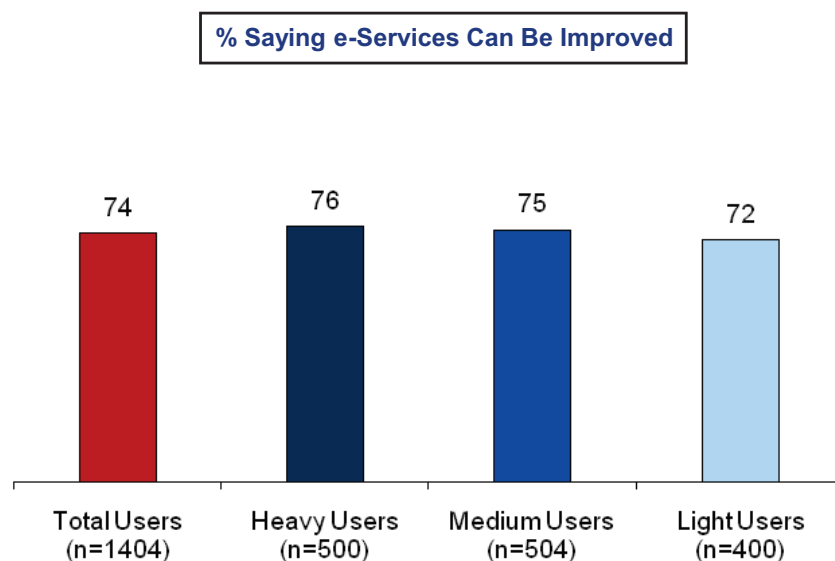
- User likes of e-Services center around four benefits: *Speed, Ease Of Access/Convenience, Having Access To Information*, and *Specific Services* (especially TDS and PoA). Heavy Users, in particular, liked the speed and ease benefits.

	Total Users (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %
Specific Likes Of e-Services				
<u>Speed (Net)</u>	<u>37</u>	<u>45</u>	<u>39</u>	<u>34</u>
Fast information/data/transcripts	14	16	15	12
Fast <i>client</i> information/data/transcripts	6	8	7	5
It's fast/quick/speedy (unspecified)	7	6	6	8
<u>Ease Of Access/Convenience (Net)</u>	<u>37</u>	<u>44</u>	<u>36</u>	<u>35</u>
No need for phone calls/sitting on hold	12	14	11	11
Online availability/access	7	9	6	8
Available/accessible 24/7	6	7	6	5
Easy access to information	6	7	6	6
<u>Having Access To Information (Net)</u>	<u>35</u>	<u>37</u>	<u>39</u>	<u>32</u>
Access to <i>client</i> info/files/transcripts	19	20	23	15
Access to data/info/transcripts (unspec'd.)	10	8	11	10
<u>Like Specific Services (Net)</u>	<u>28</u>	<u>28</u>	<u>33</u>	<u>23</u>
Transcript delivery system	13	16	16	9
Power of attorney/can file a POA	9	11	11	7

Q7: What if anything do you particularly like about the e-Services program overall?

Can e-Services Be Improved? How?

- While there was strong satisfaction and recommendation intent, 72% to 76% of Users (in total and in each segment) thought **e-Services could still be improved.**



Q8: Can the overall e-Services program be improved in any way?

- The top voluntary **suggestions for improvement** fell into 4 broad themes, led by *Make It Easier To Use* – and this was, by far, the primary suggestion by Medium and Light Users.

How e-Services Can Be Improved – Re-Based To Total Users

	Total Users (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %
Total e-Services Users in 2009*				
<u>Make It Easier To Use</u>	<u>33</u>	<u>28</u>	<u>33</u>	<u>34</u>
Make it more user-friendly	9	5	8	11
Make it less cumbersome to use	5	4	4	6
<u>Improve Specific Services</u>	<u>18</u>	<u>23</u>	<u>18</u>	<u>17</u>
Had problems with Power of Attorney	5	6	6	4
<u>Provide More Types Of Information</u>	<u>15</u>	<u>23</u>	<u>15</u>	<u>14</u>
Can't go back to prior-year information	2	3	2	1
Need to check payments/est'd. payments	2	3	2	2
Need access to client info/transcripts	2	1	1	3
<u>Improve Speed Of Activity</u>	<u>12</u>	<u>17</u>	<u>13</u>	<u>11</u>
Need quicker response/acknowledgement	2	3	2	2
Need quicker Power of Attorney	2	2	2	3
Takes too long/time-consuming	2	2	3	2
<u>Other Mentions</u>				
Shouldn't have to re-set password	8	2	6	11
System often down/can't get thru	6	11	7	3

Q9: In what specific ways should it be improved?

Satisfaction With Program Dimensions

- Ratings of satisfaction with program dimensions** showed that: (1) satisfaction correlates to extent of usage (the heavier the use, the higher the satisfaction); and (2) that there are 6 areas of sub-par satisfaction among all User segments (red below).

% Very/Somewhat Satisfied With Program Dimensions

Total Users	Total Users (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %
Overall Appearance Of e-Services Site	90	95	93	86
Level Of Security Provided By Site	90	95	91	88
Speed In Transmission Of Data/Forms/Info	89	89	91	87
Having Type Of Information That You Need	88	95	92	82
How Long For Response/Acknowledgment	85	92	89	80
Availability Of Specific Services You Need	85	91	88	80
Ease Of Understanding Of Content At Site	84	91	87	79
How Long Takes To Find Info Looking For	82	92	87	75
Ease Of Log-in/Identification	82	91	89	74
How Long Takes To Complete An Action	81	85	84	78
Determining Status Of Actions/Queries	80	86	83	75
Ease Of Navigation Of e-Services Site	78	88	81	73
On-Screen Instructions At e-Services Site	77	86	78	74
Ease Of Getting Started w/e-Services	68	74	70	64
Availability Of Help At e-Services Help Desk	64	72	66	61
Ease Of Understanding Error Messages	57	67	59	53
Ease Of Understanding Reject Codes	53	59	52	52
Need To Re-Set Password Every 6 Mos.	45	58	47	39
Tutorials At Site For Different e-Services	41	42	38	35

Q10: Tell me how satisfied you are with that aspect of the e-Services program.

- However, satisfaction scores can be low due to high *non-ratings*. So, another way to isolate problems is to analyze the **“Not Very/Not At All Satisfied” ratings**. This showed **4 major problems across all Users**, but **5 others with substantial (20%+) concern mainly among Light Users**.

% Not Very/Not At All Satisfied With Program Dimensions

Total Users	Total Users (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %
Need To Re-Set Password Every 6 Mos.	54	42	52	60
Ease Of Getting Started With e-Services	29	23	26	34
Ease Of Understanding Error Messages	26	26	26	26
Ease Of Understanding Reject Codes	22	25	21	22
Ease Of Navigation Of e-Services Site	21	11	19	26
On-Screen Instructions At e-Services Site	19	11	17	22
How Long Takes To Complete An Action	17	15	16	20
Ease Of Log-in/Identification	17	9	11	25
How Long Takes To Find Info Looking For	16	8	12	23
Ease Of Understanding Of Content At Site	15	8	12	19
Availability Of Specific Services You Need	13	8	11	18
Determining Status Of Actions/Queries	12	7	8	18
Tutorials At The Site For Different e-Services	11	8	10	12
Having Type Of Information That You Need	11	4	7	15
Availability Of Help At e-Services Help Desk	10	7	9	11
Overall Appearance Of e-Services Site	9	5	7	13
Speed In Transmission Of Data/Forms/Info	9	10	8	10
How Long For Response/Acknowledgment	8	6	7	10
Level Of Security Provided By Site	4	2	3	4

Probing On Program Dimensions

- With the **6 Month Password Re-Set** proving to be the #1 problem for e-Services in the ratings on the last page, probing on this showed that most Users want either an annual re-set or no re-set – i.e., what they experience at other sites.

Probes Re: 6 Months Password Re-Set

	Total Users %	Heavy Users %	Medium Users %	Light Users %
Less Than Very Satisfied w/PW Re-Set Frequency	(1109) %	(330) %	(390) %	(334) %
<u>More Suitable Password Re-Set Is:</u>				
Once a year	36	36	37	36
Never	24	25	23	26
Reminder when date approaching	11	7	11	11

Avg. Period Before Re-Set At Other Sites

Once a year	40	35	40	41
Never	31	30	34	28

Q11: Probes on password re-set frequency and frequency at other sites.

- Probing for **other e-Services** which Users may want yielded only two mentions of 5% or more – *checking payment history* and *accessing prior-year information*.

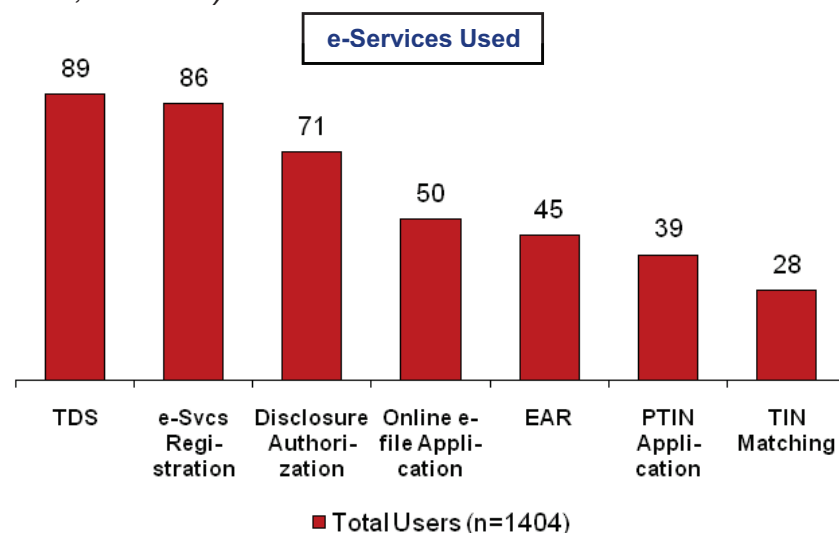
Probe For Other e-Services Wanted

	Total Users %	Heavy Users %	Medium Users %	Light Users %
Less Than Very Satisfied With Avail. Of Services	(728) %	(219) %	(247) %	(226) %
Ability to check on payment history	6	2	4	8
Ability to access prior-year information	5	6	5	4

Q16: Probe on other e-Services wanted.

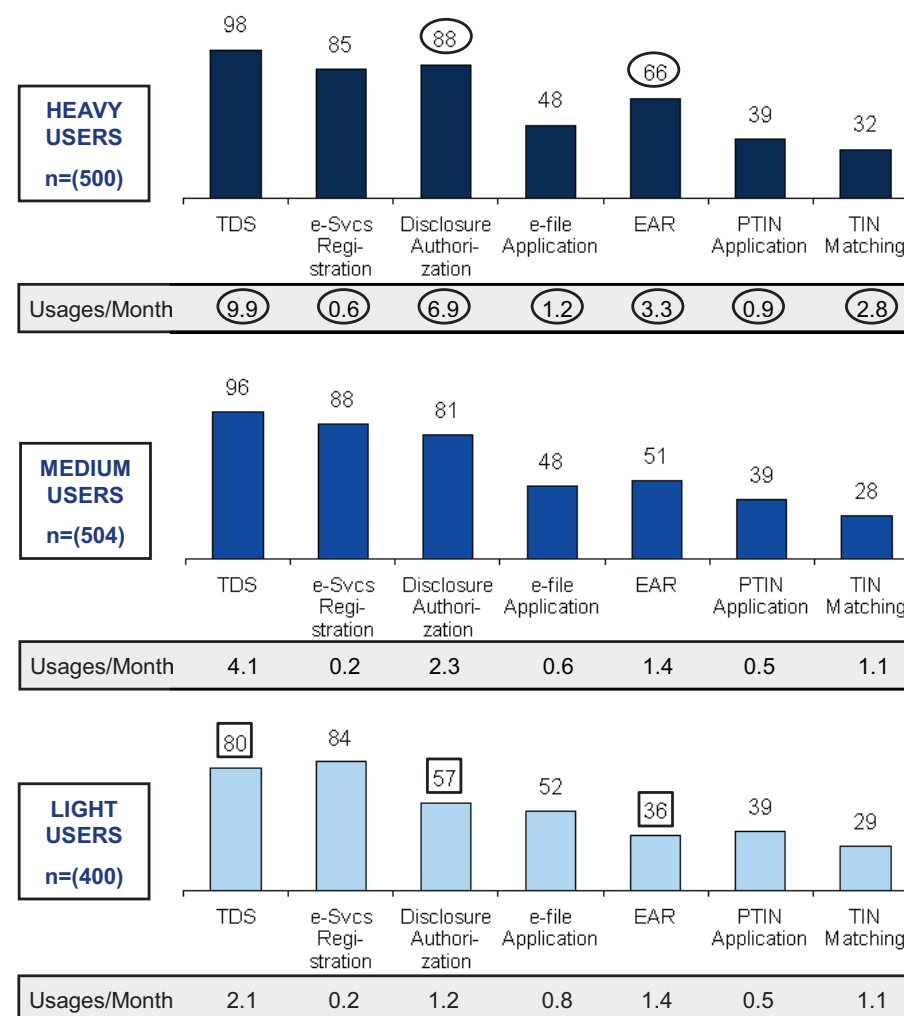
Specific e-Services Used & Frequency Of Use Of Each

- Next, Users were asked **which specific e-Services they use**. Top mentions were TDS, Registration, and then DA. The other services had 50% or less claimed usage, with TIN Matching lowest. *(Keep in mind that usage of TIN Matching was not among the criteria for determining User segments and that TIN Matching users are included only because of overlapping use of TDS, EAR, and DA.)*



- To the right, usage by segment shows similar usage of each service by Heavy and Medium Users, but with greater frequency of use of each among Heavy Users. Light Users have notably low frequency of use.

Service Usage & Monthly Frequency Of Use: By Segment

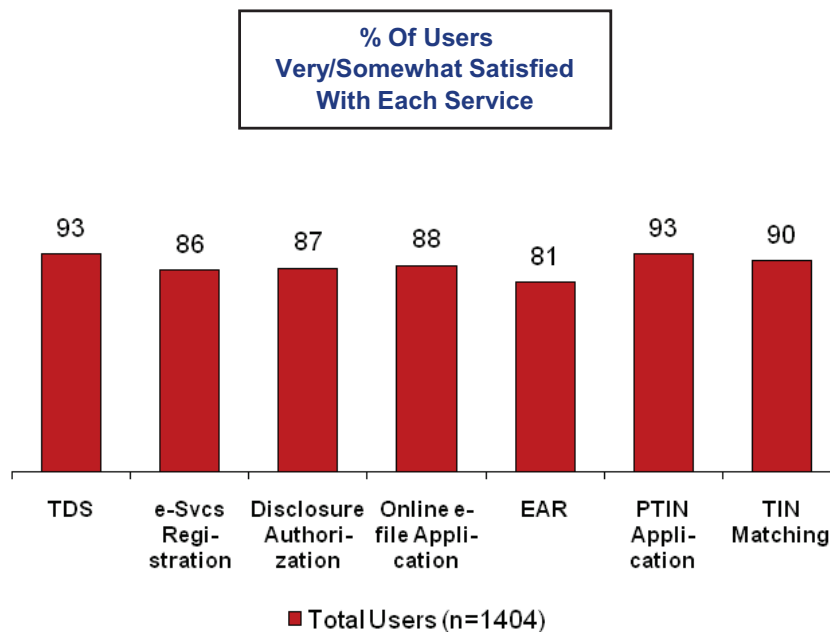


Q12: Which specific e-Services have you ever used?

Q13: About how often do you use (EACH SERVICE USED)?

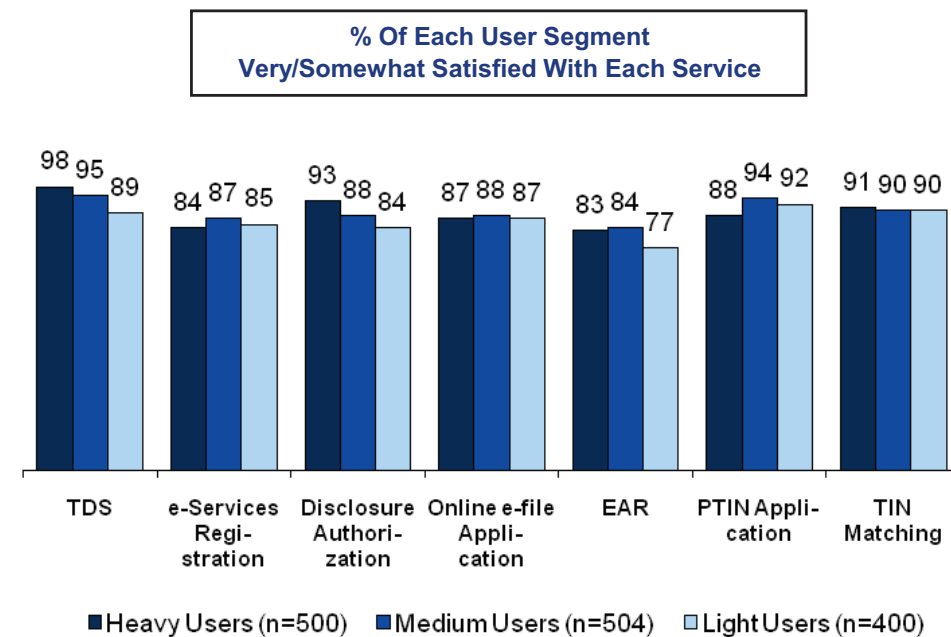
Satisfaction With Each e-Service

- User **satisfaction with the 7 specific services** ranged from a high of 93% (for TDS and for PTIN Application) to a low of 81% (for EAR).



Base Sizes Vary Depending On # Claimed Users Of Each Service

- Each service generated **statistically similar levels of satisfaction among each User segment**. Keep in mind that base sizes are smaller for each service, thus the lack of significant difference by User groups.



Base Sizes Vary Depending On # Claimed Users Of Each Service

Q14: Based upon your experience in using this service, how satisfied are you with it?

Points Of Possible Improvement In Each Service

- Users of a service rating themselves less than “very” satisfied with it were asked how the IRS might improve each service.
- With satisfaction ratings generally high for each service, the base for analysis of improvements was too small for any analysis other than Total Users who rated themselves less than “very” satisfied with each service.
- However, even in this more critical group, specific suggestions were very low (only 10% at most) – which was much like what we saw on Page 8 in the suggestions for overall program improvement. These low specific mentions make it difficult to say whether any one suggestion represents a clear need for improvement.
 - While the Satisfaction Study can quantify opinions about pre-stated dimensions of the program (as in the ratings on Page 9), it covers too much ground to be a good vehicle for focusing on, exploring and pinpointing specific **new areas for improvement**. With this in mind, the IRS should consider a different research vehicle in which, for example, Users are pre-screened for dissatisfaction with one or more services, asked to use the service(s) for recency of experience, and then re-contacted for a followup interview that is heavily focused on problems and possible improvements.

Top Points Of Possible Improvement In Each Service

	Total Users %
TDS: <i>Base = Users Less Than “Very” Satisfied With Service</i>	(251)
Too confusing/simplify it	8
e-Services Registration: <i>Base = Users Less Than “Very” Satisfied</i>	(414)
e-mail password/PIN/etc. instead of sending regular mail	7
Make it more user-friendly	6
Disclosure Authorization: <i>Base = Users Less Than “Very” Satisfied</i>	(375)
Make it less cumbersome	7
Had problems with the Power of Attorney	7
Eliminate the need to input AGI	6
Unable to get info on infrequent filers	5
Make it more user-friendly	5
e-file Application: <i>Base = Users Less Than “Very” Satisfied</i>	(193)
Provide clearer information at the site	6
Make it easier to navigate the application	5
EAR: <i>Base = Users Less Than “Very” Satisfied</i>	(312)
Need better problem resolution service	10
Need faster response time on acknowledgement	5
PTIN Application: <i>Base = Users Less Than “Very” Satisfied</i>	(119)
No mentions reaching 5%	
TIN Matching: <i>Base = Users Less Than “Very” Satisfied</i>	(120)
No mentions reaching 5%	
Q15: What specifically would you suggest to the IRS that would improve this particular service?	

Other e-Services User Issues

- Users who either do not use or who infrequently use **Electronic Account Resolution** were asked what the IRS might do to stimulate greater usage of this service. Results indicated that IRS should focus on creating demand for it (combating a perceived lack of need), provide more information, and talk about its ease of use and perhaps its ease relative to resolution via telephone (if that is indeed a supportable claim).

How IRS Can Stimulate Greater Usage Of EAR

	Total Users (1227) %	Heavy Users (383) %	Medium Users (461) %	Light Users (383) %
Total Not Using EAR Frequently/Ever				
<u>Lack Of Need (Create Demand)</u>	<u>37</u>	<u>26</u>	<u>39</u>	<u>36</u>
There is no need for it	19	10	18	21
Just do not use it/rarely use it	11	9	13	8
<u>Need More Info About It</u>	<u>19</u>	<u>24</u>	<u>17</u>	<u>20</u>
Don't know enough about it	8	12	7	8
Need education/info on how to use	6	8	6	6
<u>Make It Easier To Use</u>	<u>8</u>	<u>4</u>	<u>6</u>	<u>11</u>
Make it more user friendly	3	2	2	5
<u>Prefer To Do This By Phone</u>	<u>7</u>	<u>11</u>	<u>6</u>	<u>7</u>

Q17: IF EAR NOT USED OR USED ONLY ONCE A MONTH OR LESS, ASK: You indicated that you do not use the Electronic Account Resolution service at the e-Services site very often. What can the IRS do to increase your usage of this particular e-Service?

- We analyzed User **satisfaction with e-file** to see if there was any **relationship between e-file satisfaction and heavier use of e-Services**.
- There was no such correlation, as Heavy, Medium and Light e-Services Users all had statistically similar satisfaction with e-file. If anything, e-file satisfaction tended to be higher among *lighter users* of e-Services.

Satisfaction With e-file By User Segments

	Total Users %	Heavy Users %	Medium Users %	Light Users %
<u>Freq. Of Use AND Satisfaction w/e-file</u>				
<u>Satisfaction w/INDIVIDUAL e-file</u>				
Total Users Who Use Individual e-file	(1230)	(422)	(458)	(350)
Very Satisfied With Individual e-file	92	89	91	93
<u>Satisfaction w/BUSINESS e-file</u>				
Total Users Who Use Business e-file	(840)	(336)	(321)	(217)
Very Satisfied With Business e-file	80	74	78	84

Q33: How satisfied are you with...(INDIVIDUAL e-file)?

Q34: How satisfied are you with...(BUSINESS e-file)?

Comparing Heavy Users Of e-Services From The 2007 And 2009 Surveys

Heavy User Growth & Satisfaction With e-Services

- IRS data show that the number of **Heavy Users** of e-Services increased by 32% from 2007 to 2009.

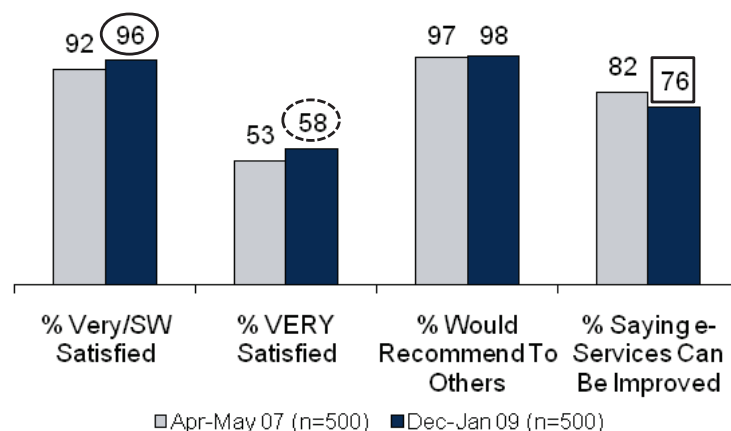
TOTAL HEAVY USERS: 2007 vs. 2009

Heavy User = Active, file returns, eligible for incentive products, and have used 500+ TDS, 100+ EAR, or 250+ DA.

2007 2009 % Gain
1,369 ➡ 1,807 ➡ 32%

- With Heavy Users being **the only segment selected from the IRS database in an identical manner in both the 2007 and 2009 surveys**, IRS wanted to focus on them and see if/how they might have changed. Results showed that **they now have clearly higher satisfaction with e-Services** than they did two years ago.

2007 To 2009 Changes In Key Measures: Heavy Users



- Heavy Users' **satisfaction with most dimensions** of e-Services was already high in '07 and had little room to increase. Still, '09 results showed they are now more satisfied with Site Security and the 6-Month Password Re-Set (and since this requirement has not changed, the higher satisfaction presumably reflects only increased acceptance of the requirement).

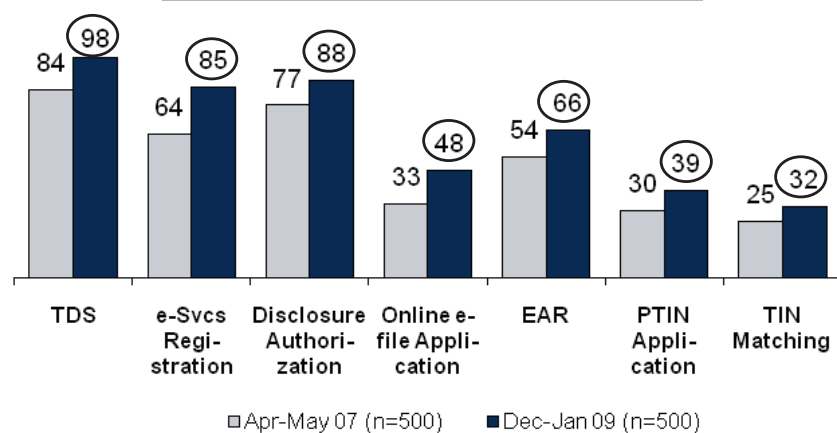
% Very/SW Satisfied With Program Dimensions: Heavy Users

	2007 (500) %	2009 (500) %
Total HEAVY USERS		
Overall Appearance Of e-Services Site	93	95
Level Of Security Provided By Site	92	95
Speed In Transmission Of Data/Forms/Info	91	89
Availability Of Specific Services You Need	91	91
Having Type Of Info That You Need	93	95
Ease Of Understanding Of Content At Site	93	91
How Long For Response/Acknowledgment	90	92
On-Screen Instructions At e-Services Site	85	86
Ease Of Log-In/Identification	89	91
Ease Of Navigation Of e-Services Site	87	88
Determining Status Of Actions/Queries	87	86
How Long Takes To Find Info Looking For	90	92
How Long Takes To Complete An Action	83	85
Ease Of Getting Started w/e-Services	78	74
Availability Of Help At e-Svcs. Help Desk	73	72
Ease Of Understanding Error Messages	67	67
Ease Of Understanding Reject Codes	58	59
Tutorials At Site For Different e-Services	46	42
Need To Re-Set Password Every 6 Mos.	42	58

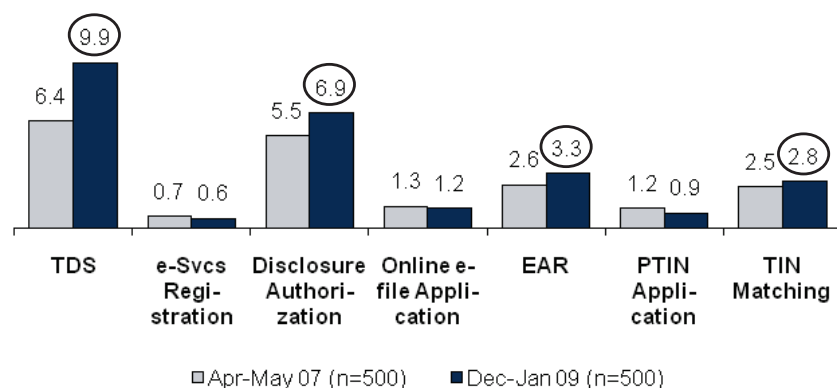
Heavy Users' Claimed Usage Of & Satisfaction With Specific Services

- Heavy Users also had **higher claimed usage** of each of the program's services in 2009, as well as more **frequent usage** of TDS, DA, EAR, and TIN Matching.

Usage Of Specific Services: Heavy Users

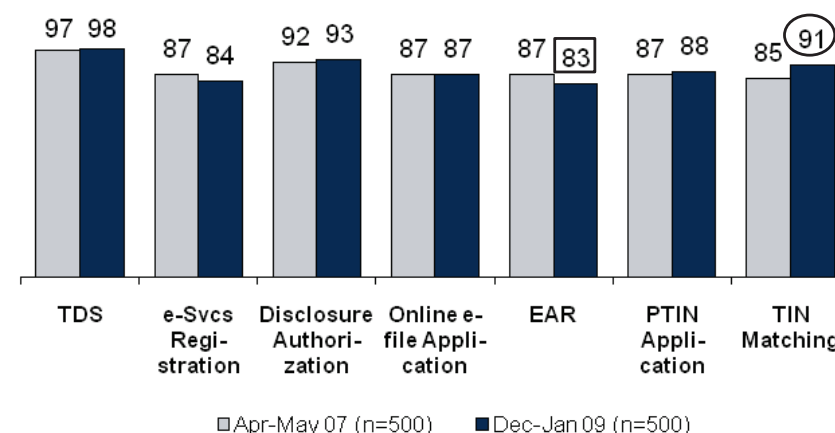


Average # Usages Per Month Of Each Service: Heavy Users



- Finally for Heavy Users, the '07 to '09 results show **satisfaction with specific services** largely unchanged – the exceptions being higher satisfaction with TIN Matching but lower satisfaction with EAR. (The base sizes of dissatisfieds are too small for analysis of reasons for the lower EAR satisfaction levels.)

% Very/Somewhat Satisfied With Each Service: Heavy Users

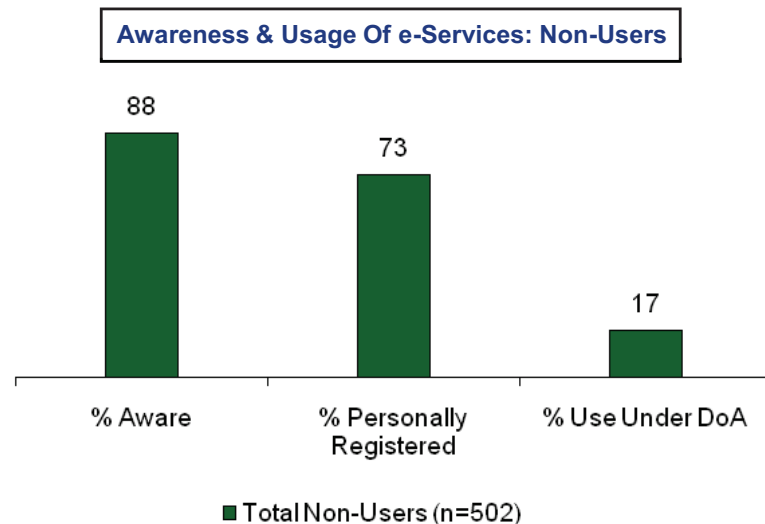


Base Sizes Vary Depending On # Claimed Users Of Each Service

Findings Among Eligible Non-Users of e-Services

Non-User Awareness, Usage & Likelihood Of Future Use

- After hearing a general description of e-Services (see Appendix Page 28), **Non-Users were asked about their awareness and usage of it.** 88% said they came into the study aware of e-Services, with 73% claiming they are registered Users.
 - In evaluating high registration and DoA use among Non-Users, keep in mind that they were identified in lists to include “non-registered users, registered but inactive, newly-registered, or registered but with no record of TDS, EAR, or DA usage within the past year.”

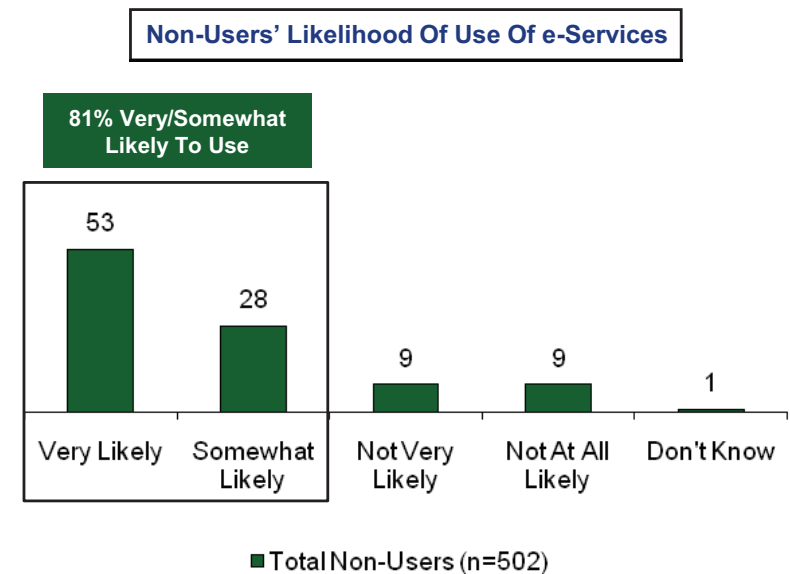


Q1: Prior to today, were you aware of...e-Services?

Q2: Are you personally registered as a user of e-Services?

Q3: Do you ever access the e-Services site as a result of being delegated the authority to do so by another member of your firm or organization?

- Based upon the same general program description, Non-Users were asked about their **likelihood of using e-Services (or using it more) in the future.**
- 81% were Very/Somewhat Likely To Use it (53% “very likely”), with 18% not likely to use, and 1% “don’t know”.



Q18: Based upon everything you now know about e-Services, how likely are you to use it, or use it more often, in the future?

Perceived Likes, Reasons For Non-Use & Suggestions For Stimulating Use

- Based upon the general description, Non-Users' perceptions of **what they would like about e-Services** centered around *ease or convenience* and then *speed in use*. Naturally, those not likely to use e-Services had fewer mentions of what they might like about it.

Non-Users' Perceived Likes Of e-Services

	Total Non-Users (502) %	Very Likely To Use (260) %	Very/SW Likely To Use (403) %	Not Very/ At All Likely (92) %
<u>Ease/Convenience (Net)</u>	<u>38</u>	<u>52</u>	<u>42</u>	<u>23</u>
Would be easy/very convenient	12	19	14	2
Less paperwork to do	6	10	8	0
<u>Speed In Use (Net)</u>	<u>29</u>	<u>38</u>	<u>33</u>	<u>16</u>
Would be fast/quick to use	15	19	16	9
Fast in getting data/transcripts	4	5	4	1
<u>Would Like Specific Services (Net)</u>	<u>16</u>	<u>18</u>	<u>18</u>	<u>8</u>
Electronic account resolution	3	4	4	1
Transcript delivery service	3	4	3	2
<u>Information (Net)</u>	<u>14</u>	<u>16</u>	<u>16</u>	<u>8</u>
Access to client information files	6	7	7	2
Access to data/information	4	7	5	2
<u>Could Not Name Anything Liked</u>	<u>15</u>	<u>6</u>	<u>9</u>	<u>33</u>

Q19: What if anything do you think you would like about the e-Services program?

- Asked **why they do not use e-Services (or use it more often)**, Non-Users pointed mainly to *lack of need* (especially those not likely to use it) and *lack of information or lack of awareness*.
- The two main types of **suggestions for what IRS can do to stimulate usage** of e-Services related to *making it easier or simpler to use* and *providing more information about it or increasing awareness of it*.

Top Barriers To Use & Suggestions For Stimulating Usage

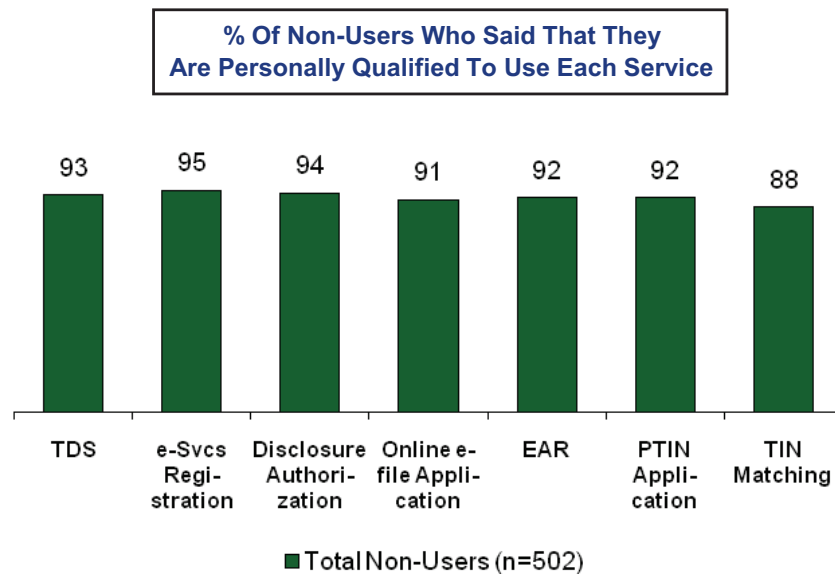
	Total Non-Users (502) %	Very Likely To Use (260) %	Very/SW Likely To Use (403) %	Not Very/ At All Likely (92) %
<u>REASONS FOR NON-USE</u>				
<u>All Mentions Of "No Need" (Net)</u>	<u>43</u>	<u>38</u>	<u>39</u>	<u>61</u>
Software company handles this	10	7	7	22
<u>Lack Of Info/Awareness (Total)</u>	<u>19</u>	<u>13</u>	<u>19</u>	<u>18</u>
Not aware of it/didn't know about it	8	5	8	9
Don't know enough about it	11	8	11	9
<u>SUGGESTIONS FOR STIMULATING USE</u>				
<u>Make it easier/simpler/user friendly</u>	<u>15</u>	<u>12</u>	<u>14</u>	<u>18</u>
<u>Provide more education/info about it</u>	<u>15</u>	<u>10</u>	<u>15</u>	<u>11</u>
Increase awareness of it	8	5	9	5
Nothing/no suggestions	52	57	51	54

Q20: What would you say are the two most important reasons that you are not using e-services or not using e-services more often?

Q21: Anything IRS can do to make you more interested?

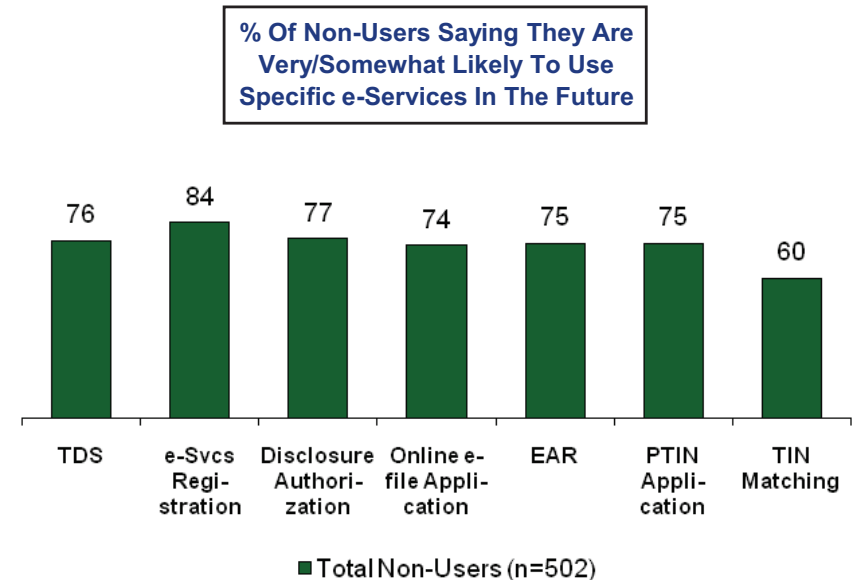
Qualification For & Likelihood Of Use Of Specific e-Services

- After hearing a detailed description of each e-Service (see Appendix Page 29), Non-Users were asked if they **personally qualify to use each one**. Results show that about 9 in 10 felt they qualified for each service.
 - Here, too, keep in mind that Non-Users were identified in lists to include “non-registered users, *registered* but inactive, *newly-registered*, or *registered* but with no record of TDS, EAR, or DA usage within the past year.”



Q23: Based upon the (DETAILED) description, is this a service that you personally would qualify to use?

- Finally, Non-Users were asked about their **likelihood of actually using each service (or using it more)**. 74-84% indicated likely use of each service except TIN Matching, which was significantly lower at 60% likely use.



Q24: Assuming you did qualify to use this service, how likely would you be to use it, or use it more, in the future?

Other Learning From Both Users & Non-Users

Reaction To e-Notices

- Both Users and Non-Users were asked their interest in e-Services providing their copies of client notices (bal dues, errors, etc.) electronically rather than by paper. While significantly more Users than Non-Users were interested in e-Notices, interest was high in both groups and remained high – even if it required e-Services registration.

Interest In e-Notices vs. Paper Account Notices – Generally And If Need To Register With e-Services

Total Users	TOTAL USERS (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %	TOTAL NON- USERS (502) %
<u>% Likely To Choose e-Notices vs. Paper</u>	87	90	87	86	79
% <u>Very</u> Likely To Choose e-Notices	71	77	70	70	59
<u>If Had To Access/Register & Access e-Services To Receive e-Notices From A Secure Mailbox After Notification.</u>					
<u>% Likely To Choose e-Notices vs. Paper</u>	86	88	86	86	79
% <u>Very</u> Likely To Choose e-Notices	70	76	69	70	56

Q24A: If the IRS were to provide an e-Services capability allowing authorized Practitioners and other Third Parties to receive their copies of Taxpayer account notices such as balance due or math error notices electronically, how likely would you be to choose this option instead of receiving paper notices?

Q24D: If it were necessary for you to [FOR ALL USER GROUPS: (access)] [FOR NON-USERS: (register for and access)] e-Services to retrieve electronic notices from a secure mailbox, after receiving an e-mail or other electronic notification that "You've Got Mail", how likely would you be to choose this option instead of receiving paper notices?

- Respondents were also asked how they would feel about receiving their own Business and Individual notices electronically. From their responses (and Users and Non-Users varied little on this), it was clear that they felt Business Taxpayers might be more likely to use e-Notices than Individual Taxpayers.

Interest In e-Notices vs. Paper Account Notices From Viewpoints Of Business Or Individual Taxpayers

Total Users	TOTAL USERS (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %	TOTAL NON- USERS (502) %
<u>From Viewpoint Of BUSINESS Taxpayer</u>					
<u>% Likely To Choose e-Notices vs. Paper</u>	75	75	76	74	73
% <u>Very</u> Likely To Choose e-Notices	57	60	59	55	53
<u>From Viewpoint Of INDIVIDUAL Taxpayer</u>					
<u>% Likely To Choose e-Notices vs. Paper</u>	65	66	66	65	70
% <u>Very</u> Likely To Choose e-Notices	48	50	46	48	48

Q24B: Consider this next question from the viewpoint of a Business Taxpayer. If you had the option to receive your Business tax account notices electronically, how likely would you be to choose this option instead of receiving paper notices?

Q24C: Now, consider the question from the viewpoint of an Individual Taxpayer. If you had the option to receive your Individual tax account notices electronically, how likely would you be to choose this option instead of receiving paper notices?

Usage Of Other Websites & Are There Lessons For IRS?

- To see if IRS can learn from the website preferences of this audience, respondents were asked about **usage of types of websites**. The top site mentions were Online Banking, Government, and Shopping websites – with Users having significantly higher claimed usage of each type of site than Non-Users.

Other Online Website Usage & Frequency Of Use

	TOTAL USERS (1404) %	NON- USERS (502) %
Total Users		
<u>% Use Online Banking</u>	(68)	52
Average Freq. Of Use Per Week	4.6	4.7
<u>% Use Gov't. Sites Other Than irs.gov or e-Services</u>	(71)	60
Average Freq. Of Use Per Week	2.7	2.9
<u>% Use Shopping Websites</u>	(65)	50
Average Freq. Of Use Per Week	1.2	0.8
<u>% Use Credit Card Records & Points Accumulation Sites</u>	(46)	29
Average Freq. Of Use Per Week	1.2	1.4
<u>% Use Service Sites Such As Photo Archives, Memorials, etc.</u>	(15)	9
Average Freq. Of Use Per Week	0.9	0.7
<u>% Use Blogs Or Discussion Sites</u>	(20)	13
Average Freq. Of Use Per Week	3.3	2.4

Q38: Please tell me whether you ever use that type of Online service or site.

Q39: About how often do you use it?

- Finally, those using each type of website were asked which one specific site was **the best of that type**. Responses were quite dispersed, so only the top few mentions are shown below – and with highlighting of those with notably high mentions.

The BEST Site Within Each Type Of Online Website

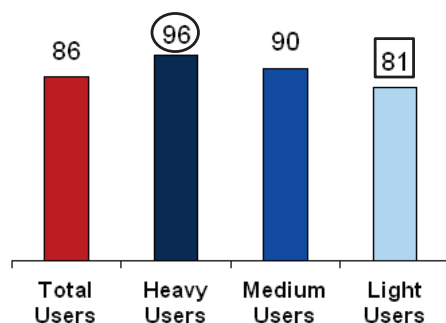
Total Users (BASE VARIES BY SITE TYPE)	TOTAL USERS %	NON- USERS %
<u>BEST Online Banking Sites</u>		
My Personal Bank (Unspecified)	19	31
Bank of America	11	4
<u>BEST Other Gov't. Sites</u>		
Social Security Administration	14	4
<u>BEST Blog/Discussion Sites</u>		
Facebook	6	6
<u>BEST Credit Card Sites</u>		
American Express	14	9
Chase	11	3
<u>BEST Shopping Websites</u>		
Amazon	31	27
Ebay	7	8
<u>BEST Service Sites</u>		
Snapfish	10	6
Kodak	9	4

Q40: Of all of the different sites you've ever used for this online service/activity, which one would you say is the best at serving your needs?

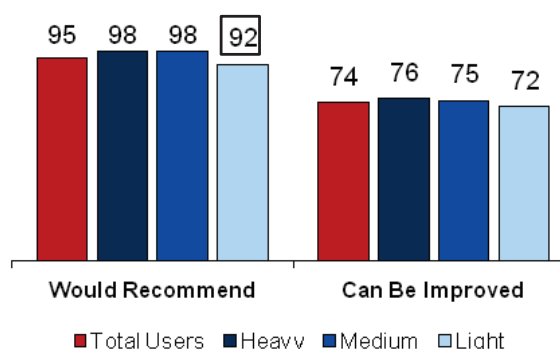
Key Findings

Key Findings

The 2009 Benchmark survey shows that **Satisfaction with e-Services** is high, and is highest among Users with heaviest usage.



The % of Users who **Would Recommend** it to others is also high. Still, ~3/4^{ths} say the program **Can Be Improved**.



Not Satisfied ratings of **Program Dimensions** show **4 main problem areas for ALL Users** (Password Re-Set being the dominant one), with **5 other problem areas for Light Users**. (Keep in mind that these were areas covered in the survey. Unearthing other, new areas requires a different research vehicle.)

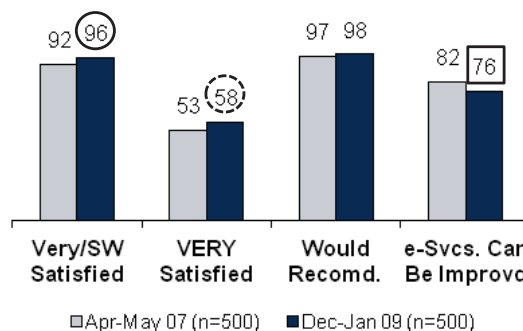
1. Need To Re-Set Password Every 6 Mos.
2. Ease Of Getting Started With e-Services
3. Ease Of Understanding Error Messages
4. Ease Of Understanding Reject Codes
5. Ease Of Navigation Of e-Services Site
6. On-Screen Instructions At e-Services Site
7. How Long It Takes To Complete An Action
8. Ease Of Log-in/Identification
9. How Long It Takes To Find Info Looking For

Among Non-Users, results show high awareness, registration, and awareness of being qualified for e-Services (*Non-Users include newly-registered and registered-inactive*). Their Likelihood of use is at 81% (with 53% being “very likely” to use).

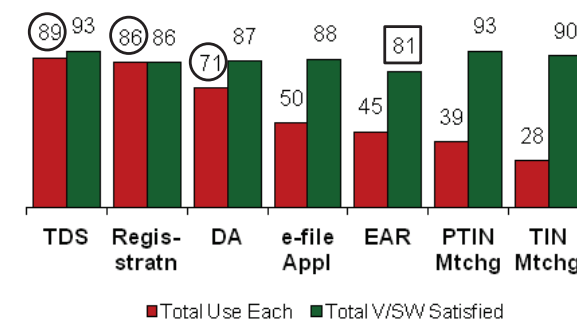
What would they like about e-Services? Mainly “ease of use” and “speed”. So why don't they use? Lack of need and awareness.

Finally, **in other learning**, there was high interest in e-Notices among both Users and Non-Users, even if usage requires e-Services registration.

For the one segment constant in the '09 and '07 surveys – Heavy Users, year-to-year results show them now more satisfied with e-Services and with less call for improvement. (They also had higher usage of each service.)



For specific services, TDS, Registration, and DA stand out in having highest **Usage**. Meanwhile, **Satisfaction** is similar across all services (87-93%) except EAR (at 81%).



Appendix

How e-Services Were Described OVERALL To ALL Respondents

The IRS's e-Services program is a suite of web-based products that allows registered tax professionals and taxpayers to electronically interact with and conduct business with the IRS. The e-Services suite of services includes e-Services Registration, PTIN Application, Online e-file Application, Disclosure Authorization, Electronic Account Resolution, Transcript Delivery Service, and Taxpayer Identification Number (TIN) Matching.

- All tax professionals registered with e-Services can use the Registration, PTIN Application, and Online e-file Application services.
- And, all e-file providers who e-file 5 or more accepted returns a year can use the Disclosure Authorization, Electronic Account Resolution, and Transcript Delivery System services.
- In addition, any taxpayer of income subject to backup withholding or their reporting agents can use the Taxpayer Identification Number or TIN Matching service.

To access e-Services, a tax practitioner or qualified taxpayer or their reporting agent must go to the e-Services site at the IRS's website, irs.gov, and register.

How e-Services Were Described IN DETAIL To NON-USERS

Earlier, we talked about the overall e-Services program. Now I'd like to read a more detailed description of each of the services available to you in the e-Services program at irs.gov, and ask you a couple of questions about each one.

1. e-Services Registration is a one-time, online process where you select a username, password and signature PIN. Successful registration is acknowledged onscreen and a confirmation letter is sent to your home.
2. The PTIN Application enables a Preparer to obtain a Preparer Tax ID Number for use on client returns instead of their SSN. A PTIN ID card can also be requested.
3. The Online e-file Application allows the principal or responsible official of a firm to apply for participation in IRS e-file. Approved applications can be maintained by certain users and the ability to delegate e-Services incentive product access to other employees also exists.
4. The Disclosure Authorization service enables you to view, modify, and submit new or existing Powers of Attorney or Tax Information Authorizations receiving immediate acknowledgement of acceptance.
5. The Electronic Account Resolution service enables you to submit taxpayer account inquiries and receive a written response in your secure online mailbox within 3 business days. You must have a Power of Attorney, Form 2848, on file for the particular taxpayer, form, and tax period requested.
6. The Transcript Delivery System service enables you to submit requests and view online, taxpayer account transcripts, wage & income documents, return transcripts, and verification of non-filing letters. You must have a Power of Attorney, Form 2848, on file for the particular taxpayer, form, and tax period requested.
7. TIN Matching is a pre-filing service used to validate Taxpayer ID Numbers. It is available to Payers of income subject to backup withholding who filed within the past two years, any one of six information returns: Forms 1099-B, INT, DIV, OID, PATR, or MISC. You can match up to 25 payee TIN & name combinations in an Interactive online request or you can submit a Bulk file of up to 100,000 TIN and name combinations. Interactive requests are processed immediately and bulk requests can take up to 24 hours. Responses to both types of requests are delivered online.

How Users & Non-Users Were Identified From The IRS Database In 2009

Below are the criteria to be applied to the e-services databases creating the necessary data extract in 2009. Note: Principals can also be responsible officials on the same *e-file* application and both can appear on multiple *e-file* applications. Delegates can also appear on multiple *e-file* applications. There are four user categories for the survey:

Eligible Non-Users – If ERO, Reporting Agent, or Online Provider status = Accepted (2), and 1 or more Incentive or reporting agent product authorizations are present, and Principal, Responsible Official or Delegated User...

is not a registered user, or
 is registered and registration status = (I) Inactive, or
 is registered, registration status = (N) New but unconfirmed, and today's date $\geq$ reg_create_dt + 60 days, or
 is registered, registration status = (C), and there is no record of TDS, EAR, or DA usage within the past year (today's date – 365).

...then, extract data fields for unique records and categorize as Eligible Non-User. 10,000 unique records needed. Also, ensure inclusion of all registration status types, as there are a significant number of inactive users that, by itself, could easily satisfy the number of records needed.

Low Users – Active e-services users. Users that are registered (REG_STATUS_CD=C), are eligible for e-services incentive products or reporting agent e-services and have used TDS, EAR, or DA at least once within the past year but TDS less than 50 times, EAR less than 25 times, or DA less than 25 times. 10,000 unique records are needed.

Medium Users – Active e-service users. Users that are registered (REG_STATUS_CD=C), are eligible for e-services incentive products or reporting agent e-services and have used TDS at least 50 times but less than 500, EAR at least 25 times but less than 100, or DA at least 25 times but less than 250. 10,000 unique records are needed.

Heavy Users – Active e-service users. Users that are registered (REG_STATUS_CD=C), are eligible for e-services incentive products or reporting agent e-services and have used TDS at least 500 times, EAR at least 100 times, or DA at least 250 times. A complete list of unique records is needed.

Note: this is the only segment of the 4 which was comprised of exactly the same types of respondents as in 2007.

Fields needed in extract for survey: Person Name (unique within each user group), Business Phone, Role: Delegated User, Principle, Responsible Official, Business Name, Organization Address.

Demographic & Professional Profiles Of Users & Non-Users

Demographic & Organizational Membership Characteristics

	TOTAL USERS (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %	NON- USERS (502) %
Total Users					
Demographic Characteristics:					
% Male	60	66	58	60	60
% Female	40	34	42	40	40
Average Age	53.5	50.9	53.8	54.0	55.3
Professional Memberships:					
American Institute of CPAs or AICPA	33	42	35	29	21
National Assn. of Enrolled Agents or NAEA	24	23	26	22	5
National Assn. of Tax Practitioners or NATP	16	14	17	16	9
National Society of Accountants or NSA	8	9	9	7	4
National Society of Tax Professionals or NSTP	6	6	6	7	2
American Assn. of Attorneys—CPAs/AAACPA	2	2	1	2	0
All Other Mentions = 1% or Less					
None/Do Not Belong To Any Organizations	22	19	20	26	56

Note: the Professional Membership question was open-ended and respondents could answer all that applied.

Professional Characteristics Of Users & Non-Users

	TOTAL USERS (1404) %	Heavy Users (500) %	Medium Users (504) %	Light Users (400) %	NON- USERS (502) %
Total Users					
Professional Characteristics:					
Acct/CPA, Tax Prep Just One Service	43	50	46	39	49
Enrolled Agents	33	25	36	32	13
Professional Tax Preparers	12	9	8	16	30
Business Taxpayers (reporting for firm)	8	11	7	10	3
Financial Planners	1	1	1	1	1
Reporting Agents	1	2	0	1	1
Chain/Big 2 Representative/Preparer	1	0	1	1	0
Among Non-Big 2 Tax Professionals:					
% Full-Time Tax Professionals	79	90	78	78	58
Avg. # Years Involved In Tax Preparation	24	24	24	24	25
% Independent Tax Professionals	54	34	51	61	68
Among All Tax Pros (Big 2 Included):					
Avg. # Active Preparers In Firm	89	64	67	117	47
Avg. # Total Returns Prep'd. By Firm	9084	7643	4953	13668	1266
Avg. % Of Returns That Are Business	27	31	29	24	21
Avg. % Of Business Returns e-filed	45	48	45	43	38
Avg. % Of Returns That Are Individual	73	69	71	76	79
Avg. % Of Individual Return e-filed	83	79	83	83	79
Among All Firms – Tax Prep & Otherwise:					
Avg. # Total Employees In Firm	109	69	89	139	67