

**The New Benchmark  
Customer Satisfaction Study  
For IRS Form 941*TeleFile***

**Prepared For:**



**December 8, 2003**

Publication 4347 (6-2004)

Catalog Number 38614K

**Prepared By:**



# Background & Purpose

---

- The IRS conducted benchmark Customer Satisfaction research for its Form *941TeleFile* Business *e-file* product in 2001. However, the target audience in that study was *decision-makers* and not necessarily *the person who actually prepares* Form 941.
- The IRS later decided to focus subsequent satisfaction surveys only on *the person preparing* Form 941 and to re-benchmark Customer Satisfaction for Form *941TeleFile*. In the process of developing a new benchmark study, the IRS also decided to re-configure survey questions to get at information more relevant to *941TeleFile* today.
- Still, the basic objectives of the new benchmark study are the same as before:
  - To establish new benchmarks for satisfaction levels among Form *941TeleFile* Users (preparers).
  - To secure any new ideas that Users would like the IRS to explore in terms of electronic filing of Form *941TeleFile*.
  - And to determine why Eligible Non-Users of the electronic Form (who prepare Form 941) are not using the electronic product and what the IRS can do to stimulate their usage.
  - Note: with strong similarity in the composition of this year's sample and that of 2001, we have provided comparative measures from the two studies on key data points.

# Method, Scope & Timing

---

- The fieldwork for the new benchmark study was conducted by telephone from Russell Research's national telephone interviewing facility in Wayne, NJ, during the period of September 24 to November 11, 2003.
- A total of 1,000 interviews were conducted – 500 with Users of *941TeleFile* and 500 with Eligible Non-Users. All respondents were selected on a random basis from lists provided by the IRS.
- In the Detailed Findings later, the following types of graphic notation are used to call attention to nuances in data and bases and to note significant differences or other important learning among sub-groups.
  - \* An asterisk indicates less than 1/2 of 1%.
  - # A number sign indicates a small base, with data that are too small for meaningful analysis.
  - A circle highlights a significant difference between sub-groups (at a 95% confidence level).
  - Color-shaded boxes or **color fonts** highlight other differences or important learning.

# Key Findings

# Key Findings

---

- Results show Form 941TeleFile generating high satisfaction among its Users (78% “very satisfied” and 97% “very” or “somewhat” satisfied) and, if it was not available, about half of the Users say they would revert to Paper filing of 941s.
- However, Eligible Non-Users have strong resistance to the product (with only 10% “very” likely to use it and 35% “very” or “somewhat” likely). Their main barriers, aside from a comfort with the Paper method, are that they are not aware of the confirmation of receipt feature and feel that it’s too complex and too time-consuming. Lack of awareness is also a problem, with only 40% of Non-Users aware of *941TeleFile* without being prompted with the product name.
  - Non-Users offer few suggestions for increasing their likelihood of use, aside from saying “make it mandatory”. However, in a separate measure, we found that a substantial number of those Non-Users who *were* interested in *941TeleFile* (about two-thirds of the 35% very/somewhat likely to use) said that being able to TeleFile their 940EZ would increase their interest in using *941TeleFile*.
- The Non-User perception of 941TeleFile as “too time-consuming” appears to be justified, with Users reporting a preparation time that is about 10 minutes longer than we found among Non-Users (and the Paper form). In line with this, the Users told us that the product would be improved most by “making it faster/quicker” and by “eliminating repetitiveness in data entry”.
- Overall, these results tell us that 941TeleFile serves as an important strategic tool for Business e-file and that its elimination would impede growth of the Business e-file program. Outside of these findings, analysis of year-to-year growth, cost per call, etc., would show whether the program can be sustained as is, and other research could tell us what specific modifications to the product (e.g., decreasing repetitiveness in data entry, minor usage fees, etc.) would increase the usage and/or cost-effectiveness of *941TeleFile*.

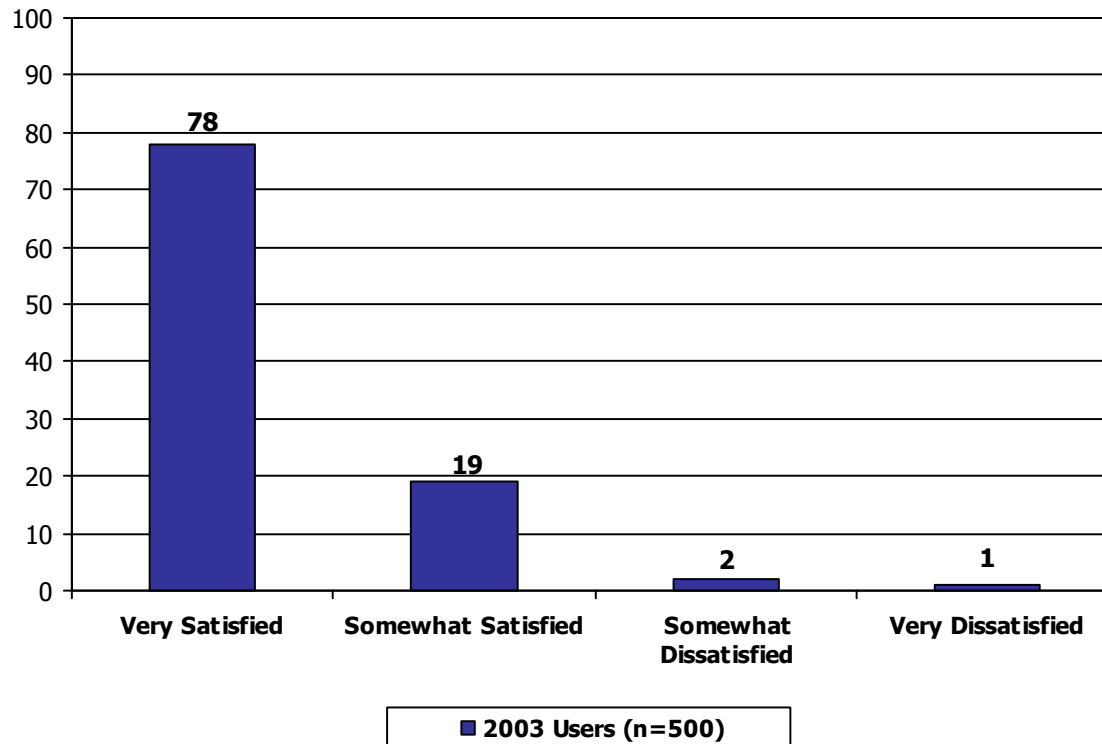
# Detailed Findings

**Findings Among  
*941TeleFile* Users**

# Overall Satisfaction With Form *941TeleFile*

- The *941TeleFile* product achieved a high satisfaction score among Users, with over three-fourths “very” satisfied and with virtually all of the remainder at least “somewhat” satisfied.

The Overall Satisfaction Rating

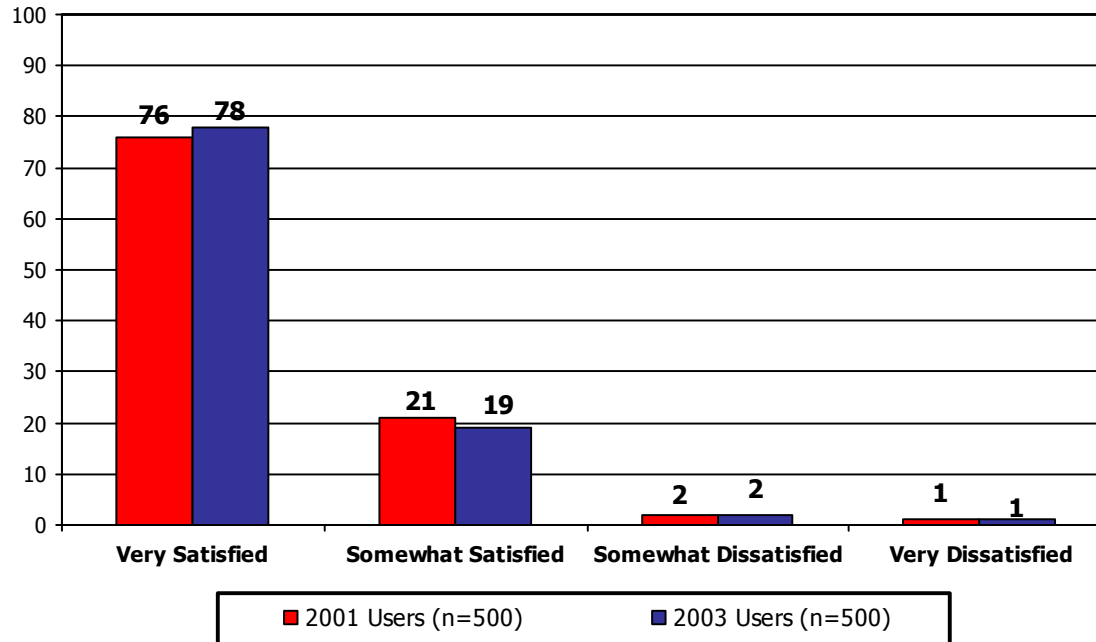




# Overall Satisfaction: 2003 vs. 2001

- The satisfaction levels we found among this year's user/preparer sample are very similar to what we found among the decision-makers in the 2001 survey.

Satisfaction: 2003 vs. 2001



# Reasons For The Satisfaction Rating

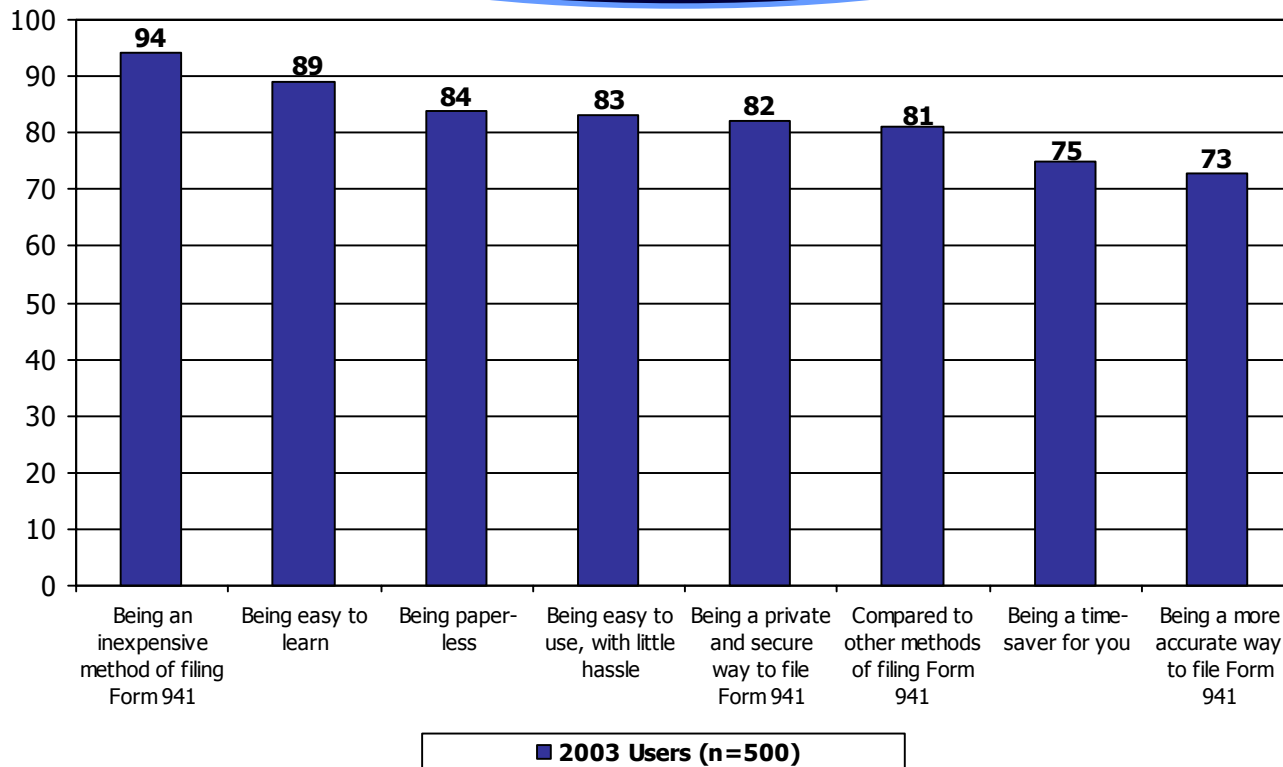
- When we look at reasons for the 2003 overall satisfaction rating, we see that “ease/convenience” is driving the high overall rating point (the “very satisfied” rating).
- Those who were less than “very” satisfied focused mainly on the product being “too time-consuming/slow”, with too much “repetition”, “waiting”, and “re-starts”.

	<u>Overall Satisfaction</u>	
	<u>Very Satisfied</u> (390) %	<u>Less Than Very Satisfied</u> (110) %
<b>Total 941TeleFile Users</b>		
<b><u>Q. 7 – Reasons For Satisfaction Rating:</u></b>		
<u>NET WHO MENTIONED SOMETHING POSITIVE</u>	<u>100</u>	<u>30</u>
<u>Ease/Convenience</u> (subnet)	<u>85</u>	<u>23</u>
Easy to use	53	14
You can do it anytime/at your convenience	11	5
Don't have to mail it	9	1
Don't have to figure out totals yourself	8	2
Speed (Mainly “it's fast”, “saves time”, “takes less time”)	33	6
Confirmation/you get confirmation of receipt/a confirmation number	12	8
Accuracy/it's accurate	10	2
<u>NET WHO MENTIONED SOMETHING NEGATIVE</u>	<u>*</u>	<u>76</u>
It's too time-consuming/too slow/takes too long	--	<u>38</u>
It's repetitive/too much repetition in number entry	--	13
You have to wait for prompts	--	8
If you make a mistake, you have to start back at the beginning	*	8

# Top-Box Satisfaction With Specific Dimensions Of *941TeleFile*

- Users rated their satisfaction with specific dimensions of *941TeleFile* and when we look at the highest satisfaction rating on each of these (“very satisfied”), we see strong, 80%+ satisfaction with all dimensions except “being a time-saver” and being “more accurate”.

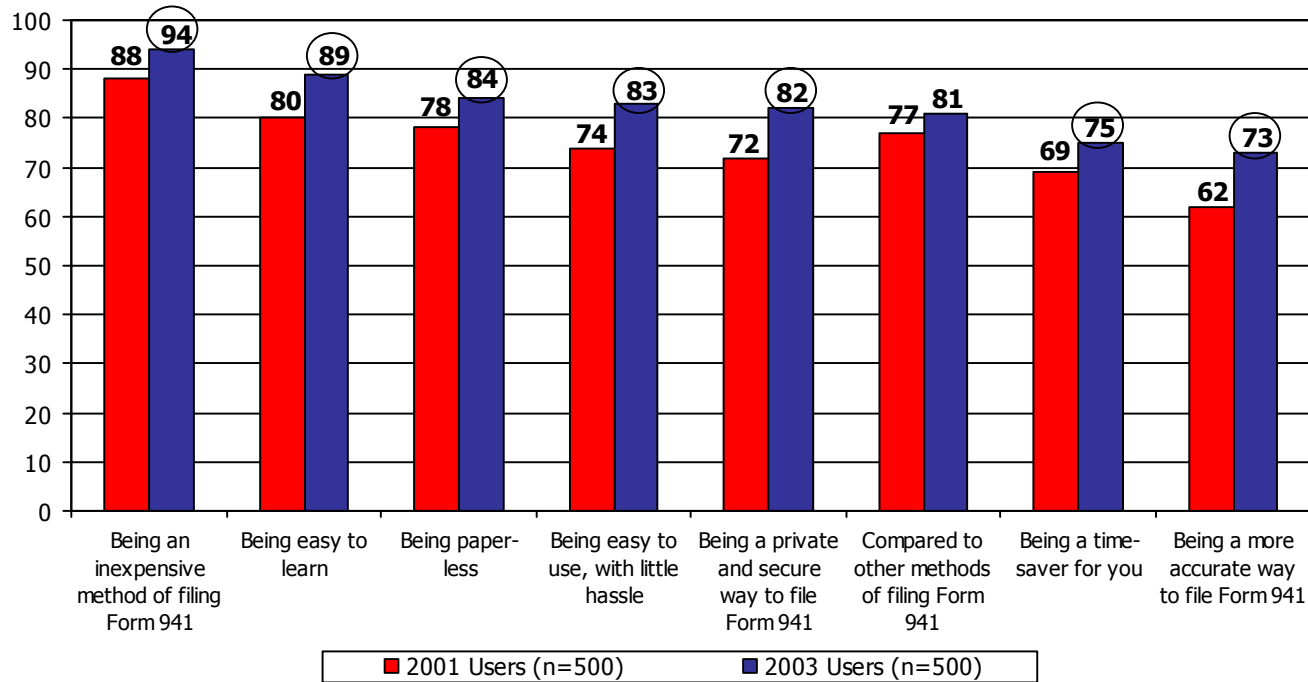
% “Very Satisfied” Across Product Dimensions



# Top-Box Satisfaction With Dimensions: 2003 vs. 2001

- Again looking at the top-box/"very satisfied" ratings and comparing them to those of 2001, we see significantly higher satisfaction among this year's users/preparers than we found among the decision-makers in 2001.

**% "Very Satisfied" Across Dimensions: 2003 vs. 2001**



# Suggested Improvements For Form *941TeleFile*

- One-fourth of the 2003 Users offered specific suggestions for improvement of *941TeleFile*. The top mention was to “make the process faster/quicker”, followed by “eliminate some of the repetitiveness of the form” and “quicker/shorter prompts”.

Total <i>941TeleFile</i> Users	Total Users (500) %
<b><u>Q. 8/9 – % With Suggestions For Improvement In <i>941TeleFile</i></u></b> (New Base=Total Claim That <i>941TeleFile</i> Can Be Improved)	<b>25</b> (126)
<b><u>Specific Suggestions For Improvement</u></b>	
<b>Make the process faster/quicker</b>	<b>18</b>
<b>Eliminate some of the repetitiveness of the form</b>	<b>14</b>
<b>The prompts should be quicker/shorter prompts</b>	<b>10</b>
Need to be able to adjust cent fractions without hanging up/the fractions are confusing	9
Need a way to skip instructions if you know how to use it already	8
All data should not have to be re-typed if a mistake occurs	6
Need a way for the system to recognize your previous years’ records	5
Need a better way of checking the information you’ve inputted	5

# Recall of Information About Form *941TeleFile*

- About half of all Users said that they have seen information related specifically to Form *941TeleFile*, with the top recall being “forms”, “instructions/tax records”, and “publications”. Far fewer Users recall *941TeleFile* information at irs.gov, marketing brochures/flyers, or other forms of information.

Total <i>941TeleFile</i> Users	Total Users (500) %
<b><u>Q. 11/12 – Recall of Specific Information of <i>941TeleFile</i></u></b>	
<b><u>% Recalled <i>941TeleFile</i> Information</u></b> (New Base=Total Recall <i>941TeleFile</i> Information)	<b><u>51</u></b> (254)
<b>Forms</b>	<b>80</b>
<b>Instructions/Tax Records</b>	<b>65</b>
<b>Publications</b>	<b>57</b>
Information at the IRS’s website – irs.gov	19
Invitational Flyers or Marketing Brochures and Marketing Flyers	18
Information from Software Vendors	3
Newspaper or Magazine Ads	2
All Other Mentions	5
Can’t Recall	1

# General Helpfulness of Information About *941TeleFile*

- Those Users recalling *941TeleFile* information indicated that they found it quite helpful, mainly because it provided precise instructions/directions and was easy to use and understand.

Total Recall <i>941TeleFile</i> Information	Total Users (254) %
<b><u>Q. 13 – Overall Helpfulness of Information</u></b>	
<u>VERY/SOMEWHAT HELPFUL</u>	95
Very Helpful	76
Somewhat Helpful	19
Not Very Helpful	*
Not At All Helpful	2
Don't Know/No Answer	3
<b><u>Q. 14 – Ways Information Was Very/Somewhat Helpful (Top Mentions)</u></b>	
(New Base=Total Found Information To Be Very/Somewhat Helpful)	(240)
<b>Told me exactly where I needed to start/told me how to use it</b>	<b>28</b>
Easy to use/convenient	10
Easy to understand	9
Clear/clarify every line	9
Simple directions	8
Step-by-step instructions	7

# Receiving Information About *941TeleFile*

- Clearly, Mail is the primary channel for communicating with Users, with 98% recalling *941TeleFile* information received through the Mail and with 92% saying they prefer to receive information via Mail. It is surprising that more do not choose Internet or e-mail as a communication channel, given that 86% (as we'll see later) are Internet-connected.

Total Recall <i>941TeleFile</i> Information	Total Users (254) %
<b><u>Q. 15 -- How Received <i>941TeleFile</i> Information...</u></b>	
Mail	98
Internet	5
e-mail	1
Picked it up at post office/library	1
Picked it up at an IRS office	*
Bulletin Board	--
All Other Mentions	2
Don't Know/Refused	1
<b><u>Q. 16 -- How Prefer to Receive <i>941TeleFile</i> Information...</u></b>	
Mail	92
Internet	15
e-mail	17
Pick it up at post office/library	6
Pick it up at an IRS office	6
Bulletin Board	1
All Other Mentions	2
Don't Know/Refused	*



# What If *941TeleFile* Was Eliminated?

- We asked Users what they would do if *941TeleFile* was eliminated. 46% said they would switch back to Paper, while only 51% would seek an electronic filing option.
- We also asked those using Electronic Funds Withdrawal what payment method they would use if *941TeleFile* was eliminated and found that 53% would return to Mail-In Payments with Voucher while 39% would use EFTPS.

Total <i>941TeleFile</i> Users	Total Users (500) %
<b><u>Q. 46 – Method Would Use If <i>941TeleFile</i> Were Eliminated</u></b>	
<b>Paper</b>	<b>46</b>
On-Line	40
Electronic Filing/e-file	11
Don't Know/No Answer	3
<b><u>Q. 47 – Method of Payment Would Use If <i>941TeleFile</i> Were Eliminated</u></b>	
<b>Mail in Payment with Voucher</b>	<b>53</b>
EFTPS	39
Don't know/No Answer	8

**Findings Among  
*941TeleFile* Non-Users**

# Awareness of *941TeleFile* Eligibility & Tax Record/Instructions

---

- At the start of the Non-User section of the survey (and after some discussion already about From *941TeleFile*), about 8 out of every 10 Eligible Non-Users claimed to be aware they could use *941TeleFile* and about the same number claimed to recall the “purple tax record and instructions”.

Total <i>941TeleFile</i> Non-Users	Total Non-Users (500) %
Q. 17 – % Aware They Could Have Used <i>941TeleFile</i>	83
Q. 18 – % Recall Receiving Purple Tax Record & Instructions	79

- Still, to be sure they understood the form we were about to discuss in more detail, we read the following description of *941TeleFile*:

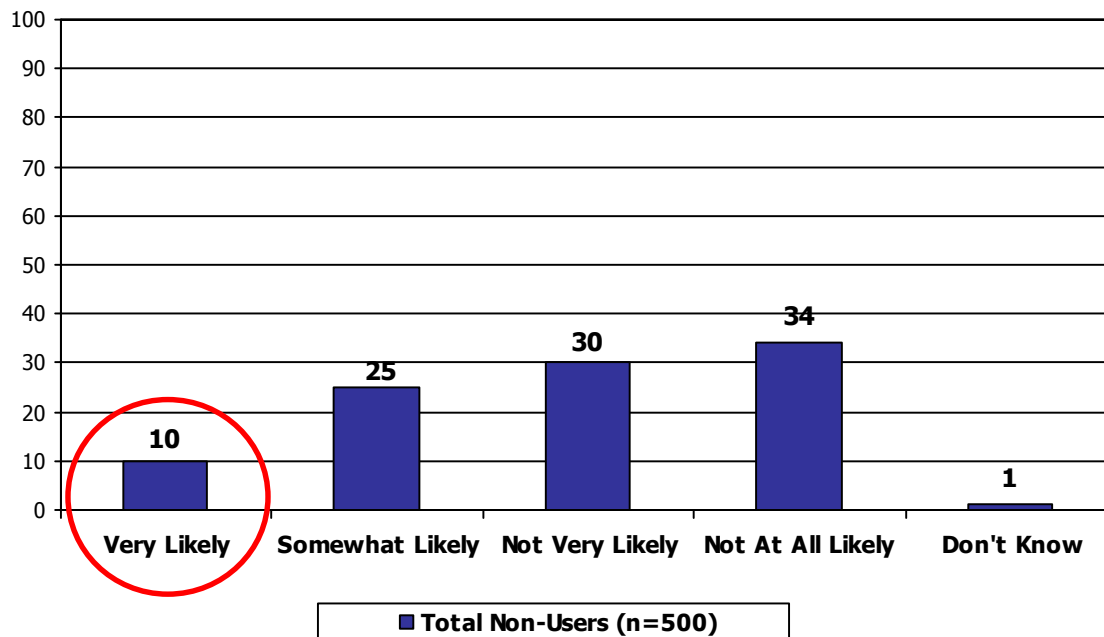
***941TeleFile* is an IRS e-file option for businesses filing Form 941, the Employer’s Quarterly Federal Tax Return.**

**With *941TeleFile*, you or others in your company, or your company’s CPA, can file Form 941 by touch-tone telephone, using the telephone keypad to enter your tax data and signature verification -- and there is no reporting agent involved.**

# Likelihood of Using *941TeleFile*

- After hearing the description though, only 10% of Eligible Non-Users said they were “very” likely to use *941TeleFile* – with just another 25% “somewhat” likely to use it.
- About two-thirds of Eligible Non-Users described themselves as unlikely to use the product.

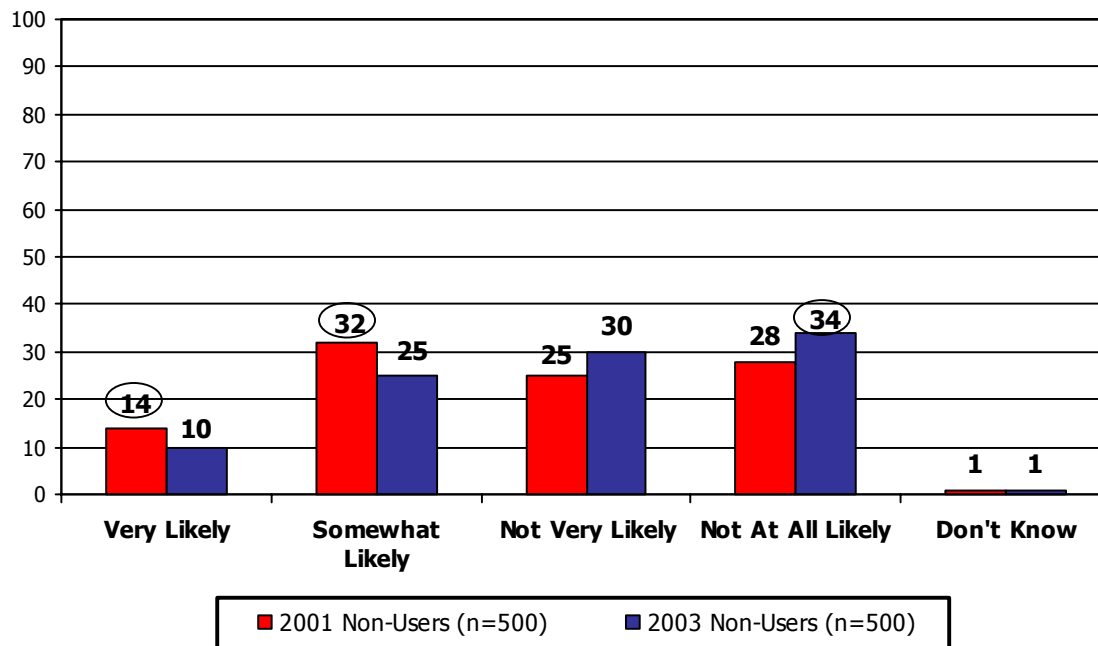
The Likelihood Of Use Rating



## Likelihood of Using *941TeleFile*: 2003 vs. 2001

- The level of interest in use was lower among this year's Non-Users (all preparers of the form) than we found among the decision-makers in the 2001 sample.

Likelihood Of Use: 2003 vs. 2001



## Why Not Use *941TeleFile*?

- We asked Non-Users aware of their eligibility to use *941TeleFile* why they do not currently use it and found that the top barrier is the same as what we usually find among non-electronic filers – “preference for/comfort with” the “traditional” (i.e., Paper) method of filing the form.
- However, beyond that, we also see some very clear perceptual barriers in that substantial segments of Non-Users think they do not get a receipt, consider *941TeleFile* too complex, or consider it too time-consuming.

Total <i>941TeleFile</i> Non-Users & Aware of Eligibility	Unaided Mentions (414) %	Total Mentions (414) %
<b><u>Q. 21/22 – Reasons Not Currently Use (Unaided vs. Total Mentions)</u></b>		
Use/prefer traditional method	47	76
<b>Other methods come with receipt/copy</b>	<b>23</b>	<b>53</b>
Feel more comfortable/secure using another method	22	62
<b>Other methods less complicated/easier/convenient</b>	<b>15</b>	<b>45</b>
<b><i>941 TeleFile</i> is too time consuming/takes too long</b>	<b>15</b>	<b>32</b>
Never learned how to use it	14	37
Would just rather do it myself (i.e., via paper)	7	32
Use tax preparer/accountant	3	10

# Lack Of Awareness Of *941TeleFile* Is Also A Barrier

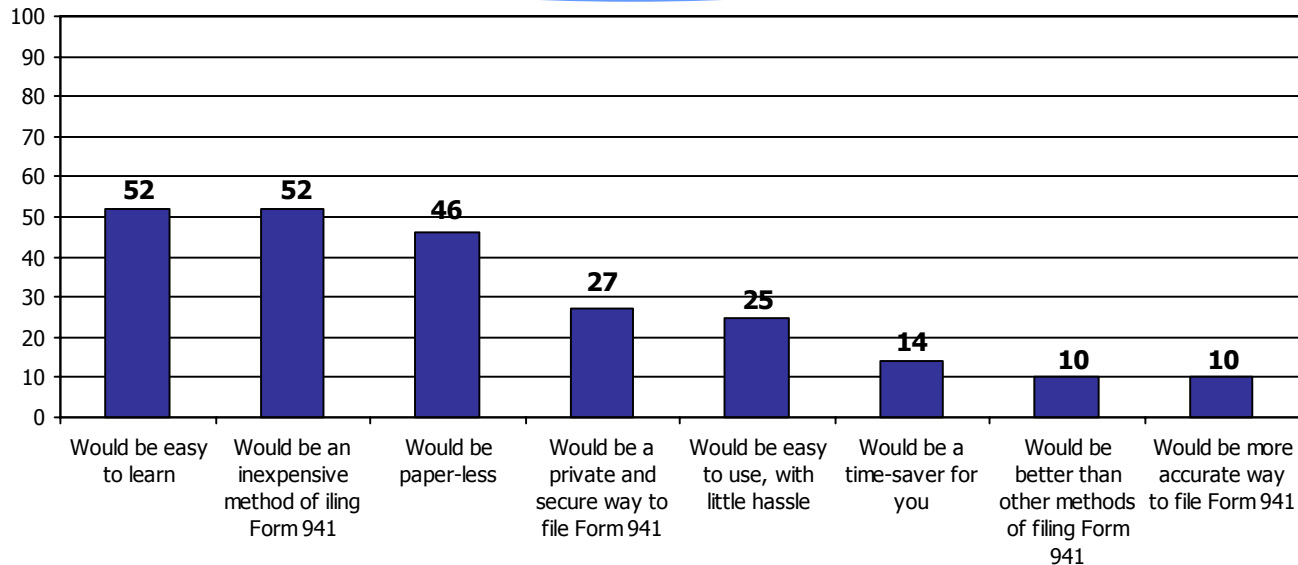
- Another barrier to use of *941TeleFile* is lack of awareness. However, this did not emerge as a barrier in the diagnostic measures just covered – it could not, as we had already prompted respondents with a description of the product going into the Non-User diagnostic section.
- However, we can see the importance of lack of awareness in the filing method awareness responses collected at the start of the survey. There, only 40% of Non-Users (vs. 95% of Users) mentioned *941TeleFile* as a 941 filing option on an unaided basis, with 9% still not aware of it after being prompted.

Total Interviews	Total Users (500) %	Total Non-Users (500) %
<b><u>Q. 1 – Awareness of Methods of Filing Federal Form 941 (Unaided)</u></b>		
<b>941TeleFile</b>	<b>95</b>	<b>40</b>
Self-Prepared 941 Paper	82	87
941 On-line	22	30
941 e-file	14	32
941 Paper Using a Tax Professional	10	23
941 Magnetic Media	4	3
All Other Mentions	2	2
Don't Recall/Refused/None	1	1
<b><u>Q. 2 – Awareness of Methods of Filing Federal Form 941 (Total)</u></b>		
<b>941TeleFile</b>	<b>100</b>	<b>91</b>
Self-Prepared 941 Paper	99	94
941 On-line	66	70
941 e-file	58	70
941 Paper Using a Tax Professional	66	73
941 Magnetic Media	61	54

# Perceptions Of *941TeleFile* Among Eligible Non-Users

- In addition to the barriers we just reviewed, we can see from Non-User ratings (of a series of statements about *941TeleFile*) that they generally have low belief in many of the key benefits of the electronic form – especially its being “private/secure”, “easy to use”, “a time-saver”, “better than other methods of filing 941”, and “more accurate”.

% “Agree Completely” Across Product Dimensions

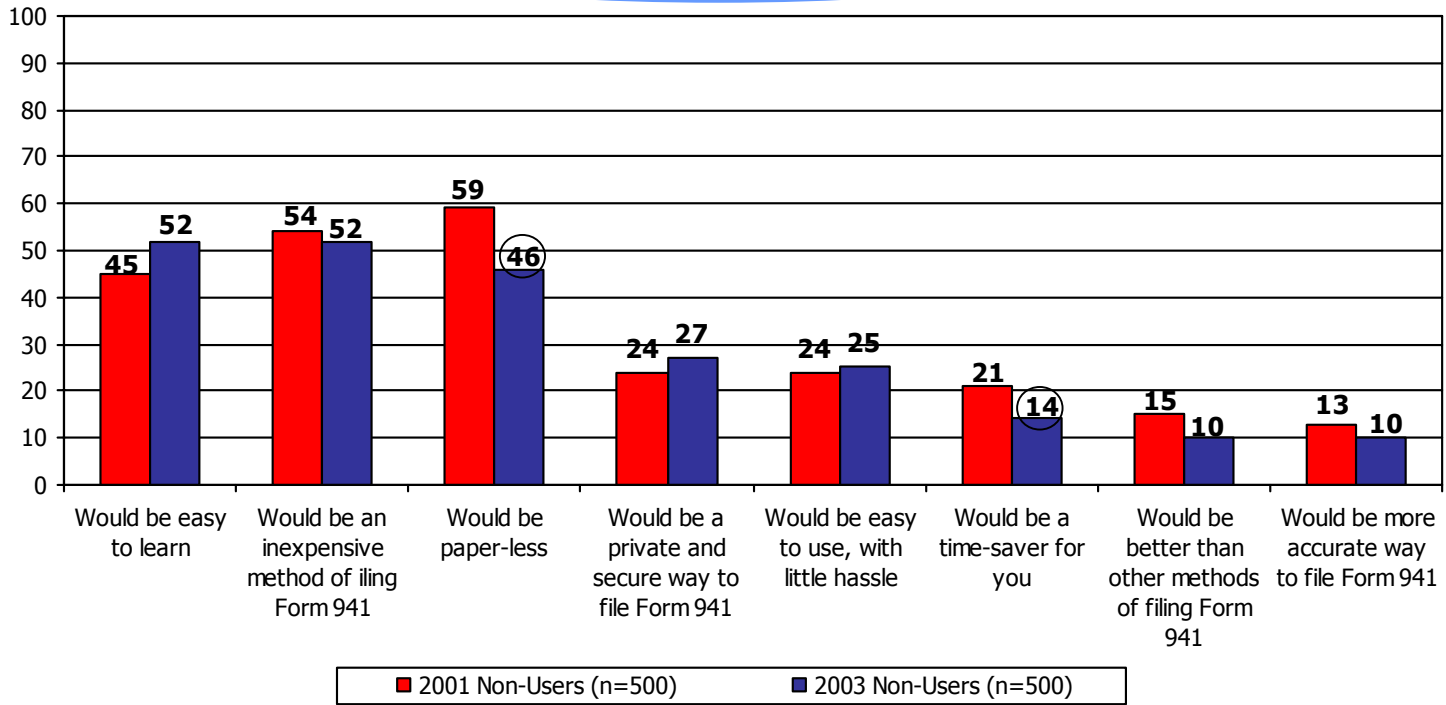




# Perceptions Of *941TeleFile*: 2003 vs. 2001

- Comparing the “agree completely” ratings this year with those we found in 2001, we see only two perceptual points with substantially lower ratings this year: “would be paperless” and “would be a time-saver”.

**% “Agree Completely” Across Dimensions: 2003 vs. 2001**



# Does *941TeleFile* Really Take Longer To Complete?

- Noting the mentions of *941TeleFile* being “too time-consuming” and the low ratings of the product in terms of being a “time-saver”, we looked at User and Non-User estimates of the amount of time it takes to complete Form 941 and found that the Form takes about 10 minutes longer to complete when *941TeleFile* is used. Note: these estimates include the amount of time spent in record-keeping, learning the form, and in actually completing it.

Total Interviews	Total Users (500) %	Total Non-Users (500) %
<u>Q. 43 – Time It Takes To Complete From 941</u>		
Mean (In Minutes)	48.8 min	41.5 min
Median (In Minutes)	30.0 min	20.0 min

# What IRS Can Do To Increase Usage

- When we asked Non-Users what the IRS could do to increase their likelihood of using *941TeleFile*, only about half offered suggestions – the top one being “make it mandatory”. Other specific suggestions were scattered and low in mentions.

Total <i>941TeleFile</i> Non-Users	Total Non-Users (500) %
<b><u>Q. 23 – % Saying IRS Can Do Something To Increase Likelihood Of Using <i>941TeleFile</i></u></b>	<b><u>49</u></b>
<b><u>What Can The IRS Do?</u></b>	
<b>Make it mandatory</b>	<b>12</b>
Provide more information about it	7
Provide a paper trail for it	7
Make it available on-line	5
Make it easier/more convenient	5
Provide confirmation of receipt	3

# Findings Among The Total Target Audience

Users and Non-Users

# Interest in Entering/Filing Schedule B Using *941TeleFile*

- We asked both Users and Non-Users all remaining questions – starting with a series of questions about filing Schedule B using *941TeleFile*. Results showed most respondents were unable to answer questions about Schedule B. Among those who did answer, we found low interest in entering/filing Schedule B (even among current *941TeleFile* Users), with Non-Users in particular thinking it would be too time-consuming, and with both groups saying the ability to TeleFile Schedule B would have little impact on their interest in using *941TeleFile*.

Total Interviews	Total Users (500) %	Total Non-Users (500) %
<b><u>Q. 27 – Interest in Entering/Filing Schedule B Using Phone</u></b>		
Very Interested	<b>12</b>	<b>4</b>
Somewhat Interested	<b>8</b>	<b>11</b>
Not Very Interested	4	9
Not At All Interested	10	30
Don't Know/Refused	66	47
<b><u>Q. 28 – How Time Consuming Would Be to File Schedule B Using Phone</u></b>		
Much Too Time Consuming	<b>2</b>	<b>13</b>
Somewhat Time Consuming	<b>9</b>	<b>16</b>
Not Very Time Consuming	11	11
Not At All Time Consuming	3	5
Don't Know/Refused	75	55
<b><u>Q. 29 – Effect of Schedule B Capability on Likelihood of Use on <i>941TeleFile</i></u></b>		
Much More Likely To Use <i>941TeleFile</i>	8	4
Somewhat More Likely To Use <i>941TeleFile</i>	5	8
<b>Would Have No Effect on Likelihood of Using <i>941TeleFile</i></b>	<b>23</b>	<b>43</b>
<b>Don't Know/Refused</b>	<b>64</b>	<b>45</b>

# Zero-Wage Returns

- We also asked about Zero-Wage Returns and found only one-fifth to one-fourth aware of this type of return, with fewer having ever filed such a return. Among those who had filed a Zero-Wage Return, the current *941TeleFile Users* had filed it mainly using *941TeleFile*, while the current Non-Users had not used *941TeleFile*. Very few recalled the Invitational Flyer.
- 39% of those never filing a Zero-Wage Return (or never filing one via TeleFile) claimed they were aware that they could file it using *941TeleFile*. However, this was the last question in the series, by which point respondents could guess that they could use *941TeleFile* for this type of return.

	<u>Total Users (500) %</u>	<u>Total Non-Users (500) %</u>
Total Interviews		
<b><u>Q. 30 – % Ever Heard of Zero-Wage Return”</u></b>	<b>18</b>	<b>27</b>
<b><u>Q. 31 – % Ever Had No Tax Liability, But Still Had To File Form 941</u></b>	<b>16</b>	<b>24</b>
<b><u>Q. 32 – Was “Zero-Wage Return” Filed By Telephone, Using 941TeleFile?</u></b> (New Base = Total Had A Zero-Wage Return)	(82)	(120)
% Who Filed “Zero-Wage Return” Using Telephone/ <i>941TeleFile</i>	74	4
<b><u>Q. 33 – Whether Received “Zero-Wage” Invitational Flyer</u></b> (New Base = Total Filed Zero-Wage Return Using <i>941TeleFile</i> )	(61)	(5#)
% Had Received “Zero-Wage” Invitational Flyer	12	40
(Q. 34 “Total Rec’d. Flyer” Raw Base Too Small For Analysis Of Helpfulness Rating. Base = )	(7#)	(2#)
<b><u>Q. 35 – Awareness of Filing “Zero-Wage Return” Using Telephone/ 941TeleFile</u></b> (New Base = Never Had Zero-Wage Situation Or Did But Did Not File Using <i>941TeleFile</i> )	(439)	(492)
% Aware They Could File Using <i>941TeleFile</i>	39	39

# Other Federal Business Tax Forms/Schedules Filed By Company

---

- We asked both Users and Non-Users of *941TeleFile* what other forms and schedules their company files and found that about three-fourths of the companies represented by each group file Form 940 while 4-7% each file Form 1065 (the Partnership return) and Form 1041 (Estates & Trusts return).

Total Interviews	Total Users (500) %	Total Non-Users (500) %
<b><u>Q. 36 – What Other Federal Business Tax Forms and Schedules Does Company File?</u></b>		
Form 940, The Employers Federal Unemployment (FUTA) Tax Return	73	78
Form 1065, The U.S. Return of Partnership Income	4	7
Form 1041, The U.S. Income Tax Return for Estates and Trusts	4	6
Don't Know/No Answer	26	21

# More On Form 940 – The FUTA Return

- **90%+ of those in companies filing a Form 940 said their 940 is filed by Paper, and about 80% said the 940 return type is a 940EZ. When the 940EZ users were asked about their interest in filing the 940EZ via TeleFile, the *941TeleFile* User group among them had very high interest while the Non-User group did not. However, among the small base of Non-Users with some interest in TeleFiling their 940EZ, fully two-thirds indicated that TeleFiling a 940EZ would lead them to TeleFile both their 940EZ and 941.**

Total File Form 940	Total Users (367) %	Total Non-Users (391) %
<b><u>Q. 37 – Methods Used To File Form 940</u></b>		
Paper	90	94
On-Line Filing	3	2
Electronic Filing/e-file	3	2
Other/Don't Know/No Answer	4	2
<b><u>Q. 38 – % Say Company Files 940 Using Form 940EZ</u></b>		
	84	78
<b><u>Q. 39 – How Interested Would Be In Filing Company's 940EZ Using TeleFile</u></b>		
(New Base = Total File Form 940EZ)	(308)	(303)
<b><u>VERY/SOMEWHAT INTERESTED</u></b>		
Very Interested	85	27
Somewhat Interested	70	10
Not Very Interested	15	17
Not At All Interested	6	19
Don't Know/No Answer	8	53
	1	1
<b><u>Q. 40 – Whether Would File Form 941 &amp; From 940EZ Using TeleFile</u></b>		
(New Base = Total Eligible <i>941TeleFile</i> Non-Users Interested in Filing Form 940 EZ Using TeleFile)	(na)	(81)
% Would File Both 941 and 940EZ Using TeleFile	na	67



# Methods Used To File Forms 1065 and 1041

- While base sizes are small, we show the filing methods used for Forms 1065 and 1041 below. In both cases, we see that only about 10% or less are using electronic filing,

	<u>Total Users</u> (18#) %	<u>Total Non-Users</u> (36#) %
(New Base = Total File Form 1065)		
<b><u>Q. 41 – Methods Used to File Form 1065</u></b>		
<b>Paper</b>	<b>83</b>	<b>81</b>
Electronic Filing/e-file	6	11
Don't Know/No Answer	11	8
(New Base = Total File Form 1041)	(20#)	(29#)
<b><u>Q. 42 – Methods Used to File Form 1041</u></b>		
<b>Paper</b>	<b>80</b>	<b>79</b>
Electronic Filing/e-file	10	7
Don't Know/No Answer	10	14

# Suggestions For Improving IRS Services Related To Forms

- When we asked for suggestions for improvement in IRS services related to tax forms, we found that only 20% of Users and 30% of Non-Users could offer any suggestion.
- While their responses here were quite diffused, we grouped low mentions of similar suggestions together and found that most suggestions related to improving forms, improving the filing process, and improving service in general.

Total Interviews	Total Users (500) %	Total Non-Users (500) %
<b><u>Q. 45 – Can You Offer Any Suggestions for Improving IRS Services Related to Federal Business Tax Forms</u></b>		
<b><u>Had Suggestions For Improvements</u></b>	<b><u>20</u></b>	<b><u>30</u></b>
<b>All Miscellaneous Mentions Related To Improving Forms</b>	<b>6</b>	<b>8</b>
<b>All Miscellaneous Mentions Related To Improving The Filing Process</b>	<b>5</b>	<b>6</b>
<b>All Miscellaneous Mentions Of Improving Service</b>	<b>4</b>	<b>4</b>
Generalized Mentions Of Providing More Information	2	2
Total With No Specific Suggestions	78	70
Don't Know/No Answer	2	*

# Firmographics

- Finally, looking at the classification measures, we see that the Users and Non-User companies are similar in size, but with Non-Users having less internal decision-making and preparation of Form 941. On a respondent level, we see that the Users and Non-Users have about the same level of Internet access and are quite similar in terms of how they break across the 3 attitudinal segments that are tracked in IRS *e-file* research.

Total Interviews	Total Users (500) %	Total Non-Users (500) %
Median # of Employees Employed by Company	3.1	3.3
Median Revenue in 2002	\$190K	\$180K
<u>Q. A – Who Decides How Company’s Form 941 is Filed</u>		
You and/or other executives or personnel within the company	95	79
You and/or other executives in consultation with outside tax pro/acct/CPA	2	5
Your company leaves decision entirely to outside tax pro/acct/CPA	3	16
<u>Q. B – Who Actually Prepares Federal Form 941</u>		
Actual preparer was someone in the company	96	79
Actual preparer was another executive or personnel within the company	1	1
Actual preparer was an outside tax professional, accountant or CPA	3	19
<u>Q.48-49: % With Access to Internet</u>	86	79
<u>Technology Attitudinal Segmentation:</u>		
Tech Leaders	34	35
Tech Followers	27	25
Tech Laggards	39	40

# Appendix

# Methodological Summary

---

- **The 2003 *941TeleFile* Customer Satisfaction Study was conducted by Russell Research, with all interviewing managed and conducted at the Russell national interviewing facility in Wayne, NJ.**
- **A total of 1,000 interviews were conducted – 500 with *941TeleFile* Users and 500 with Non-Users.**
- **Interviews were conducted during the period of September 24 to November 11, 2003.**
- **All interviews were conducted on a random (every *n*th selection) basis from lists of names and addresses provided by the IRS, with Russell Research providing telephone number lookup services.**
- **At the outset of each screening interview, the interviewer asked for the owner of the business being called and then queried the owner about decision-making and preparation of Form 941 and, if the owner prepared the form, he/she was interviewed. If someone else prepared the form, the owner was asked to refer the interviewer to the appropriate person. In 96% of User interviews and 79% of Non-User interviews, the preparer was someone within the company.**
- **All interviews were conducted during daytime business hours (10 a.m. to 4 p.m. in each time zone).**

**Questionnaire Used In Study**  
**(Attached Electronically)**