

PREPARE + PROSPER

**CONSUMER MARKET RESEARCH
SUMMARY**

2015 REPORT



PREPARE + PROSPER

According to 2013 Internal Revenue Service (IRS) data



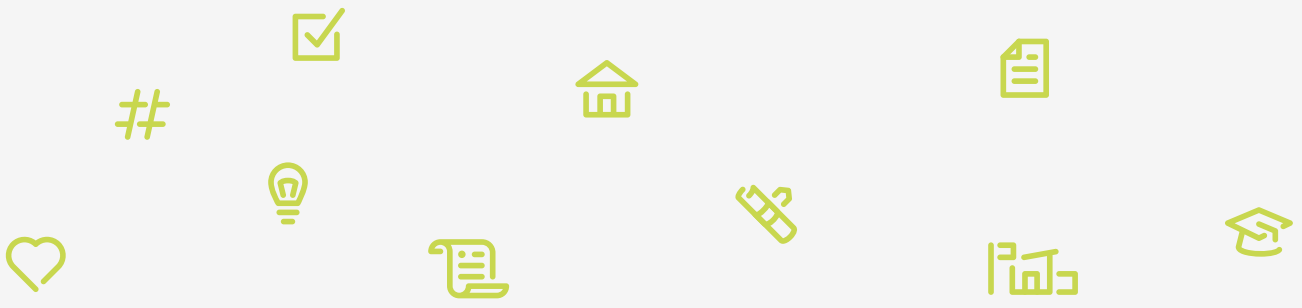
Nationwide, fewer than 3% of Earned Income Tax Credit (EITC) recipients used a free tax preparation service.

In the Twin Cities, 6% of those eligible for the EITC used a free tax preparation service.

We set out to better understand why people who know about and qualify for free tax preparation choose to pay for tax prep services.

AND THEN WE TESTED WHAT MESSAGES WILL CONVINCe THEM TO CHOOSE OTHERWISE.





METHODOLOGY



- ETHNOGRAPHIC IMMERSION
- DEBATE-STYLE FOCUS GROUP
- SMALL GROUP DISCUSSIONS & SURVEYS





104



PARTICIPANTS



#

33 used a national chain (H&R Block, etc.)

18 used online services (TurboTax, etc.)

22 used a free service (9 P+P, 13 other)

16 used another paid preparer

7 relied on family members to help

5 used other services but did not specify

3 did not file





KEY FINDINGS

The participants shared insight into:

PREFERENCES AND DECISION-MAKING PROCESS



PERCEPTIONS

MESSAGES TO DISPEL MYTHS AND PERSUADE THINKING





PREFERENCES & DECISION-MAKING PROCESS



Consumers consider several factors when selecting which tax preparation service to use:

A preparer who will work hard to maximize the refund

Companies that they've heard of before or that friends have recommended

A speedy refund and the advantages that come with making an appointment: convenient hours of operation and short wait times

Continuity of service and services where they can see the same tax preparer each year

PERCEPTIONS



Free generates immediate interest BUT conjures up questions of hidden costs and trade offs:

Fears:

Sacrifice quality

The tax preparer will be less qualified and the experience will be unpleasant

A crowded, dirty waiting room staffed by harried, unfriendly people

The service will fold up right after tax time and won't be around to help if there is a question or a problem later on

Inconvenient

MESSAGES TO DISPEL MYTHS AND PERSUADE



Messages to dispel the fears and persuade thinking associated with "free:"

"With us, free means free" instantly conveys there are no catches, no hidden fees or unanticipated upcharges

"IRS certified volunteer who is passionate about taxes" confirms the preparer is knowledgeable and wants to be there

"Free year round audit assistance" confirms you aren't here today and gone tomorrow

"We'll help you maximize your refund" confirms the result they are looking for





SO WHAT?

We are working on the following changes to our operations:

- Adding a drop-off service to our tax preparation program for customer convenience
- Increasing hours
- Enhancing and expanding our customer service training
- Continuing to improve the ambiance in our tax sites to overcome the assumptions of a low-quality free tax site
- Expanding our main office site with the goal of creating a permanent, bigger, and visible “super site” that can be replicated—moving away from the “pop-up” shop model that often has problematic connotation



(continued...)





SO WHAT?

We are working on the following changes to our messaging and marketing:

- Updating our messaging to debunk assumptions about the word “free”
- Enhancing the way we talk about our volunteers as a way to convey passion, experience, and expertise
- Communicating that we provide audit assistance since it’s something we already do
- Encourage word-of-mouth among customers and ask during the check-out process to spread the word and review us online
- Explore incentives to combat the gimmicks some paid tax preparers are offering





ABOUT

PREPARE + PROSPER

St. Paul, Minnesota-based Prepare + Prosper (P+P) is a nonprofit organization focused on financial capability and economic justice. We run programs, promote policies, and develop strategies to foster financial health and wealth for low- to moderate-income families and communities.

Each year, we leverage the help of 550+ volunteers to serve more than 13,000 people with free tax preparation, financial services, and financial coaching, and return \$27 million in tax refunds.

