

**Supporting Statement for Paperwork Reduction Act Generic Information Collection  
Submissions for  
Persona Creation Interviews for Internal Revenue Service (IRS) Taxpayer Segmentation &  
Persona Creation Study**

**A. JUSTIFICATION**

**1. Circumstances Making the Collection of Information Necessary**

A majority of tax administrations around the world, including IRS, use taxpayer segmentation to improve the performance of their examination, collection, and services functions. However, detailed and extensive segmentation research can also be a huge driver of performance, allowing the tax administration to vary the type of message, the particular tone of the message, or the method of communicating that message to particular taxpayer groups defined by the segmentation work. A broad study, such as the one performed for Her Majesty's Revenue and Customs, is an example of a broad-based segmentation study. While IRS has conducted a broad segmentation study, the data is over ten years old. As a result, an updated segmentation study, including both demographic and psychographics, is needed.

**2. Purpose and Use of the Information Collection**

In an effort to enhance and maintain future taxpayer services and compliance, IRS seeks to develop a set of design personas that would inform IRS of taxpayer behaviors and attitudes, and provide a better understanding of their needs and preferences. The goal is to drive the insight gained from ethnographic research through the agency so that it permeates IRS organization and assist various divisions and departments to create and improve services provided for taxpayers.

This effort will begin by conducting ethnographic research: interviewing and observing W&I taxpayers to better understand their behaviors, attitudes, motivations and goals when interacting with the IRS and their taxes. Taxpayers are defined as individual taxpayers (W&I). Sample topics that will be included in this study include:

1. How would you describe the complexity of your taxes?
2. What is the most difficult part(s) of preparing and filing your taxes?
3. What keeps you up at night about your taxes?
4. Where do you go / what do you do when you need help or have questions about your taxes?

Through this engagement, IRS will get answers to these and other related questions. It can design, evaluate, and target services in a manner that will result in more effective communication with the taxpayers.

Forrester and MAYA Design will design and implement qualitative interviews – in collaboration with IRS. The interviews will be conducted both via phone and in-person. Data collection will focus on eliciting the perceptions, beliefs, preferences, and behaviors that taxpayers have about how they interact with technology and information sources, and about their thoughts and perceptions around taxes and when interacting with the IRS.

**3. Consideration Given to Information Technology**

In an effort to minimize burden on respondents, approximately 50% of the qualitative interviews will be collected using telephone interviews. Interviewees will be sent through a series of screening questions to ensure they qualify prior to being invited to participate in the interviews. We will also use a mix of audio and video to record the interviews.

#### **4. Duplication of Information**

The goal of the research is to both build upon the foundation already laid by previous research efforts and create a set of design personas that are representative and current to the current taxpayer population. While some similar questions and answer option lists may be used in the current research in order to ensure continuity of data across studies, the research design team has reviewed segmentation research conducted in the past year by Forrester and Definitive Insights in order to avoid duplication of the research. The data and findings from this research are not currently available from other (internal or external) sources.

#### **5. Reducing the Burden on Small Entities**

Small business or other small entities will not be involved in these efforts.

#### **6. Consequences of Not Conducting Collection**

Without these data, IRS will not have accurate and timely information to create and / or adjust its services to meet evolving taxpayer needs.

#### **7. Special Circumstances**

There are no special circumstances. The information collected will be voluntary.

#### **8. Consultations with Persons Outside the IRS**

N/A

#### **9. Payment or Gift**

We will provide interview participants with \$100 as compensation for participation. We provide the payment as remuneration for participants' time and any expenses they may incur (such as parking, transportation, and/or childcare costs). We are confident the amount provided will not induce individuals to participate in the interviews against their better judgment.

Another justification for the amounts is that research houses routinely pay incentives to recruit target audiences, and we will use a research house to recruit. Research houses deal with many factors as they attempt to recruit, including respondents' busy schedules, etc.; therefore, they incorporate incentives as one tool to assist them to recruit respondents who will not only appear for interviews but who will provide quality data. Further, we are utilizing a screener to recruit a people with specific characteristics; therefore, we must give the research house the tools they need to properly encourage respondents to join the study.

#### **10. Confidentiality**

All respondents will be assured of their anonymity and that the responses they provide will be used only for research purposes, as part of the introductory language to the survey, prior to screening for qualification. They will also be promised that they will never be identified to IRS personnel, and will not be contacted by the IRS as a result of participating in the research.

The feedback received will not institute new policy, yet enable the Service to meet taxpayer needs.

## 11. Sensitive Nature

No questions will be asked that are of a personal or sensitive nature.

## 12. Burden of Information Collection

### BURDEN HOURS

We intend to contact a total of 83 individuals with the goal of interviewing 42 individuals; and we will recruit 50 individuals to ensure that we get the desired 42 completed interviews. The estimated time to complete the interviews is one hour. **Eight (6 in person/2 phone) will be secured as backup participants in the case of no-shows.** We anticipate a 60% response rate among those contacted to complete this study. This assumes that 40% of those screened to for the study will not participate. Given that 40% of those contacted will not participate in the study, we estimate that the time burden for the individuals who do not participate to average 2 minutes for phone screening. The final burden hour estimates are thus:

- 21 in person interviews at 90 minutes each = 1,890 minutes = 31.5 hours
- 21 phone interviews at 75 minutes each = 1,575 minutes = 26.25 hours
- 50 individuals given full screener to participate at 10 minutes each = 500 minute = 8.33 hours
- 33 non-participants screened at average of 2 minutes each = 66 minutes = 1.10 hours

**Total burden hour estimate: 67.15 hours**

Category of Respondent	No. Of Respondents	Participation Time including screening time	Burden
<b>W&amp;I Taxpayers - IN PERSON</b>			
Screening	27	10 minutes	4.5 hours
Participants for interviews	21	90 minutes	<u>31.5 hours</u>
			Total 36 hours
<b>W&amp;I Taxpayers - PHONE</b>			
Screening	23	10 minutes	3.8 hours
Participants for interviews	21	75 minutes	<u>26.25 hours</u>
			Total 30.05 hours
<b>Non-participants</b>	<b>33</b>	2 minutes	1.10 hours
<b>Total</b>			<b>67.15 hours</b>

### 13. Costs to Respondents

No costs are anticipated.

### 14. Costs to Federal Government

The anticipated cost to the Federal Government is approximately \$118,124. This includes the cost of: screener and survey development, refinement, and finalization, in-person and phone-based interviews data collection and cleaning, persona creation, and delivery of findings from the persona creation efforts.

### 15. Reason for Change

Not applicable.

### 16. Tabulation of Results, Schedule, Analysis Plans

Note that the schedule below is approximate and that recruiting of interview participants will proceed immediately following OMB approval.

Phase	Summary	Week(s)
1	Design survey instrument	1-4
2	Refine and finalize survey instrument	4
	<i>OMB Process</i>	
3	Recruit interviewees	5-6
4	Conduct interviews	6-8
5	Data analysis	8-10
6	Persona design	10-13
7	Deliver personas to IRS	13

Phases 1-3 are dedicated to preparation for the interviews, including design and refinement of the survey instrument and the OMB Process, as well as recruiting interviewees.

After Phase 4 interviews (in-person and phone) are conducted, interviewers will take the notes generated during the session and write up transcripts that detail major findings. Interviewers will also meet to debrief each other about what they've learned.

Once the in-person and phone interviews are complete, the data will be analyzed to locate common themes across the participants from each segment. The steps involved in Phase 5 include breaking down the findings into key distinct data points, completing a series of affinity exercises to cluster the data around the segments, and creating preliminary persona frameworks.

In Phase 6, the design direction and media that is most useful to IRS constituents will be identified. The personas will be refined down to the needed characteristics, ensuring that just the right amount of detail is included. Detailed design, to include imagery and charts needed to develop memorable personas, will be completed.

In Phase 7, workshops with IRS constituents will be planned and executed so that the personas can be introduced and socialized within the organization.

#### **17. Display of OMB Approval Date**

We are requesting no exemption.

#### **18. Exceptions to Certification for Paperwork Reduction Act Submissions**

These activities comply with the requirements in 5 CFR 1320.9.

#### **19. Dates collection will begin and end**

July 30, 2012 – August 24, 2012

### **B. STATISTICAL METHODS**

Data collection methods and procedures will vary; however, the primary purpose of these collections will be for internal management purposes; there are no plans to publish or otherwise release this information.

#### **1. Universe and Respondent Selection**

The segmentation frameworks have already been determined through previous research efforts. Therefore, for persona development, we recommend a sample of (n=) 42, with (n=) 21 to be collected through 90-minute one-on-one interviews, and the remaining (n=) 21 collected through 75-minute phone interviews.

Respondents will be asked a series of screening questions to ensure they qualify prior to being invited to participate, as well as to ensure a balance of respondents in terms of their demographic background and prior experience with the IRS.

#### **2. Procedures for Collecting Information**

Data collection methods and procedures will be done via in-person and phone interviews with W&I Taxpayers. Phone screeners will be used to target survey respondents.

#### **3. Methods to Maximize Response**

Forrester and MAYA Design will strive to maximize response and cooperation rates among those selected in for the interviews. The study will be designed to be easy-to-complete both in content and in delivery method.

#### **4. Testing of Procedures**

Upon finalization and approval of the interview guide, we will conduct a small number of test interviews. This will help the interviewers become comfortable with the entire question set.

#### **5. Contacts for Statistical Aspects and Data Collection**

OPERA consulted with designers and researchers from our contractors regarding the development, design, conduct, and analysis of the ethnographic research. The contractors will be responsible for all data analysis and persona creation. Contact information of persons consulted in the specific information collection requests is listed below.

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