SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION FOR THE UNITED STATES MINT QUANTITATIVE CONSUMER RESEARCH – CUSTOMER SPEND TRAJECTORY SURVEY (1525-0015)

A. Justifications.

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The United States Mint, a bureau of the Department of the Treasury (Treasury), is responsible for producing proof and uncirculated coins, commemorative coins and medals, and platinum, gold, and silver bullion coins, often in response to coin programs legislated by Congress in support of civic, philanthropic, and national organizations. Our mission is to manufacture the highest quality circulating, numismatic, and bullion coins at the lowest possible cost and to deliver them in a timely manner, to expand our markets through exceptional customer service, product development, and innovative marketing, to sell numismatic and bullion products at a reasonable price and profit, and to provide security over assets entrusted to us. To effectively accomplish the goals of these programs, it is crucial for the United States Mint to know and maintain awareness of customer preferences and needs and to continuously monitor customer satisfaction.

Current trends show that we are rapidly losing customers, and we would like to find a way to staunch this loss; to that end, we are conducting the Customer Spend Trajectory survey. Over the past 5 years there has been roughly 50% attrition in the number of customers (approximately 1.2M vs. 600+K) buying products from the United States Mint. The survey will assist the United States Mint in understanding why this drop off is occurring and how we can improve our communications, customer service and product portfolio to try to stop this trend. This would, in turn, enable the United States Mint to comply with Executive Order 12862 and to fulfill its mission.

The Customer Spend Trajectory survey is being conducted in two phases. Phase I, which we have already conducted, consisted of 16 qualitative in-depth interviews with current and lapsed customers to give us a general idea of how and why customer purchase patterns have changed over time. Going into this research we had an idea of many of the reasons for the drop off in spending based on previous lapsed customer research and anecdotal evidence from the customer contact center and other feedback. However, when planning to do the quantitative survey to obtain hard numbers on the drop off, we wanted to be sure that we gave answer choices that encompassed all of the possible answers – not just the ones we assumed we would hear. Therefore, we conducted the qualitative interviews to really hone the quantitative instrument and to ensure that it is the most comprehensive survey possible designed to give us a more clear and reliable picture of the factors driving purchase-pattern changes in our current (and lapsed) customer base. Please see the attached memo that summarizes the changes made based on qualitative findings.

The United States Mint plans to administer the research survey via the Internet, with current and lapsed customers receiving e-mail invitations to participate in the research survey. The target sample of responses for this survey is approximately 3,000 current and lapsed customers.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The survey is a web-based survey, with current and lapsed customers receiving e-mail invitations.

The sample will include current and lapsed customers and will be divided into multiple cells along the following criteria:

Products Purchased - Divided into purchasers of Annual Sets, Precious Metal coins, Miscellany, and any combination of these three divisions.

Spend Level - Divided into high and low spend (except for Precious Metal customers who are assumed to be high spenders).

- High spend: includes customers whose average annual spend was $500 or more
- Low spend: includes customers whose average annual spend was less than $500

Initial Time Frame – Product/spend segment defined based on spend in two distinct time periods (2005-2007 and 2008-2010). These time frames were chosen in order to capture customers from two distinct periods in time. Between 2005 and 2007, the United States Mint was gaining customers each year and the United States economy was doing well. These trends reversed in 2008 and the Mint began losing customers and the U.S. economy faltered.

Behavioral Changes – Divided into three groups based on changes in total of purchases between first and subsequent time period (either from 2005-2007 to 2008-2010 or 2008-2010 to 2011-2012). The three groups are:

- More/Same – Purchase total in last year of second period (either 2010 or 2012) is the same or more than average of (active-year) totals in years of first period (either 2005-2007 or 2008-2010).
- Less – Purchase total in last year (either 2010 or 2012) of second period is less than average of (active-year) totals in years of first period (either 2005-2007 or 2008-2010).
- Stopped – No longer purchasing U.S. Mint products in last year of second period (2010 or 2012).

Sampling from these different time periods ensures that we adequately capture the full range of reasons for changes in customer behavior, not just those that may be related to recent economic changes.

Figure 1 shows the envisioned segments in detail:

Figure 1
Customer Segments

Product Type(s) Purchased in Initial Time Period	Spend Level	Spend Trajectory (Subsequent Time Period)	Sample Cells
Annual Sets	High Spend	More/Same	600
		Less	
		Stopped	
	Low Spend	More/Same	
		Less	
		Stopped	
Precious Metals	(All High Spend)	More/Same	300
		Less	
		Stopped	
Miscellany	High Spend	More/Same	600
		Less	
		Stopped	
	Low Spend	More/Same	
		Less	
		Stopped	
Annual Sets + Precious Metals	(All High Spend)	More/Same	300
		Less	
		Stopped	
Annual Sets + Miscellany	High Spend	More/Same	600
		Less	
		Stopped	
	Low Spend	More/Same	
		Less	
		Stopped	
Precious Metals + Miscellany	(All High Spend)	More/Same	300
		Less	
		Stopped	
All (Precious Metals + Annual Sets + Miscellany)	(All High Spend)	More/Same	300
		Less	
		Stopped	
Total			**3000**

In our analysis, we will not compare across these cells but rather use them to ensure diversity and that we get responses from all of the groups we are interested in. Most data points and spend trajectories will be reviewed in aggregate.

Completion of the survey is voluntary; and should take approximately 20 minutes to complete.

Here is a survey outline for reference:

- Screeners (to ensure that the respondents meet our survey criteria, fit into the correct cells and that the cells are distributed as planned)
- Past purchase behavior
- Reasons for increase/decrease in spend over time
- Overall satisfaction and prediction of future spend
- Reasons for past purchase
- Likelihood to return to purchasing from the United States Mint based on multiple factors
- Standard demographics

Based on previous United States Mint research surveys, we expect response rates to be 5%-7% for current customers (which is very high for a survey of this type without monetary incentives) and 1%-2% from lapsed customers. Although these response rates may appear low compared to large public-use surveys done by Federal agencies, we believe that our sampling procedures, including the detailed stratification plan above, result in data that is useful for the purposes of this study. Because of these response rates, these data may not provide precise population estimates, but rather represent more diverse qualitative inferences, which still serve the purpose of this study.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

This phase of the United States Mint Customer Spend Trajectory survey is a web-based survey. The use of the Internet will minimize the burden on respondents completing the survey. Web-based surveys increase the efficiency and validity of surveys and decrease the time required for interviews and, consequently, decrease the overall burden on respondents.

Around 90% of United States Mint sales are purchased over the Internet so we have email addresses for most of our customers. Because of this, we are confident that a web-based survey will give us an accurate representation of our customer base despite the fact that our customers skew older.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Survey questions will address United States Mint-related products and do not duplicate other agencies/organizations' efforts. Our internal review and approval process ensures that duplication of data gathering within the United States Mint is eliminated.

Additionally, no other organization can conduct a survey of the United States Mint's customers because our customer list is unique and securely managed. Therefore, no duplication exists.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

All of the phases of this survey will involve individuals only. No small businesses or small entities will be impacted. We purposely screen out coin dealers from our research.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

There are no consequences to Federal program or policy activities if the collection is not conducted. This survey will serve as internal data to optimize the United States Mint's marketing strategy for its current customer base exclusively.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner: *requiring respondents to report information to the agency more often than quarterly; *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; requiring respondents to submit more than an original and two copies of any document; etc.

The research study referenced is a one-time collection of data current and lapsed customers and would not require any further reporting of information on behalf of participants completing the survey.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

The US Mint published a 60-day notice for comment in the Federal Register on December 5th, 2013 (78 FR 73238). No comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

The quantitative survey is web-based and voluntary. No monetary incentive will be offered.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The web-based survey will provide the following statement:

All of your responses will be kept completely secured. We will not use this information to contact you or attempt to sell you any products or services.

11. **Justification of sensitive questions.**

Not applicable. Sensitive information is not collected.

12. Provide estimates of the hour burden of the collection of information. The statement should: *indicate the number of respondents, frequency of response, annual hour burden; and an explanation of how the burden was estimated.

The collection of information will involve a brief web-based survey with 3,000 customers. The average time to complete the survey will be approximately 20 minutes. Therefore, the total estimated burden for this survey is 1000 hours.

	Customer Spend Trajectory Quantitative Research
All respondents	3,000
Average minutes to complete survey	20 mins
Total estimated burden hours	1000 hrs

This is a one-time collection of information.

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

Voluntary participation for the quantitative research study involves no cost to the participants.

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

The total one-time cost of conducting this quantitative research study for the United States Mint is approximately $124,800. The fees go toward development and execution of the survey and analysis and reporting of the results of completed surveys.

In addition, $25,200 has already been spent for Phase I of this research project, including the contractor’s costs for recruiting, which was comprised of 16 qualitative in-depth interviews to help us develop the quantitative survey.

There are no travel costs associated with this research study.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

There are no adjustments or changes to the existing program..

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of the quantitative phases of the study will be analyzed by the contractor, National Analysts and by internal analysts at the United States Mint. Information from the data collection will not be published for statistical purposes.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The OMB approval for the assigned information is displayed on all United States Mint information collections.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not applicable. There are no exceptions for certifications.