Customer Satisfaction Initiatives within the Statistics of Income Division of the Internal Revenue Service

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Introduction

The Internal Revenue Service's (IRS) Statistics of Income (SOI) Division has a long history of collecting and disseminating critical tax statistics. The SOI function goes back to the enactment of the modern income tax in 1913. It was documented that "the Secretary of the Treasury shall prepare and publish not less than annually statistics reasonably available with respect to the operations of the internal revenue laws." Today, SOI conducts tax studies on the operations of the tax laws with respect to individuals, corporations, partnerships, sole proprietorships, estates, nonprofit organizations, and trusts, as well as inbound and outbound international activities.

One of the critical steps in conducting tax studies is collecting and analyzing customer feedback. SOI relies on results from a number of satisfaction surveys to assess its communication and feedback, as well as evaluate the information and services provided to its customers. SOI has made a commitment to administer satisfaction surveys for its primary customers at the Office of Tax Analysis (OTA), the Joint Committee on Taxation (JCT), and the Bureau of Economic Analysis (BEA), as well as for selected internal employees and external customers. As a critical source of valuable information, the surveys allow SOI to tailor data collection, analysis, and dissemination efforts more effectively. This paper will focus on providing an historical perspective of conducting customer surveys, summarizing results from several customer surveys, and offering future plans for expanding customer satisfaction initiatives within SOI.

Background

In an effort to emphasize the importance of customer feedback and continuous improvement, SOI has made a commitment to collect customer satisfaction data on an annual basis. The surveys allow SOI the opportunity to assess the quality of service provided to its primary stakeholders. SOI conducts five customer satisfaction surveys with customers within and outside of the Service.

SOI's efforts to collecting customer feedback were reignited in 2000 when a decision was made to collect survey data in the Treasury Department at the OTA. Additionally, the Statistical Support Section (SSS) of SOI, a group of mathematical statisticians providing statistical assistance to various organizations within the IRS, started collecting feedback from its customers in 2000. In 2002, SOI expanded the customer satisfaction survey process to include customers at the JCT and the BEA.

In an effort of widening the scope of gathering customer feedback even further, the customer satisfaction initiative was expanded in 2003 to individuals contacting SOI's Statistical Information Services (SIS) office. The SIS office was established approximately 15 years ago to facilitate the dissemination of SOI data and reports and respond to all data information requests. Since its origin, the SIS office has established a reputation for always providing an answer or referral to the many challenging tax statistics questions of the general public.

Capturing Critical Information from the Customer Satisfaction Surveys

The various SOI customer satisfaction surveys are designed to be relatively brief and visually engaging, encouraging individuals to participate in the survey process. They have two goals. First, the surveys are designed to collect critical information about the services that SOI staff provide to their primary customers. Second, the surveys are designed to measure the overall customer satisfaction with SOI's products, services, and personnel. One way SOI can strive to improve satisfaction is by collecting customer feedback, identifying customer needs, determining how well it is meeting their needs, and finding ways to improve service to its customers.

The OTA, JCT, and BEA surveys are composed of five sections—four of which include customer contact, staff characteristics, product opinion, and overall satisfaction. Each question is designed to obtain feedback on specific indicators in the different areas. The survey also includes two open-ended questions that elicit miscellaneous comments

regarding relationships between SOI and its customers.
The Statistical Support Section of the SOI also surveys its primary customers. The SSS employees work as consultants, providing statistical assistance to various organizations outside of SOI, but within the IRS. Similar to the OTA/JCT/BEA objectives, the SSS survey goals are to measure the level of service provided by SSS statisticians, as well as gauge overall customer satisfaction. Further, the SSS survey includes questions measuring the extent of customer contact, staff characteristics, product opinion, and service improvements.

The Statistical Information Services office started surveying its customers in the spring of 2003. The SIS office is responsible for fielding inquires regarding data produced and published by SOI and other organizations in the IRS. It receives inquiries most often by telephone, e-mail, and fax, but is also contacted via mail and through face-to-face visits. The goals of the SIS survey are to measure the level of customer satisfaction concerning services provided to customers during the most recent inquiry, identify problems that customers encounter when contacting the SIS office, and improve the tools and products customers access while searching for IRS data.

Methods of Data Collection

In 2003, hard copies of the survey, along with a cover letter explaining the importance of the data collection, were hand carried from SOI to OTA. Individuals completed and returned the surveys using interoffice envelopes. In 2004, the OTA and JCT surveys were administered electronically. Respondents downloaded and completed the survey, then e-mailed the completed survey back to SOI.

The BEA survey has been administered in an electronic fashion over the past two years. A cover letter, explaining the intent of the survey, was e-mailed to each individual with the survey electronically attached. Like the OTA and JCT surveys, the BEA respondents downloaded and completed the survey, then e-mailed the completed survey back to SOI.

The SIS survey was also electronically administered over the past two years. The survey was e-mailed to all individuals who contacted the SIS office between March and June 2004. Individuals were asked to complete a survey that was embedded in an e-mail message. In 2003, individuals were asked to download the survey, complete the various questions, and return the survey by attaching it to an e-mail message.
Since all of the SSS customers are internal employees within the IRS firewall, the SSS has the opportunity to survey its customers using web-based technology. The customers are asked to click on an attached web link that leads them to the SSS survey. Respondents simply point and click through a series of questions on the web-based survey. Once the survey is completed, responses are electronically submitted to a desired database.

Summary of Results from 2003 and 2004 OTA, JCT, and BEA surveys

Table 1 highlights the number of surveys distributed to customers at OTA, JCT, and BEA, as well as the response rates for the 2003 and 2004 customer surveys. Although the number of respondents at JCT and BEA is small, collecting and assessing data from these organizations are of critical importance to SOI. The response rates vary from a low of 38 percent on the 2004 OTA survey to a high of 93 percent on the 2003 BEA survey.

Table 1 – Response Rates for OTA, JCT, and BEA Customer Surveys

	Surveys Distributed		Response Rate	
	2003	2004	2003	2004
OTA	47	47	55%	38%
JCT	15	14	87%	79%
BEA	14	15	93%	87%

Discussions are under way to address and remedy the precipitous drop in the response rate of the OTA survey. In addition, discussions have been ongoing to determine the appropriate universe of individuals who should receive customer satisfaction surveys from SOI. The lack of frequent contact with SOI products and staff has been correlated with lower response rates.

Table 2 highlights the usefulness of SOI's data and products. Results from this survey question are included in SOI's scorecard of performance indicators. Specifically, the usefulness question elicits how strongly the respondents agree or disagree with the statement that SOI products and services met their needs. In all three surveys, the extent of agreement (combination of agree and strongly agree) with SOI's products and services meeting the needs of OTA, JCT, and BEA was over 80 percent.

Table 2 – Usefulness of SOI's Data and Products

		Office Surveyed		
		OTA	JCT	BEA
		2003 / 2004	2003 / 2004	2003 / 2004
Product Met Customer Needs	Strongly Agree	54% / 23%	39% / 9%	46% / 39%
	Agree	42% / 61%	46% / 81%	46% / 46%
	Not Sure	0% / 6%	8% / 0%	0% / 0%
	Disagree	4% / 0%	0% / 9%	0% / 8%
	Strongly Disagree	0% / 0%	8% / 0%	8% / 0%

Table 3 highlights the overall customer satisfaction rates from OTA, JCT, and BEA for the years of 2003 and 2004. As the data reveal, all three customers provided very positive opinions regarding overall satisfaction with SOI. Interestingly, the customer satisfaction rates have remained fairly constant over the past several years.

Table 3 – Overall Satisfaction with SOI

		OTA	JCT	BEA
		2003 / 2004	2003 / 2004	2003 / 2004
Overall Satisfaction	Totally Satisfied	65% / 56%	54% / 55%	54% / 69%
	Somewhat Satisfied	23% / 28%	31%/ 45%	39% / 31%
	Neither	4% / 6%	8% / 0%	8% / 0%
	Somewhat Dissatisfied	4% / 0%	0% / 0%	0% / 0%
	Totally Dissatisfied	4% / 0%	0% / 0%	0% / 0%
	No Response	0% / 0%	8% / 0%	0% / 0%

The surveys concluded with several open-ended questions, seeking recommendations and suggestions for providing outstanding service to the customer base. Verbatim responses from the three organizations covered a wide array of concerns and were not terribly specific in nature. Therefore, it became challenging to synthesize these responses into themes where improvements could be easily made. In time, the verbatim responses were grouped into broad categories. The most recurring themes focused on finding the right balance between quality and timeliness, improving communication when changes in data structure or timing are necessary, and developing additional documentation for data products and services.

Results from the 2003 and 2004 Statistical Information Services Survey

The SIS office receives data inquiries, along with other statistical and tax-related questions, from a wide variety of customers. Most of the questions received by the SIS office come in the form of phone calls or e-mails. In 2003, a sample of customers contacting the SIS office between January and July was offered an opportunity to complete the survey. In 2004, customers contacting the SIS office between March and June were offered an opportunity to complete the survey. Table 4 highlights response rates from the 2003 and 2004 SIS survey.

Table 4 – Survey Response Rates for the SIS Customer Survey

	Surveys Distributed	Response Rate
2003	259	55%
2004	425	43%

As shown above, the overall response rate dropped between 2003 and 2004. Declines in response rates remain a challenging problem. SOI needs to explore all viable options at its disposal to reverse this discouraging, downward trend in response rate. In fact, several steps are currently under way to address the drop in participation in the survey. Possible changes being considered for the upcoming 2005 survey include developing a multimode survey and updating the format of the survey.

Table 5a and 5b compare the usefulness of the SIS office's data and products for 2003 and 2004. Separate tables are shown since the response scale for this question changed slightly between 2003 and 2004. Specifically, the usefulness question asked if products and services produced by SOI met the needs of the customer. As previously mentioned, results from this question are incorporated into SOI's

scorecard of performance indicators that are collected and disseminated on a quarterly basis.

Table 5a – Usefulness of SIS's Data and Products in 2003

Product Met Customer Needs	2003
Strongly Agree	52%
Agree	30%
Disagree	8%
Strongly Disagree	5%
Not Applicable	5%

Table 5b– Usefulness of SIS's Data and Products in 2004

Product Met Customer Needs	2004
Strongly Agree	43%
Agree	33%
Not Sure	10%
Disagree	7%
Strongly Disagree	7%

Table 5a and 5b show a slight decline in results between 2003 and 2004. Overall, the percentage of customers either agreeing or strongly agreeing that SOI's products and services met their needs decreased from 82 percent in 2003 to 76 percent in 2004.

Table 6a and 6b highlight the overall satisfaction with the SIS office. Separate tables are shown since the response scale for this question changed between 2003 and 2004

Table 6a – Overall Satisfaction with SIS in 2003

Overall Satisfaction	2003
Very High	52%
High	35%
Average	11%
Low	2%
Very Low	0%

Table 6b – Overall Satisfaction with SIS in 2004

Overall Satisfaction	2004
Totally Satisfied	44%
Somewhat Satisfied	42%
Neither	10%
Somewhat Dissatisfied	3%
Totally Dissatisfied	1%

As the tables show, customer satisfaction rates, defined as very high or high for 2003 and totally or somewhat satisfied for 2004, remained constant over the past two years. The overall rating of customer satisfaction was 87 percent in 2003, compared with a satisfaction rating of 86 percent in 2004.

Results from the 2003 and 2004 Statistical Support Section survey

Table 7 highlights response rates from the 2003 and 2004 SSS surveys. Interestingly, the response rate for the 2003 and 2004 surveys are nearly identical.

Table 7 – Response Rates for the SSS Customer Survey

	Surveys Distributed	Response Rate
2003	90	74%
2004	103	75%

Table 8 highlights the usefulness of data and products produced by the Statistical Support Section. As mentioned earlier, the SSS employees work as consultants, providing statistical assistance to various organizations outside of SOI. These consultants provide guidance and expertise related to sampling, questionnaire design, cognitive research, and other analytical services. Comparing results between 2003 and 2004 reveals a slight decline in the overall usefulness rating of products and services. The rating was 98 percent in 2003, compared to 95 percent in 2004.

Table 8 – Usefulness of SSS's Data and Products

		Statistical Support Survey	
		2003	2004
Product Met Customer Needs	Strongly Agree	73%	70%
	Agree	25%	25%
	Not Sure	2%	3%
	Disagree	0%	1%
	Strongly Disagree	0%	1%

Table 9 highlights the overall satisfaction with the SSS. The table provides customer satisfaction rates for 2003 and 2004. For the most part, customer satisfaction rates remained exceptionally high over

both years. The overall rating of satisfaction was 99 percent in 2003, compared with a satisfaction rating of 98 percent in 2004.

Table 9 – Overall Satisfaction with SOI

		Statistical Support Survey	
		2003	2004
Overall Satisfaction	Totally Satisfied	87%	91%
	Somewhat Satisfied	12%	7%
	Neither	0%	2%
	Somewhat Dissatisfied	0%	0%
	Totally Dissatisfied	1%	0%
	No Response	0%	0%

Future of Collecting Customer Feedback Within the Statistics of Income Division

SOI has recently expanded its survey satisfaction initiative to readers and users of the *SOI Bulletin*. The 2004 Summer *SOI Bulletin* includes a short customer satisfaction survey. Similar to the other surveys mentioned in this article, the *SOI Bulletin* survey collects feedback from customers who receive the *SOI Bulletin* on a regular basis. Respondents are asked to tear out, complete, and return the perforated survey. Results from the survey will be used to make necessary improvements to the *SOI Bulletin*. The *SOI Bulletin* survey is also being distributed to a select group of advisors who provide valuable opinions and advice to SOI. Results from this survey will be summarized in early 2005.

A commitment has also been made in gathering customer feedback regarding internal SOI LAN and end-user support. Recently, SOI distributed an electronic customer satisfaction survey to its employees. The purpose of the survey is to gather data on the quality and level of service by SOI's Technical Team. Results from the survey are currently being tabulated and analyzed. Final results should be available by December 2004.

Finally, SOI is working toward surveying customers visiting the TaxStats website. TaxStats is SOI's website, offering a wide array of tax statistics, tables, and information. In the fall of 1996, a select group of IRS products became available to the public on TaxStats. Over the years, TaxStats has grown dramatically—now an integral part of the SOI.

Capturing opinions and perceptions from TaxStats users is the next logical area for SOI's customer satisfaction focus. Specifically, plans are under way to develop an automated web-based customer satisfaction survey for TaxStats customers. If all goes as planned, SOI may be able to conduct a survey of TaxStats customers by the end of 2005.

Conclusions

Measuring customer satisfaction will continue to be a major priority for SOI. A commitment to collecting and evaluating customer satisfaction data will ensure that SOI does not lose its focus on critical issues that impact its primary customers. Furthermore, an emphasis on collecting customer satisfaction data will reinforce the SOI culture of providing outstanding service to customers. As is evident from the data presented in this paper, SOI has done an excellent job of exceeding the expectations of its customers. However, SOI should not rest on its successes, but, instead, work even harder to ensure that it continues to meet or exceed the many expectations of its customers.