

# Marketing Objective & Marketing Challenge

## Marketing Objective

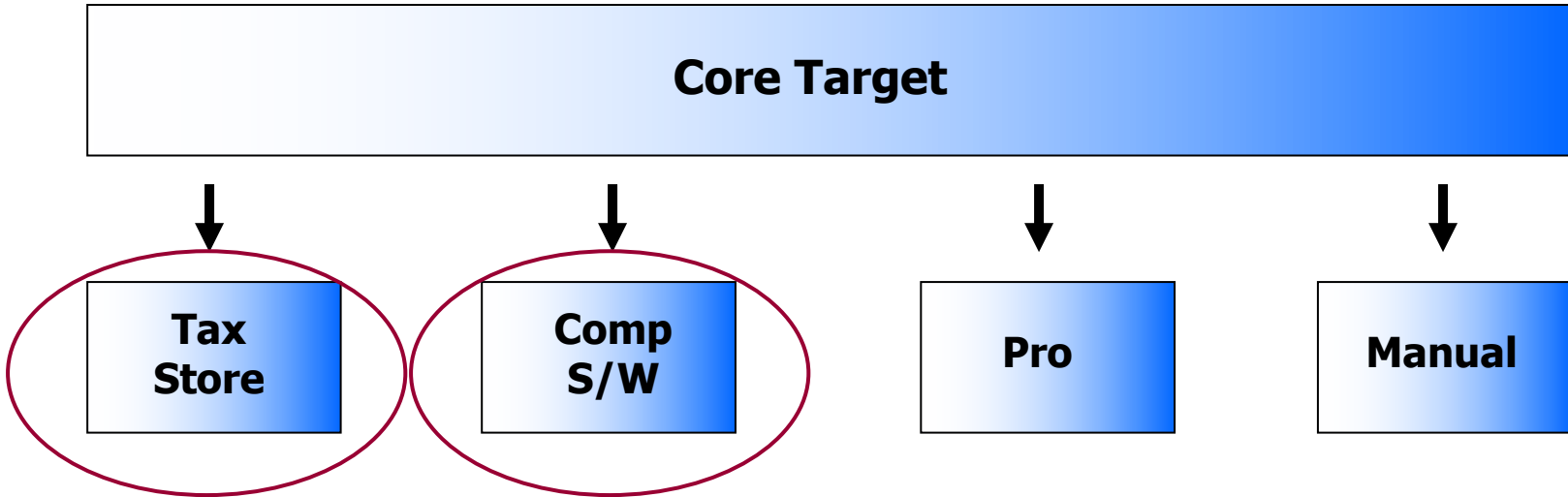
**Grow TurboTax share in the tax software category (and increase our share in the overall tax-prep market)**

## Marketing Challenge

**Generate preference for TurboTax, absent any perceived functional superiority.**

# FY 08 Core Target

- Consumers who are open to doing their taxes with software next year and perceive their taxes to be simple



- Tax store and competitive software are the highest priority acquisition segments
  - Tax store - low NPS and relationship with pro; higher likelihood to defect
  - Competitive Software users - no barriers to use, increased defection from TT in TY06 and largest prospect pool

# Target Demographics

## Demographic profile:

- ▶ Gender: Female
- ▶ Age: 25-44
- ▶ Marital Status: Skews toward married
- ▶ Employment: Skews toward FT employment
- ▶ Income: \$25 - \$75K, skew toward \$25-\$50K
- ▶ Residence: Skews toward renting
- ▶ Education: Some college education
- ▶ Technology Usage: High-speed internet access

## Brand Key Message

**No other software makes it easier to do your taxes than TurboTax.**

# Reason to Believe & Proof Points

## Reason-to-Believe

**TurboTax does more of the hard work for you**

## Proof Points

### **Deduction Maximizer**

**Personalized Interview:** TurboTax asks you what life changes have happened in the last year and then tailors the interview to fit your unique situation.

**Audit Risk Summary:** TurboTax helps reduce your risk of an audit.

**ItsDeductible:** TurboTax shows you the true value of donated items so you get a bigger refund

**Import Tax Info:** TurboTax downloads your W-2 & investment information.

**Live Community:** On every page, there is help supplied by a live community that relates directly to the subject you're dealing with.

# Brand Strategy

## Brand Foundation

|                               |  |
|-------------------------------|--|
| <b>Marketing Objective</b>    | Grow TurboTax share in the tax software category (and increase our share in the overall tax-prep market)   |
| <b>Marketing Challenge</b>    | Generate preference for TurboTax, absent any <i>perceived</i> functional superiority.  |
| <b>Target Audience</b>        | Consumers who are open to doing their taxes with software next year and perceive their taxes to be simple—whether they’re currently using tax software or contemplating a move from a tax store or other method.   |
| <b>Consumer Mindset (ACB)</b> | I am open to using tax software next year and I have a simple return. I think that tax software could make it easy. All tax software products seem pretty much alike; I don’t see a clear reason to buy one over another.  |
| <b>Key Message</b>            | No other software makes it easier to do your taxes than TurboTax   |
| <b>Reason to Believe</b>      | <p><b>TurboTax does more of the hard work for you</b></p> <p><b>Deduction Maximizer</b></p> <p><b>Personalized Interview:</b> TurboTax asks you what life changes have happened in the last year and then tailors the interview to fit your unique situation.</p> <p><b>Audit Risk Summary:</b> TurboTax helps reduce your risk of an audit.</p> <p><b>ItsDeductible:</b> TurboTax shows you the true value of donated items so you get a bigger refund</p> <p><b>Import Tax Info:</b> TurboTax downloads your W-2 &amp; investment information.</p> <p><b>Live Community:</b> On every page, there is help supplied by a live community that relates directly to the subject you’re dealing with.</p> |
| <b>Brand Character</b>        | A trusted and approachable tax mentor who helps you prepare your taxes.  |



# Acquisition - Personas

# Tax Store

- ▶ Pain points with Tax Store Experience (2007 Defection study)
  - ▶ Costs too much (25%)
  - ▶ It's not a good enough value (26%)
    - ▶ paid too much for what I got
    - ▶ paid for something I could do myself
  - ▶ Bad experience (13%)
    - ▶ rep wasn't knowledgeable
    - ▶ didn't get my questions answered
    - ▶ didn't feel like a valued customer
- ▶ Key barriers to using TurboTax
  - ▶ Don't know enough about taxes
  - ▶ No help when I need it
  - ▶ No one to represent me if I'm audited
  - ▶ No one to help me minimize my risk of an audit



# Tax Store

- ▶ **Target**

- ▶ Consumers who used a tax store last year, are open to doing their taxes with software next year, and *perceive* their tax situation to be simple.

- ▶ **ACB**

- ▶ I used a tax store last year and it was pretty convenient, but I paid too much and I don't feel like I got much for the money I paid. I've heard that tax software is easy and since my tax situation is simple, I think I might be able to do my own taxes with it. I am a bit concerned that I don't know enough about taxes and that there won't be anyone there to help me if I need it. But, I think I'll check it out. All software products seem pretty much alike, so I'm not sure which one to pick.

- ▶ **Benefit:**

- ▶ No other software makes it easier to do your taxes than TurboTax.

- ▶ **RTBs**

## **Deduction Maximizer**

**Personalized Interview:** TurboTax asks you what life changes have happened in the last year and then tailors the interview to fit your unique situation.

**Audit Risk Summary:** TurboTax helps reduce your risk of an audit.

**ItsDeductible:** TurboTax shows you the true value of donated items so you get a bigger refund

**Import Tax Info:** TurboTax downloads your W-2 & investment information.

**Live Community:** On every page, there is help supplied by a live community that relates directly to the subject you're dealing with.

## Hi, I'm Jennifer

I'm 35 years old and married, and I live with my husband in an apartment that we rent. I have a degree from the local junior college, and I work full-time at a job that pays me \$55,000 a year. I also have a small number of investments from which I receive a little additional income, and I do contribute to charities every year.



## Last Year's Pain, This Year's Change

Last year I got my taxes done at the H&R Block office down the street from me. I didn't really want to do my taxes myself and all I had to do was hand them my tax stuff and answer a few questions. It was convenient and easy. My tax guy was nice enough, but I didn't really feel like I was dealing with a tax expert. I mean, all he did was take my information, ask me a few questions and enter it into his computer. He didn't answer all of my questions and really rushed me through. I liked that he signed and e-filed my return and that I got my refund back fast. But, I can't help but thinking that I paid someone way too much money for something I could probably do myself.

A couple of my friends have used tax software and they said it was easy. Since my taxes are pretty simple, I bet I can do them using tax software. That said, I don't know a lot about taxes and I'm worried that I might make a mistake. I'm not sure I can get help if I have any questions. And, what if I get audited? I'm afraid there won't be anyone there to represent me. I'll have to ask my friends about all these questions. I can also go online and see what information I can find.

## Finding A Solution

When I asked a friend about the tax software she used last year, she told me that you just answer simple questions. You don't need to fill out any forms. It sounded pretty good. I still wanted to get some more information online. I needed to make sure it would be easy, that I could get it right and that I could get any help I might need. I also wanted to feel comfortable that the site was secure since I'm putting my tax information on it.

So, I went online and googled tax software. A few options came up. I didn't realize there were so many choices! I took a look at the first few options on the page. I've heard of TurboTax, it's the one my friend used, and I remembered seeing some commercials about it on TV. I also noticed that TurboTax offers a Free product, and wanted to check that out. TaxCut also caught my eye because it was from H&R Block. I didn't realize that they offered a tax program, but since I had my taxes done at H&R Block last year, I thought I'd check that one out too. I saw that TaxAct also had a Free program so I decided to check that one out too.

# Ah, TurboTax

When I looked at each of the sites, I quickly read through some information, and tested the products out.

Just like my friend said, TurboTax asked me simple questions about me that I could understand, like “did you buy a house or did you have a baby?” It didn’t ask me tax questions. And TurboTax told me the how much the things that I donated to charity were worth. I didn’t have to figure it out myself. Then TurboTax used all that information to fill out my taxes for me and get me a big refund. I really *didn’t* need to know anything about taxes! A couple of times I had a question, and I found that there was a place on every page that I could ask a question to get my answers right away. I never felt like I was alone.

When I was almost finished with my taxes, TurboTax showed me that my return had a very low risk of being audited, which took away a lot of my worry. And I know I can use the audit support center that I downloaded onto my computer to help me if I ever do get audited.

TurboTax has everything I need so I am confident I can do my own taxes. TurboTax by far, is my preferred choice.

# Competitive Software

- ▶ Pain points with Competitive Software Experience (Reasons for detraction)
  - ▶ Difficult to use / interview confusing (35%)
  - ▶ Not sure I got the all deductions (18%)
  - ▶ Poor product quality (14%)
  - ▶ Too expensive, poor value (12%)
- ▶ Key barriers to using TurboTax
  - ▶ Too expensive / don't see the value for the higher price
  - ▶ Happy with current tax software

# Competitive Software

▶ **Target:**

- ▶ Consumers who used competitive tax software last year, want to use tax software again this year and *perceive* their tax situation to be simple.

▶ **ACB:**

- ▶ I used a tax software program last year, it was pretty easy and a good value. However, there were a couple of times I was a little unsure I was doing them right, but I did my best and ultimately felt OK. My tax return is simple and I plan to use tax software again. All tax software products seem pretty much alike, so I don't see a clear reason why I should use another brand.

▶ **Benefit:**

- ▶ No other software makes it easier to do your taxes than TurboTax.

▶ **Proof Points:**

**Deduction Maximizer**

**Personalized Interview:** TurboTax asks you what life changes have happened in the last year and then tailors the interview to fit your unique situation.

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**Live Community:** On every page, there is help supplied by a live community that relates directly to the subject you're dealing with.

# Hi, I'm Mary

I'm 30 years old, and I live by myself in a one-bedroom apartment. I have been working full-time since graduating from college, and I currently earn \$40,000 a year. I try to put as much money as possible into my 401K, which right now is not a lot. Other than that, I don't really have any investments. I guess you could say that my taxes are pretty simple.





## I Use Software And I Like It

Last year, I used tax software to do my taxes. For the most part it was easy, but I remember there were a couple times I wasn't quite sure I was doing it right. I did my best to answer the questions, and ultimately I felt OK about my taxes. I e-filed my return and was very happy to get my refund back fast. Overall I felt tax software was a good value for the money.

I plan to use software again this year and will likely use the same one I used last year. However, I will probably check out some other products to see what else is out there. I might use a different one if it looked a lot easier and was the right price.

# Checking Out TurboTax

I went to google to find the website for the software I used before and that's when I noticed TurboTax. I've heard of TurboTax and I saw that they had a Free version, so I thought I'd check it out. I also remembered seeing a TV ad talking about how easy it is.

When I went to the TurboTax site, I quickly read through some information but was most interested in trying the product out. Let me tell you, TurboTax is different from the software I used last year. It only asked me questions that were relevant to my situation in language I could understand, like "did you buy a house, or did you have a baby?" It didn't ask me tax questions. And TurboTax told me the how much the things that I donated to charity were worth. I didn't have to figure it out myself. I never felt confused like I did when I used that other software last year. And, when I did have a question, I found that there was a place on every page that I could ask a question to get my answers right away. It was so easy.

When I was almost finished with my taxes, TurboTax told me that that my return had a very low risk of being audited. And, if I ever do get audited, they have this thing called the audit support center to help me with it. I know that 's something my old software didn't do.

Let me see, easy questions about me, easy answers to my questions, less data entry and audit support...I'm glad I made the switch!



**Voice**

# Defining The Voice

**The work that the product team has done provides a nice starting point for providing a practical definition of the TT voice**

- Product Framework
  - Evoke positive emotion
    - Provide emotional support, reassurance, and ongoing sense of accomplishment to make them feel confident.
  - Make it familiar
    - Make design simple and common based on customers' experiences on other sites and products.
  - Speak the user's language
    - Simplify language and eliminate unnecessary words that don't aid in task completion.
  - Make it simple
    - Eliminate exposure to unnecessary complexity, including edge cases
    - Group information into bite-size pieces where it makes sense
  - Provide sense of place
    - Set clear expectations/ provide explanation on why they are asked to enter information
  - Minimize disruptions
    - Keep the experience relevant and timely (purchase, tax prep, upgrade, upsell)

# Defining The Voice

**The product framework requires some additional thinking to expand its use to external marketing communication**

## ▪ **Marketing Framework**

- Mindset: We understand your needs and will guide you to what will work best for you
- Focus: Customer
- Tonality: Informal, confident and helpful without being boastful
- Language
  - Written in the customer's voice using plain English vs. marketing/manufacture language
    - Uses language that is familiar and simple to understand
    - Uses words the customer would use in describing TurboTax
    - Uses short, concise phrases so that the key takeaways are immediately evident
  - Uses words that invoke the concept of mentor
    - Communicate the idea of **actively** helping or supporting
    - Always use language that reinforces that TurboTax actively helps and is looking out for you
  - Uses words that evoke positive emotion
  - Builds confidence ("I can do it")
    - End benefit is tied to the functionality
  - Uses consistent language at all consumer touchpoints (if you say "charitable donations" say it everywhere, don't change to "charitable contributions")
  - Not tax-speak or computer-speak

# The TurboTax Voice

Brand Character: TurboTax is an approachable tax mentor who helps you prepare your taxes

❑ **Focused on why it's right for you, how it will help you, how it will get you to the outcome you desire**

✓ TurboTax Premier is the right choice if you have investments

✗ TurboTax Premier is the perfect tax solution for you

❑ **Written in plain, casual English, using words the customer uses**

✓ TurboTax asks you simple questions to learn about what's changed in your life, then it automatically fills in the right forms

✗ TurboTax customizes itself based on life events that have occurred throughout the year

❑ **Does not use tax or computer jargon**

✓ TurboTax can get your W-2 info from your employer and automatically put it into the right place on your tax return

✗ TurboTax can download your W-2 data

❑ **End Benefit is tied to the functionality**

✓ Cost Basis saves you money by looking up your values for you

✗ Yes you can!  
✗ Cost Basis saves you money  
✗ Cost Basis looks up your values for you

# TT.Com

Yes



Sign In

Compare CD/Download Products >

**TurboTax CD/Download**  
**Get Your Biggest Tax Refund – Guaranteed**  
TurboTax Deluxe maximizes deductions for mortgage interest, donations, education, and more.

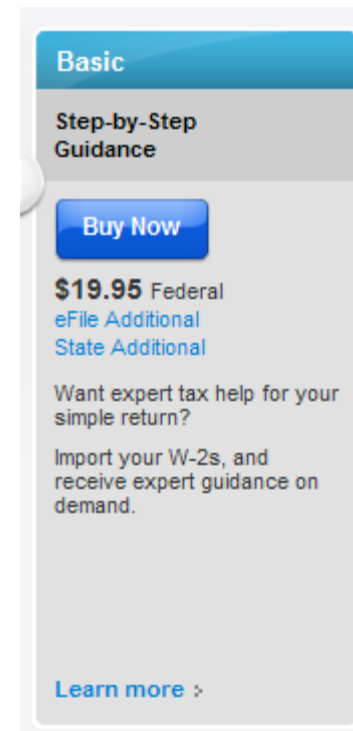
**Buy Now** [Learn more >](#)

- Helps you qualify for more than 350 deductions
- Finds accurate values for items you donated
- Last year the average TurboTax federal refund was \$2,257\*

**Deluxe**  
Maximize Your Deductions

- Focused on why it is right for the customer
- Benefit is tied to the functionality
- Written in plain English with no tax jargon

No



**Basic**

**Step-by-Step Guidance**

**Buy Now**

**\$19.95** Federal  
eFile Additional  
State Additional

Want expert tax help for your simple return?

Import your W-2s, and receive expert guidance on demand.

[Learn more >](#)

- Not focused on why it is right for the customer
- Includes tax/computer jargon

# Packaging

Yes

## Basic

Step-by-step guidance

**Easy for 1<sup>st</sup> Time Users**  
Step-by-Step Guidance

**Which TurboTax is right for you?**

|   | Basic | Deluxe | Premier | Home & Business |
|---|-------|--------|---------|-----------------|
| <b>STEP-BY-STEP GUIDANCE</b>  |       |        |         |                 |
| EasyStep® Interview and Error Check   | ✓     | ✓      | ✓       | ✓               |
| Year-to-year data transfer from TurboTax and other national brands  | ✓     | ✓      | ✓       | ✓               |
| <b>Improved</b> Imports W-2 and 1099 from more institutions than any other software   | ✓     | ✓      | ✓       | ✓               |
| Answers and advice when you need it (via phone, e-mail or chat)   | ✓     | ✓      | ✓       | ✓               |
| E-file and get your refund in as few as 9 days (e-file fees apply)  | ✓     | ✓      | ✓       | ✓               |
| <b>FOR DEDUCTIONS</b>   |       |        |         |                 |
| One TurboTax State product via download (\$29.95 value!)  |       | ✓      | ✓       | ✓               |
| <b>Improved</b> ItsDeductible® accurately values charitable donated items (\$19.95 value!)  |       | ✓      | ✓       | ✓               |
| Deduction Interview helps maximize home, investments, education and medical expenses  |       | ✓      | ✓       | ✓               |
| <b>Improved</b> Easily handles changes in your tax situation such as:<br><b>a new job, buying or selling a home or a change in marital status</b> |       | ✓      | ✓       | ✓               |
| <b>New</b> Full suite of Audit Support tools no matter how your return is filed   |       | ✓      | ✓       | ✓               |
| <b>FOR INVESTMENTS</b>  |       |        |         |                 |
| Help for sales of stocks, bonds, mutual funds, employee stock options and Employee Stock Purchase Plans (ESPPs)                                   |       | ✓      | ✓       |                 |
| Tax-saving tips for IRAs and 401(k)s  |       | ✓      | ✓       |                 |
| <b>Improved</b> Cost Basis expert quickly tracks and calculates historical cost basis   |       | ✓      | ✓       |                 |
| Extra guidance for rental property income, expenses & refinancing   |       | ✓      | ✓       |                 |
| <b>FOR SCHEDULE C BUSINESSES</b>  |       |        |         |                 |
| Maximizes home office, vehicle and other business deductions and shows what start-up costs new businesses can deduct                              |       |        | ✓       |                 |
| <b>Improved</b> Customized expense entry based on your specific industry  |       |        | ✓       |                 |
| <b>Improved</b> Walks you through calculating and reporting Asset Depreciation  |       |        | ✓       |                 |

**Guaranteed Easy**

Try TurboTax software. If you're not fully satisfied, return it within 60 days of purchase with your dated receipt for a full refund of the purchase price.

**Accurate Calculations Guaranteed**

If you pay an IRS or state penalty or interest because of a TurboTax calculation error, we'll pay you the penalty and interest.

**Maximum Refund Guaranteed**

If you get a larger refund or smaller tax due from another tax preparation method, we'll refund the applicable TurboTax federal and/or state product purchase price you paid to Intuit (parent company of TurboTax) or an authorized distributor.

**MAXIMUM REFUND GUARANTEE**

TurboTax "Free" products are excluded. Claims must be submitted within 90 days of your TurboTax filing date and no later than 02/28/07. To qualify, the larger refund or smaller tax due must be attributable to TurboTax. In case you provided the introduction of the product. We are your partner that get customers to the new 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th. This guarantee cannot be combined with the TurboTax Satisfaction Guarantee.

- Benefit is tied to the specific feature, which resonates strongly with customers
- Tells customers what they're going to get

No

**America's Most Trusted Name in Tax Software**

**You can do it!**

- Asks questions in plain English and fills out the right forms
- Answers and advice any time, any way you need it
- Patented Audit Risk Meter—helps reduce your chance of an audit

**Trust the experienced leader**

- #1 rated, #1 best-selling tax software year after year
- Helping taxpayers prepare federal and state returns for over 20 years
- Over 200 million returns filed

**Get the biggest refund you deserve**

- Uncovers over 350 deductions and shows how much you save
- E-file and get your refund in as few as 9 days
- ItsDeductible® accurately values items donated to charity

**Which version is right for you?**

|  | Basic | Deluxe | Premier | Home & Business |
|--|-------|--------|---------|-----------------|
| Step-by-step guidance for simple returns   | ✓     | ✓      | ✓       | ✓               |
| Maximize deductions for mortgage interest, donations, education and more                 |       | ✓      | ✓       | ✓               |
| Ideal for investments and rental property—plus helps with stocks, bonds and mutual funds |       |        | ✓       | ✓               |
| For personal and small business taxes  |       |        |         | ✓               |

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If you pay an IRS or state penalty or interest because of a TurboTax calculation error, we'll pay you the penalty and interest.

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If you get a larger refund or smaller tax due from another tax preparation method, we'll refund the applicable TurboTax federal and/or state product purchase price you paid to Intuit (parent company of TurboTax) or an authorized distributor.

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- Focus is on the end benefit not tied to the functionality that delivers the benefit
  - Marketing copy around you can do it and trust perceived as negative

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# Direct

Yes

**Risk-FREE TURBOTAX® CD —  
TRY BEFORE YOU BUY!**

**The easy way to  
maximize your refund!**

- ✓ You don't need to know a thing about taxes
- ✓ Asks you simple questions, fills out the right forms
- ✓ Audit Risk Meter™ helps you reduce your chance of an audit



**TurboTax**  
Federal + State  
Deluxe  
Maximize Your Deductions

**Maximum Refund Guaranteed!**  
See Inside

Tax Year 2007 · Full Edition

No

**YES, YOU CAN! JOIN THE  
MILLIONS WHO FILE WITH TURBOTAX!**

- ✓ **EASY!** Asks simple questions and automatically fills out the right forms
- ✓ **ACCURATE!** Double-checks for errors, and offers Audit Defense (Additional fees apply)
- ✓ **COMPLETE!** Checks to see if you qualify for over 350 deductions
- ✓ **GUARANTEED!** Calculations are guaranteed 100% accurate<sup>1</sup>



**TurboTax**  
Federal + State  
Deluxe  
Deduction Maximizer

**TRY BEFORE YOU BUY**  
Full Edition Enclosed

# Merchandising

Yes



No



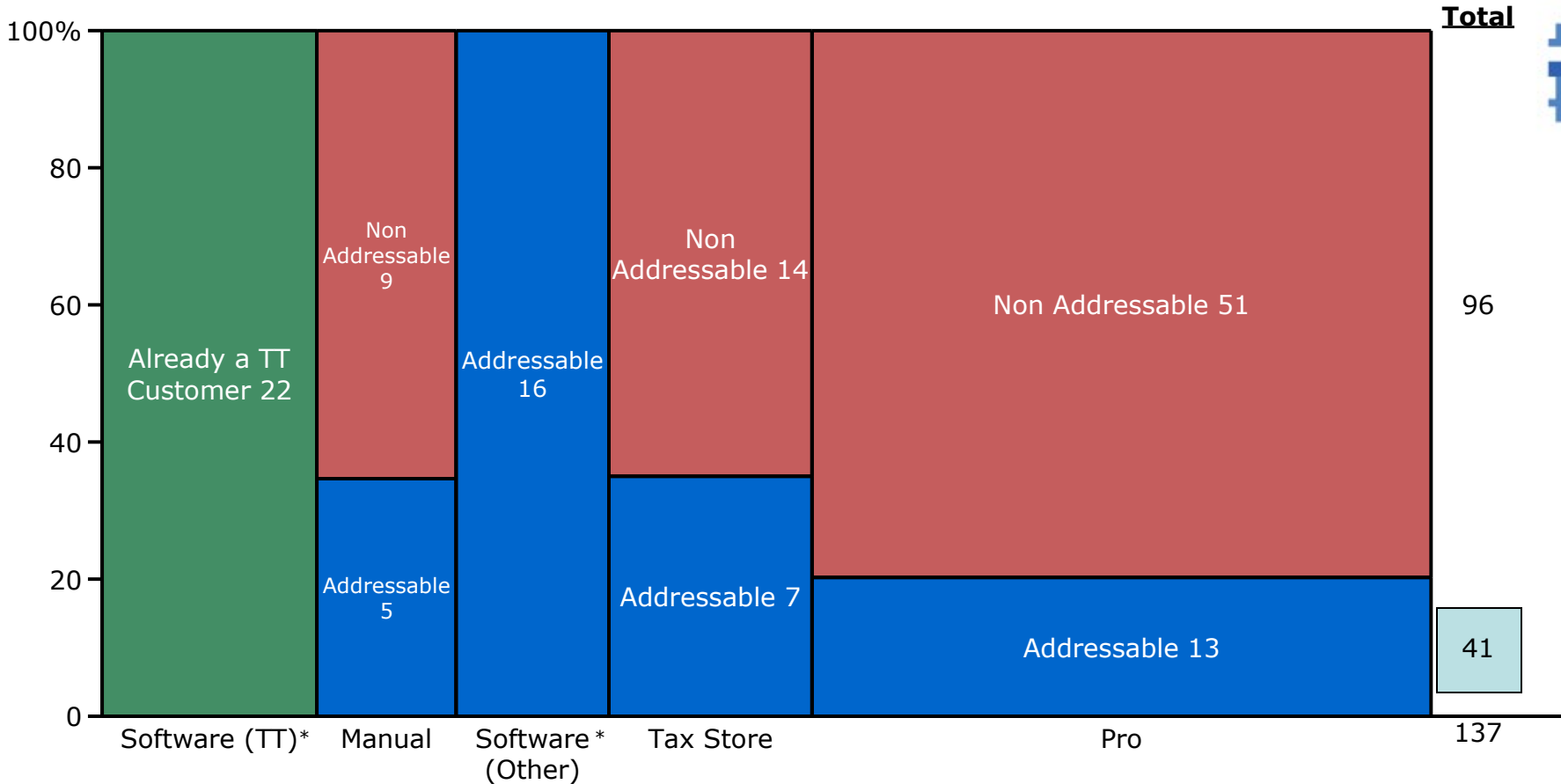


# Appendix

# TurboTax Addressable Customer Prospects

Percent of Segment

Returns in Millions



**Total**

22

14

16

21

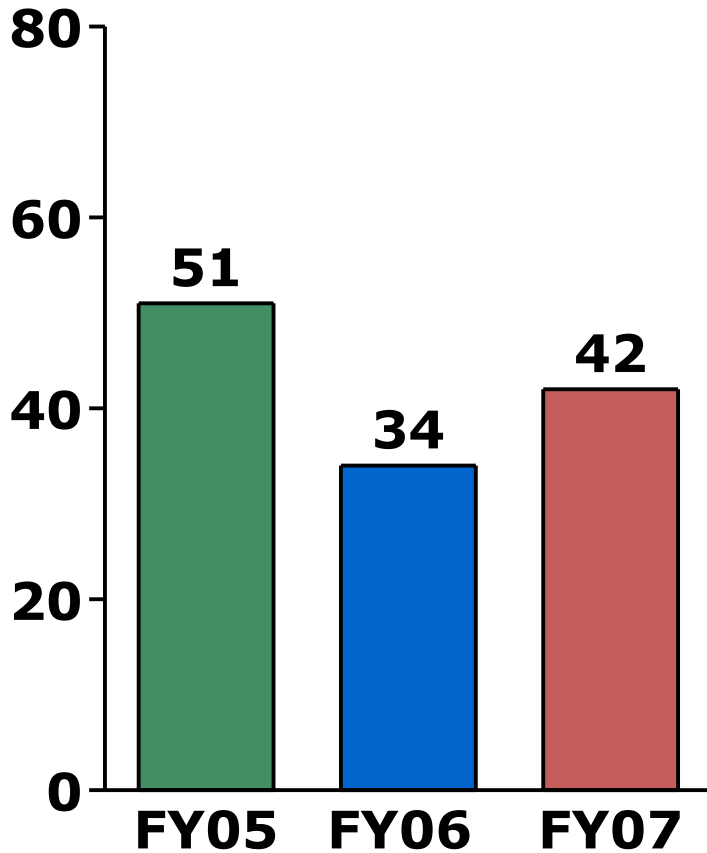
64

Source: Internal estimates based on surveys

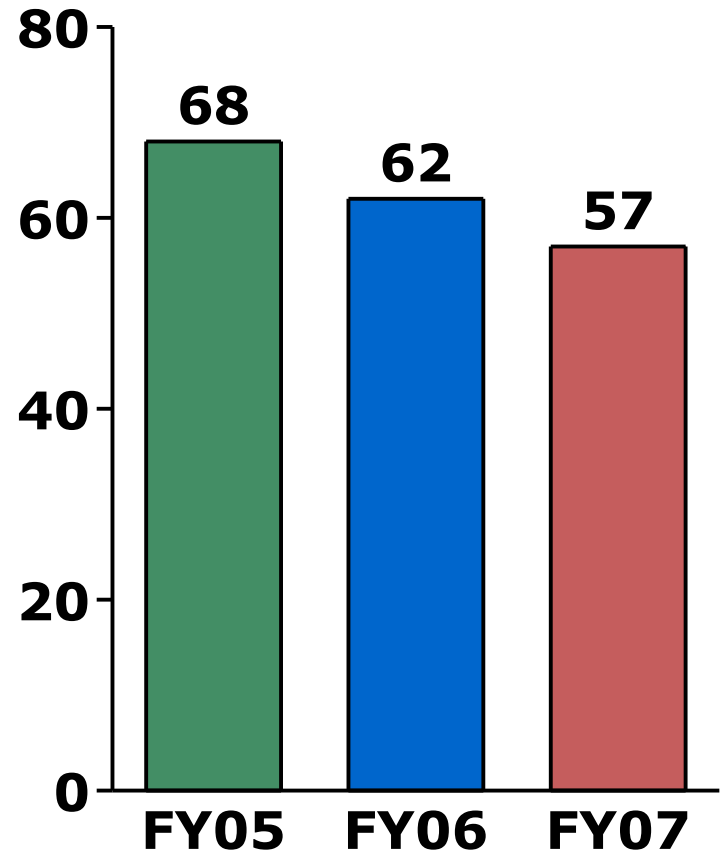


# Net Promoter Over Time

## Desktop



## Web

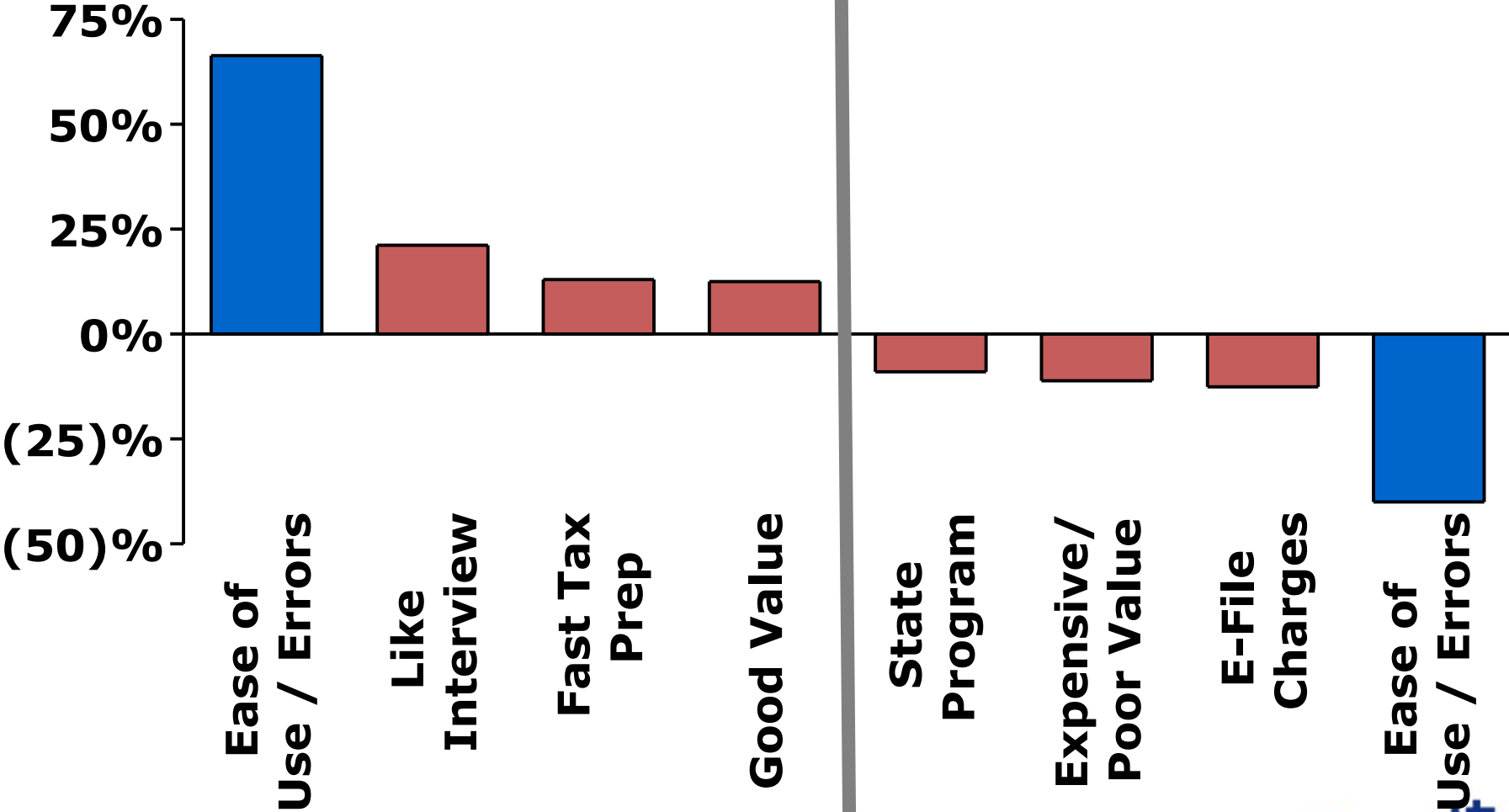


Source: Customer survey

# Net Promoter Drivers

## Desktop Promoters

## Desktop Detractors



Source: Customer survey

# Single-Minded Ease Communication

- ▶ It ownable and differentiates TT within the competitive set; no competitor communicated ease only



—————> The confidence of having “your people”



—————> You can get direct access to a professional



—————> We can handle any tax situation



—————> Do your taxes for free



—————> **EASE**

- ▶ It's a key consumer benefit; TT is most associated with easy
- ▶ It effectively neutralizes HRB communication
- ▶ TurboTax is so EASY, consumers' won't need 'people'