



2014 TAX SEASON TRENDS: The Returns Are In

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THE RUNDOWN

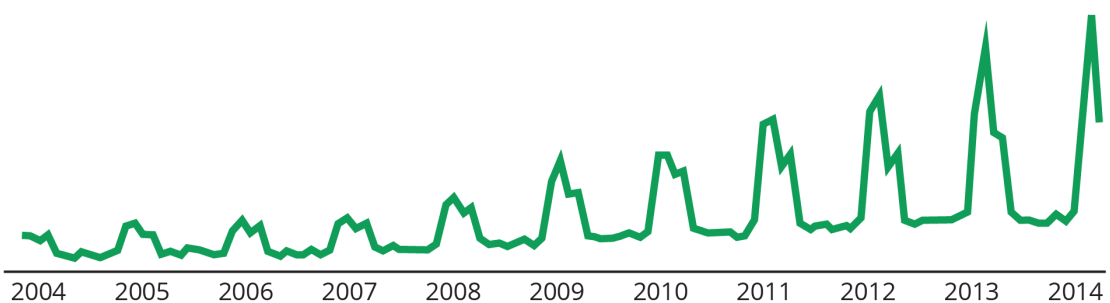
Taxes may be one of the only certainties in life, but in our digital world, the way we pay them is changing. Taxpayers are now turning to the web at every step, from preparing their returns to spending their refunds. This also means big changes for marketers looking to reach them. As Tax Day draws near, we look at consumer trends across search, video and mobile to see how brands are responding.

More people searching online for tax advice

Stacks of paperwork have given way to simpler online software and tools that ease the burden of filing taxes. According to the IRS, 85% of all returns were filed electronically in 2013. A Google Consumer Survey from December 2013 through March 2014 showed that 30% of people preferred to work with a tax prep professional.

So it makes sense that people are not only filing their taxes online but also looking for how-to information online throughout the prep process. How-to searches related to tax preparation are up 37% since 2012 and started trending earlier in the season than last year, suggesting that people are starting their taxes sooner and doing more of the work themselves. Searches for tools such as “calculators” and “estimators” are strong in January and February, whereas the terms “extension” and “refund” terms peak later in the season.

Searches for “How” Questions Related to Taxes



Source: Google Data, 2004–2014, Indexed Search Query Volume, United States.

Searches for “how-to” tax videos on YouTube have risen sharply over the past three years—up 254% since 2011. This is a huge opportunity for brands to chime in with helpful answers through video content, driving consideration and brand love. [TurboTax](#) is doing just that on its YouTube brand channel with a playlist of videos devoted to tax tips. Topics include common deductions, explanations of tax law and advice for small business owners, a top how-to tax query on YouTube. By monitoring search trends throughout the season, brands like this can make sure they are hitting on the most popular and pertinent topics, and surfacing their content to those who are most interested.

Top 10 How-To Tax Queries on YouTube

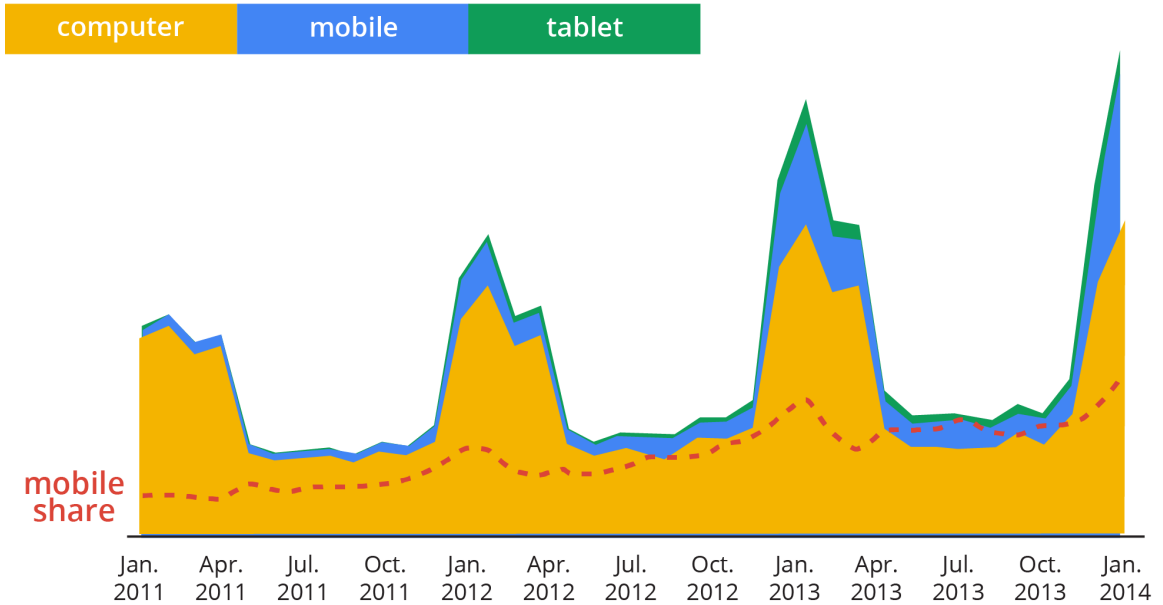


Source: Google Data, 2014, Indexed Search Query Volume, United States.

Mobile searching for tax information on the rise

Not only are people searching more online, but they're also searching across devices, with the mobile share of tax-related searches up 80% since 2012. With more consumers looking for tax information on their mobile devices, it's incredibly important for brands to ensure their sites are mobile optimized. If a mobile site doesn't meet expectations, consumers will typically leave. In fact, according to a [Google study](#), people are five times more likely to abandon a task if the website isn't optimized for mobile use.

Mobile Share of Search Interest in the Tax Category

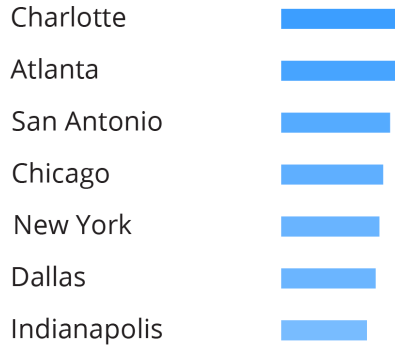
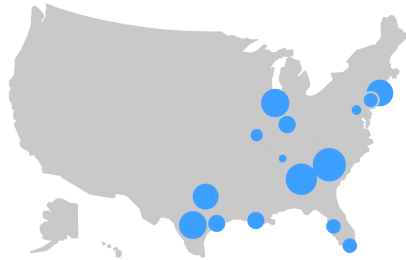


Source: Google Data, Jan. 2011–Jan. 2014, Indexed Search Query Volume, United States.

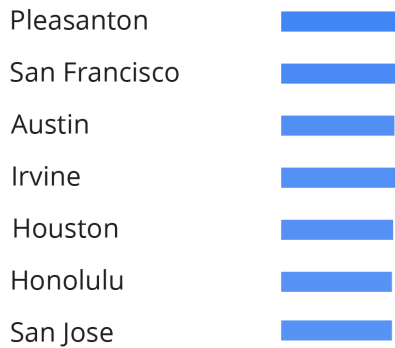
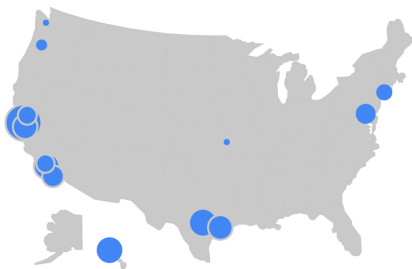
Trending searches across geographies

Not all taxpayers have the same interests and concerns, and it's striking to look at regional differences when looking at top rising queries around tax season this year. For example, we see that searches for "refund" are more prominent in the south, whereas searches for "extension" pop out on the coasts. In Florida, people are searching most for tax-related "identity theft," an issue that's become more prominent in recent years.

Regional Interest in Tax “Refund”



Regional Interest in Tax “Extension”



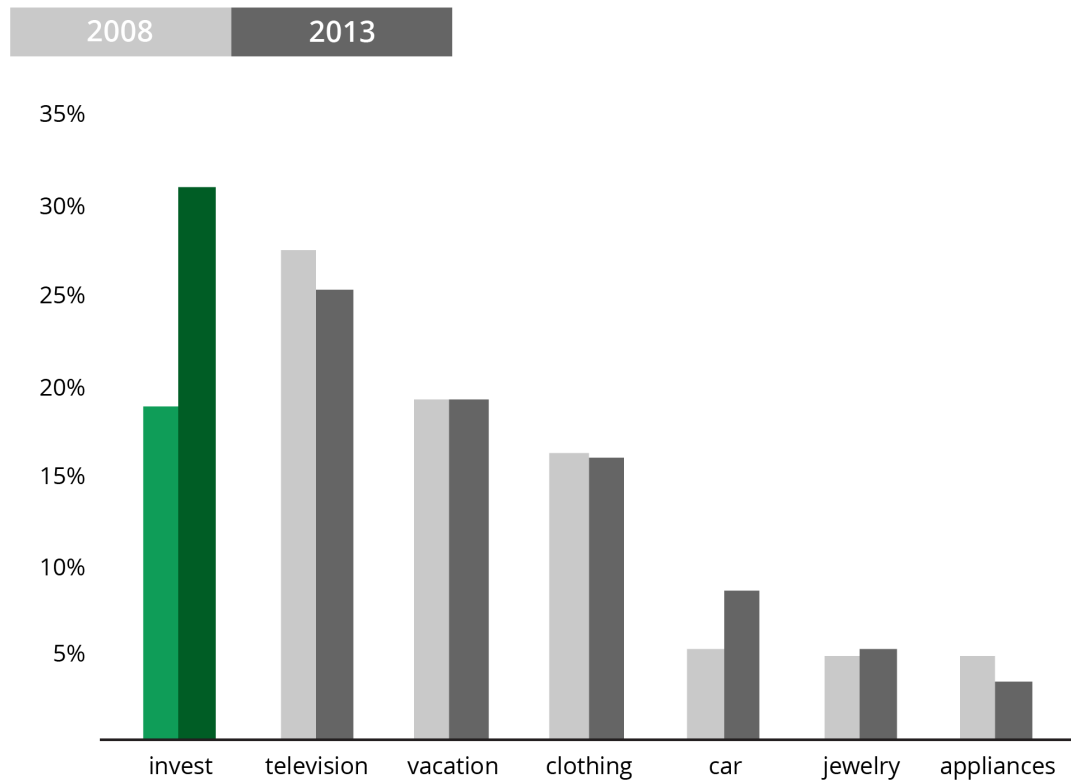
Source: Google Data, 2004–Present, Indexed Search Query Volume, United States.

Another search trend this tax season involves joint filing for same sex couples. Now that same-sex couples can file federal returns [jointly for the first time](#), searches are up 70% compared with last year. Searches were highest in California, followed by New York, Texas, Illinois and Massachusetts.

Planning to spend refunds on the coasts

Tax refunds can be an unexpected pay day, but will consumers spend or save this year? Search trends can't give us all the answers, but they can provide some hints. In 2008, people searching for tax refunds were *also* searching for televisions more than investments. In 2013, however, the reverse was true. Investments took the lion's share of search interest at 31%, as compared with 19% in 2008.

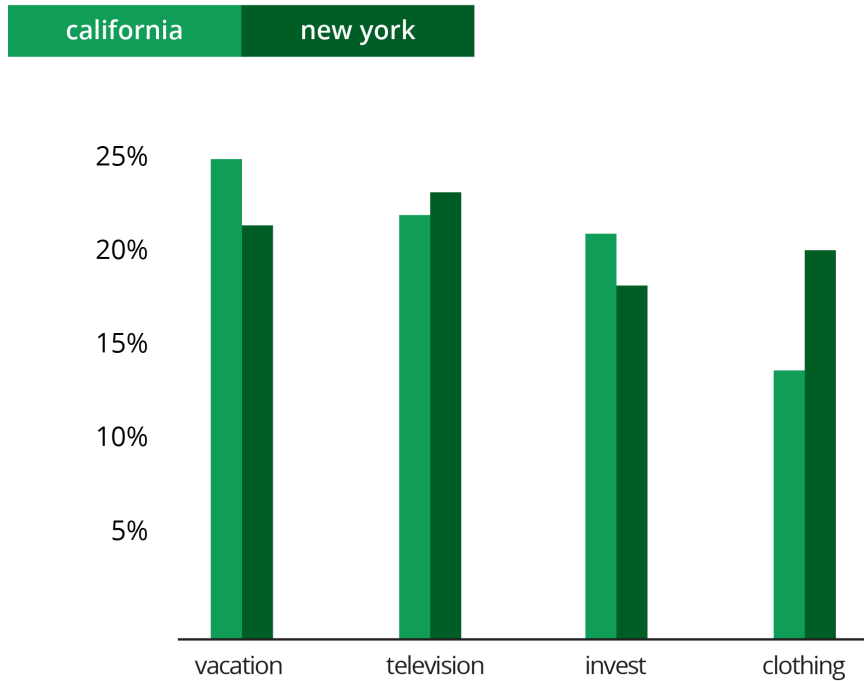
Search Interest Share Among Tax Refund Searchers: 2008 vs. 2013



Source: Google Internal Data, 2008 and 2013, Search Interest Share, United States.

However, this was not true on the coasts. In New York and California, the top five searches related to tax refunds were for purchases, with “television” and “vacation” coming out on top. This is another fascinating example of geographical differences coming into play. For marketers in auto, tech, retail and travel, this might suggest where to invest media dollars come Tax Day.

Search Interest Share Among Tax Refund Searchers in 2013: New York and California



Source: Google Internal Data, 2013, Search Interest Share, New York and California.

This tax season, consumers went online to file and searched more on their mobile devices than ever before. They turned to the web throughout the tax prep process, seeking out instructional content and watching “how-to” videos on YouTube. We saw that not all taxpayers search alike, though. Geographic differences point to how brands can adjust their marketing strategies by region. As Tax Day draws near, financial institutions have an opportunity to reach refund investors across the country, while retailers should keep their eyes on the coasts.