Q4 2020 Earnings Call

Company Participants

- Kim Watkins, Vice President, Investor Relations
- Michelle Clatterbuck, Chief Financial Officer
- Sasan Goodarzi, President & Chief Executive Officer

Other Participants

- Brad Reback, Analyst
- Brad Zelnick, Analyst
- Brent Thill, Analyst
- Jennifer Lowe, Analyst
- Josh Beck, Analyst
- Kartik Mehta, Analyst
- Ken Wong, Analyst
- Kirk Materne, Analyst
- Mark Rende, Analyst
- Michael Millman, Analyst
- Michael Turrin, Analyst
- Robert Simmons, Analyst
- Scott Schneeberger, Analyst
- Siti Panigrahi, Analyst
- Sterling Auty, Analyst

Presentation

Operator

Good afternoon. My name is Latif and I will be your conference facilitator. At this time, I would like to welcome everyone to Intuit's Fourth Quarter and Fiscal Year 2020 Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer period. (Operator Instructions)

With that, I'll now turn the call over to Kim Watkins, Intuit's Vice President of Investor Relations. Ms. Watkins?

Kim Watkins {BIO 19461042 <GO>}

Thanks, Latif. Good afternoon and welcome to Intuit's Fourth Quarter Fiscal 2020 Conference Call. I'm here with Intuit's CEO, Sasan Goodarzi and Michelle Clatterbuck, our CFO. Before we start, I'd like to remind everyone that our remarks will include forward-looking statements. There are a number of factors that could cause Intuit's results to differ materially from our expectations. You can learn more about these risks in the press release we issued earlier this afternoon, our Form 10-K for fiscal 2019 and our other SEC filings. All of those documents are available on the Investor Relations page of Intuit's website at intuit.com.

We assume no obligation to update any forward-looking statements. Some of the numbers in these remarks are presented on a non-GAAP basis. We've reconciled the comparable GAAP and non-GAAP numbers in today's press release. Unless otherwise noted, all growth rates refer to the current period versus the comparable prior year period and the business metrics and associated growth rates refer to worldwide business metrics. A copy of our prepared remarks and supplemental financial information will be available on our website after this call ends.

And with that, I'll turn the call over to Susan.

Sasan Goodarzi {BIO 15750219 <GO>}

Thanks, Kim. Thanks to all of you for joining us today. I hope you're all safe and well. We had a very strong fourth quarter, capping-off a dynamic fiscal year 2020. Full-year revenue grew 13% and operating margin expanded. Total revenue growth was fueled by 15% growth in the Small Business and Self-Employed Group and 13% growth in the Consumer Group. QBO and TTO platform revenue totaled $4.8 billion in fiscal year 2020, growing 22% year-over-year. With our AI driven expert platform strategy and the focus on our 5 big bets, we're building momentum and accelerating innovation in the current environment, which we believe positions us well for durable growth in the future. Since we just finished tax season, let's start there.

This tax season was like no other and our team delivered a strong season in uncertain environment by executing on our strategy of expanding our lead in the Do-It-Yourself category, transforming the assisted category and disrupting consumer finance. Based on our estimates, excluding stimulus filings of approximately 7 million to 8 million, the Do-It-Yourself category share grew over 2 points this season. We grew our share of total returns and posted a 11% customer growth, the strongest in 4 years, while growing revenue double digits for the third year in a row. We grew the base of customers paying us nothing just over 20%, posted double-digit growth of new customers across under penetrated segments including Latinx, self-employed and customers with investments and grew TurboTax Live customers nearly 70%.

Now turning to Small Business. Revenue for the Small Business and Self-Employed Group grew 16% in the fourth quarter and 15% for the year. Online Ecosystem revenue grew 29% in the fourth quarter, including 4 points of non-reoccurring revenue from the Paycheck Protection Program and 31% for the year. We are seeing the resiliency of our platform following a dip in demand earlier this year when shelter-in-place shutdown many small businesses. We're now seeing recovering trends across our platform including improved retention rates, payments volume and employees paid with our payroll offerings, as customers continue to rely on QuickBooks as the source of truth for their business. With that said, there remains a great deal of uncertainty in the market, particularly for small businesses, as the pandemic continues to run its course.

Next I'll turn to the progress of our AI driven expert platform strategy and how we are executing against our 5 big bets. These big bets focus on the largest problems our customers face and represent durable growth opportunities for Intuit. I will cover big bet number one last as it accelerates innovation across our platform and is foundational to the other bets. Big bet number 2 is connect people to experts, one of the largest problems our customers face is lack of confidence to do their own taxes and to manage their business. We're connecting customers to experts on our platform to solve this problem with TurboTax Live and QuickBooks Live, allowing us to reach more customers, deepen our engagement and grow ARPC.

Within TurboTax Live, we had a terrific season. The number of TurboTax Live customers grew nearly 70%. We provided new ways for customers to access and experts throughout the filing process, contributing their per share retention and conversion rate increasing several points. And almost 70% of new TurboTax customers who used our live offering came from an assisted method the prior year, a higher percentage that TurboTax online.

For experts on our platform, we saw higher satisfaction scores and lower attrition as we focused on improving the expert experience. For QuickBooks Live, we're proud of the progress we've made this year, building on their virtual expert platform we created for TurboTax Live. With the rapid adoption of virtual solutions, we continue to see encouraging early signs for QuickBooks Live, as we further develop the offering with a higher percentage than expected of customers upgrading to a monthly subscription from our set-up offering we introduced in January.

Our third big bet is to unlock smart money decisions by connecting customers with financial offerings that help put more money in their pocket. In its third season, we more than doubled monthly active use for Turbo and increased customer retention rates, as we grew registered users by 8 million to 22 million. This suggests customers are finding value from our recently introduced innovation such as refund tracking and goal setting. We expect our pending acquisition of Credit Karma to be more important than ever in this challenging environment, as we work to help consumers save money, get out of debt and have faster access to money.

We continue to expect the transaction to close in the second half of calendar year 2020. Our fourth big bet is to become the center of Small Business growth by helping our customers get paid fast, manage capital, pay employees with confidence and grow in an omnichannel world. We recently launched QuickBooks Cash, a small business bank account that provides full visibility into small businesses current and future financial picture with the ability to move money instantly and to ensure this money is working for them, while leveraging the built-in accounting capabilities of QuickBooks.

The cash account earns an attractive interest rate, enable Small Business with a set aside funds for upcoming expenses and envelopes and comes with a debit card. It's fully integrated with QuickBooks payments and payroll enabling a Small Business to pay a worker or vendor the same day they receive the funds from a customer. It also includes an integrated cash flow planner to predict future cash needs. We're very excited to learn fast and scale this new innovation. We continue to support our Small Business customers by helping them access to Paycheck Protection Program or PPP in QuickBooks Capital.

As of July 31st, Intuit helped make available just over $1.2 billion of approved small business loans to customers. We've helped approximately 37,000 small business access to loans, with the average loan of nearly $38,000, keeping over 220,000 employees on payrolls. Finally, following the announced acquisition of TradeGecko's robust inventory and order management system, we look forward to sharing more with you at Investor Day about how we will integrate these capabilities into QuickBooks to help small businesses manage and grow in an omnichannel environment.

Our fifth big bet is to disrupt the Small Business mid-market with QuickBooks Online Advanced, designed to address the needs of small businesses with 10 to 100 employees. Throughout the last year, we introduced features to help customers individually tailor the offerings to their needs, including workflow automation, build your own dashboard, custom fields for expense transactions and batch invoicing and payment. We also continue to work closely with partners to status deeper integrations with premium apps, with the goal to save our customers time by personalizing the offering and improving their experience. Now more than ever, a simple, flexible cloud offering is needed by mid-market customers at a disruptive price.

Let me wrap up our big bets my circling back to big bet number one, which is our foundational bet so revolutionized speed to benefit for our customers. Our goal is to put more money in our customers' pockets, eliminate friction and deliver confidence at every touch point by using AI and customer insight. Here are a couple of examples of the progress that we're making.

First, we accelerated use of AI and increased the number of models deployed across our platform by over 50% this year. This increased use of AI drove a variety of customer benefits, including saving customers' 25,000 hours with self-help and cutting expert review time in half improving customer confidence. Second, we completed the migration of our data centers to the cloud, while expanding our core technology capabilities. This enabled us to decrease downtime by 30%, triple the speed of delivery on our modern development platform and increase mobile application deployments by 60%. We can now launch new features in a fraction of the time at one step and deliver customer benefit with even greater speed. As I said earlier, we believe the current environment is acting as an accelerant to these bets, most everyone is looking for virtual solutions, Small businesses are accelerating their shift to online and omnichannel commerce and both consumers and small businesses are looking for ways to put more money in their pockets.

To wrap up, I'm incredibly proud of our accomplishments this year. We remain focused on what matters most to our customers and what we can control during this time of uncertainty. Now, let me hand it over to Michelle.

Michelle Clatterbuck {BIO 20314804 <GO>}

Thanks, Sasan. Good afternoon, everyone. We're successfully executing on the principles we laid out last quarter for operating in a downturn. These principles are designed to accelerate our execution and help both our customers and Intuit emerge from a downturn stronger than ever. Let me now turn to our results.

As a reminder, fourth quarter results reflect a shift of a significant portion of tax filings out of the third quarter and into the fourth quarter. For the fourth quarter of fiscal 2020, we delivered revenue of $1.8 billion, GAAP operating income of $483 million versus a loss of $153 million last year. Non-GAAP operating income of $616 million versus a loss of $47 million last year. GAAP diluted earnings per share of $1.68 versus a loss per share of $0.17 a year ago. And non-GAAP diluted earnings per share of $1.81 versus a loss per share of $0.09 last year.

Turning to the business segments. Consumer Group revenue grew 13% in fiscal 2020. TurboTax units grew 11% and our retention rate increased again this year for our online tax customers. There are four primary drivers in our consumer business. The first is the total number of returns filed with the IRS. Based on the latest IRS data through July 24th, we estimate total returns including paper filings grew 3% to 4%. This excludes approximately $7 million to $8 million stimulus only filing. The second is the percentage of those returns filed using Do-It-Yourself software. Excluding stimulus only filings, we estimate category share grew over 2 points this season, the fastest pace in 15 years. As a reminder, DIY category growth is our largest revenue growth lever.

The third driver is our share within DIY. Excluding stimulus only filings we estimate our share of total tax returns grew over 1.5 points and our share of the category was flat. The fourth is average revenue per return which increased again this season. The growth reflects a stronger contribution by TurboTax Live and minor price increases in the premier product and state attach.

Turning to the Strategic Partner Group, we reported $493 million of professional tax revenue in fiscal 2020, up 4%. In the Small Business and Self-Employed Group, revenue grew 16% during the quarter and 15% in fiscal 2020, including non-recurring PPP revenue. Excluding PPP, Small Business and Self-Employed Group revenue grew 13% during the quarter and 14% in fiscal 2020, reflecting the impact of the pandemic on small businesses. Online Ecosystem revenue remained resilient, with growth of 29% during the quarter and 31% during the year, including non-recurring PPP revenue. Excluding PPP, Online Ecosystem revenue grew 25% in fiscal Q4 and 30% in fiscal 2020. Our strategic focus within Small Business and Self-Employed is to grow the core, connect the ecosystem and expand globally.

Last quarter I shared recent business trends and I'd like to update you on those same trends compared to pre-COVID levels in the first half of the third quarter. First, we continue to focus on growing the core. QuickBooks Online accounting revenue grew 34% in fiscal Q4, driven mainly by customer growth, higher effective prices and to a lesser extent mix shift.

During the fourth quarter, QBO new customer acquisition accelerated by approximately 10.0 versus the second half of the third quarter, but it's still down 5 points from pre-COVID levels. Retention within the existing customer base improved during Q4, but full-year QBO retention is down 2.0 to 77%. Second, we continue to focus on connecting the ecosystem. Online services revenue grew 21% in fiscal Q4, driven by payments, PPP loans, payroll and time tracking. Excluding non-recurring PPP revenue, online services revenue grew 12%. Within payroll, we continue to see revenue tailwinds during the quarter from a mix shift to our full-service offering.

The number of workers paid was roughly flat year-over-year in the fourth quarter, improving from a 10% year-over-year decrease during the second half of the third quarter, but still 20 points below pre-COVID level. Similarly, the number of companies running payroll grew approximately 10% year-over-year in the fourth quarter, improving from flat year-over-year in the second half of the third quarter. This is still 5 points below pre-COVID levels. Within payments, revenue growth reflects continued customer growth, along with an increase in charge volume per customer. Payment charge volume grew 15% in the fourth quarter, improving from flat year-over-year in the second half of the third quarter. This is still 15 points below pre-COVID levels.

Third, our progress expanding globally added to the growth of Online Ecosystem revenue during fiscal Q4. Total international Online revenue grew 31%, reflecting subscriber and ARPC growth earlier in the fiscal year. Desktop Ecosystem revenue was up 3% in the fourth quarter and roughly flat for the year. Excluding non-recurring PPP revenue, Desktop Ecosystem revenue was flat in the fourth quarter.

The decline in desktop units moderated in the fourth quarter and QuickBooks Desktop Enterprise revenue grew mid-single digits. Intuit help facilitate more than $1.2 billion in small business loans from the Paycheck Protection Program through QuickBooks Capital. This resulted in approximately $30 million in non-recurring revenue in the fourth quarter.

Turning to our financial principles. We remain committed to growing organic revenue double-digits and growing operating income dollars faster than revenue. We take a disciplined approach to capital management, investing the cash we generate in opportunities that yield an expected return on investment greater than 15%. We continue to focus on reallocating resources to top priorities with an emphasis on becoming an AI driven expert platform. These principles remain our long-term commitment that we recognize that we may not be able to achieve them in the current environment.

During the fourth quarter, we refocused our investments to ensure our capabilities are aligned against our AI driven expert platform strategy and big bets. This resulted in the departure of over 700 employees and a one-time charge of $43 million in both GAAP and non-GAAP results. We plan to hire about 700 employees in our most strategic areas including systems, full staff and data engineering, data science, customer success and sales.

Turning back to our financial principles. Our first priority for the cash we generate is investing in the business to drive customer and revenue growth. We consider acquisitions to accelerate our growth and fill out our product roadmap. We return excess cash that we can't invest profitably in the business to shareholders via both share repurchases and dividends. We finished the quarter with approximately $7.1 billion in cash and investments on our balance sheet.

In June, we issued $2 billion in senior notes to fund a portion of the Credit Karma acquisition and for other general corporate purposes. These notes carry a blended coupon rate of 1.15%. Following the end of the quarter, we repaid the $1 billion balance on our revolver. We did not repurchase any stocks during the fourth quarter, as we have temporarily suspended share purchases in conjunction with the Credit Karma acquisition. We have approximately $2.4 billion remaining on our authorization and we expect to be in the market in the future. The Board approved a quarterly dividend of $0.59 per share, payable October 19, 2020. This represents an 11% increase versus last year.

Looking ahead to fiscal 2021, while we are not providing company level guidance today, reflecting uncertainty and small business trends, we believe the current environment accelerated our consumer results this season, creating a more challenging comparison for next year. We see several scenarios for how the economic recovery may impact our Small Business performance and that we are considering as we run the business. The first scenario is that the pace of economic recovery continues at its current pace, reaching normalized growth in the spring of 2021. Under this scenario, we could see Small Business and Self- Employed Group revenue grow high single digits.

The second scenario is a more gradual opening of the economy including ongoing headwinds from small business failures. This W-shaped recovery assumes cases increased during the winter months, coinciding with our peak season in the US. Under this scenario, we could see Small Business and Self-Employed Group revenue grow mid-single digits.

The third scenario is a choppy recovery and more than one wave of small business failures or shutdowns, creating a double W-shaped recovery. Under this scenario, we could see Small Business and Self-Employed Group revenue flat to up low-single digits.

In addition, we expect slower Small Business and Self-Employed revenue growth in the first half as compared to the second half of fiscal 2021. We supported customers during the second half of 2020 by delaying price increases, migration to our new payroll offerings and upgrades to QBO Advanced. As a reminder, we began rolling out a QBO price increase in first quarter of fiscal 2020 and will start lapping the full impact of that increase in the second quarter of fiscal 2021. Keep in mind that there is also a lagging impact to QuickBooks Online accounting revenue from the slower customer acquisition and higher attrition we experienced during third quarter.

To reiterate, our long-term expectations include revenue growth of 8% to 12% for the Consumer Group and 10% to 15% for the Small Business and Self-Employed Group. We continue to expect Online Ecosystem revenue growth of more than 30% longer-term. Lastly, we expect a GAAP and non-GAAP tax rate of 23% for fiscal 2021.

And with that, I'll turn it back over to Sasan.

Sasan Goodarzi {BIO 15750219 <GO>}

Great. Thanks, Michelle. I'm very proud of the team and all that we've accomplished together in fiscal year 2020. We're uniquely positioned to make a positive impact on the world as our mission has never been more meaningful than now the power of prosperity around the world. I look forward to sharing with you how our strategy of an AI driven expert platform and our 5 big bets are accelerating innovation at our virtual Investor Day on September 23rd.

Let's now open it up to your questions.

Questions And Answers

Operator

(Operator Instructions) Our first question comes from the line of Brad Zelnick of Credit Suisse. Your line is open.

Q - Brad Zelnick {BIO 16211883 <GO>}

Excellent. Thank you so much and congrats on a really strong finish to the year. Sasan, I wanted to get your take on some recent forecasts that have been made by the IRS that there would be about 37 million fewer W-2 employee classified jobs in 2021, with this lower level of employment persisting through 2027. And they also see fewer filings of 1099 forms and about $1.6 million more gig workers. So number one, how important or accurate do you think these forecasts are? And two, does this reality or environment impact how you'll be thinking about the medium-term growth algorithm of the tax business, especially as it relates to overall filings?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Sure. Thanks, Brad. I hope all is well with you my friend? So let me -- I'm aware of the stats, maybe if I can just touch on history and touch on how we think about the future. If I take us back to the recession in 2008 and the way that played out in '08 and '09, what we in essence saw the filings as they were kind of flat to down just a little bit. And so even in very tough times, you saw a general flat environment when it came to number of filings. Now these times are a bit different than '08 and '09, but history is always important to look at. When we look ahead a couple of things, one is unemployment was very low at the beginning of this fiscal year and unemployment also gets taxed. And so when we think about 2021 and beyond, there may be -- the filings may be down a bit or they may be close to flat. It does not at all change our strategic focus.

And just as a refresher, we are really focused on expanding our lead in the Do-It-Yourself category. There is still a massive opportunity that I believe we're just getting started in transforming the assisted category. And so when you look at our penetration in the assisted category, when you look at the opportunity, we still have an expanding the Do-It-Yourself category. We believe that the long-term expectations of what we've set around 8% to 12% Consumer Group revenue growth still stands. But that's how we think about the couple of years that are upcoming given the number of folks that are unemployed.

Q - Brad Zelnick {BIO 16211883 <GO>}

Thank you so much for that, Sasan. And Michelle, if I could just follow-up with you on your comments about a difficult compare in tax into this year. Specifically, if we think about the very strong penetration in growth in TTL, is it fair to say that investors should expect slowing of the penetration rate just because I mean this year seems to have been clearly a perfect storm if anybody were to enter the category and especially to try TTL, how are you thinking about that? Thank you.

A - Michelle Clatterbuck {BIO 20314804 <GO>}

Thanks, Brad. Hope you're doing well too. I would say a couple of things, I mean what Sasan just said applies to your question of our strategic focus is not changing. We continue to focus on expanding our lead in DIY and also transforming assisted with the TurboTax Live product. There may have been some one a little bit more of a challenge this year, more people filing from home, but we think that there is just a large opportunity for us to continue to focus on our strategy of bringing folks into the category and bringing folks into TurboTax Live. We're really proud of the progress we made this year with the 70% increase in customers and we do believe that we will continue to build on the tailwinds from this year.

Q - Brad Zelnick {BIO 16211883 <GO>}

Thank you so much (multiple speakers).

A - Sasan Goodarzi {BIO 15750219 <GO>}

Oh, sorry, Brad, just one thing I would add as complimentary what Michelle just shared, the facts are always friendly, right? And when you think about those 86 million folks are in the assisted category to a $20 billion TAM and this is now heading into our sort of fourth year in transforming the category. We've not really even hit the inflection point of what's possible. So just it's an important reminder that we're in the early days of transforming the assisted category.

Q - Brad Zelnick {BIO 16211883 <GO>}

Perfect. Thank you again so much and congrats again and hope everybody stays well.

A - Sasan Goodarzi {BIO 15750219 <GO>}

All right. Thank you, Brad.

Operator

Thank you. Our next question comes from the line of Ken Wong of Guggenheim Securities. Your line is open.

Q - Ken Wong {BIO 20723645 <GO>}

Great, thank you for taking my question. The first question is for you Sasan, in the past you've mentioned e-Commerce as being a top priority. You guys made the acquisition of

TradeGecko earlier, just wondering kind of where we are in terms of that particular strategy? Anything else that needs to be tacked on here, just would love to get some color on kind of how you're envisioning that part of your business, especially with the shift to e-Commerce so evident this year.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Sure. Ken, I hope you're doing well. In terms of the question around e-Commerce, I think the place I would start is, one of the company's 5 big bets is about being the center of small business growth with a particular focus on transforming omnichannel commerce. And the biggest thing that we have found in our follow me homes and the test that we've run this past year is for our customers it's actually quite easy to launch on new channels, whether it's Etsy, whether it's Instagram, whether it's Facebook, Amazon, the biggest challenge they have is they actually choked their growth because they really lose sight which customers are coming from which channels, the profitability, the connection to their inventory and ultimately fulfillment to the worst thing for a small business, particularly the ones that we serve is not being able to fulfill an order.

So really our focus is to truly be an agnostic open platform to partner with the channels that are out there, again the ones that I mentioned, also partner with those that provide websites and also the POS providers while really focusing on the core of what matters most of our customers and our core competency, which is around helping customers -- our customers with understanding the profitability by channel connecting into inventory. And so, our acquisition of TradeGecko is I think a huge first step and we'll share what we're launching at Investor Day that really focuses on inventory in order management and allows our customers to really take control of the thing that right now they don't have control of, to give them the confidence to then open up across other channels.

And so we'll not only share what we are launching at Investor Day, but we'll also reiterate the vision and where we're headed and what you can expect from us in the years to come, but this is a really important for a step given all the work that we've done in the last year to be positioned to go after the -- I would say the highest order problem that our customer face.

Q - Ken Wong {BIO 20723645 <GO>}

Good. Perfect. And then, Michelle, a quick question for you. You gave us a rough sense of what the PPP impact was on revenue. Just wondering if you could maybe give us a sense of how that might have impacted margins and earnings, just we make sure that we don't kind of rattle through profitability that might be more one-time-ish?

A - Michelle Clatterbuck {BIO 20314804 <GO>}

Thanks, Ken. Yes, we're really proud of the work that the team did utilizing our platform and our modern technology to be able to turn so quickly to provide $1.2 billion in access to PPP loans for our small business customers in such a rough environment. As for margins, I would say, we really do manage our margins at the company level and that's really how we think about this $30 million of revenue. Also I would tell you that, given the environment, the tightening of credit that we had done, this was really more of a trade-off for the QuickBooks Capital team and really putting the majority of their focus on PPP versus extending credit through QuickBooks Capital.

Q - Ken Wong {BIO 20723645 <GO>}

Got it. Appreciate that. Thank you, Michelle.

Operator

Thank you. Our next question comes from the line of Alex Zukin of RBC. Your line is open.

Q - Robert Simmons {BIO 18047931 <GO>}

Hi. This is Robert Simmons on for Alex. So you kind of hinted at this, but with the acquisition, can you talk about what else you need to do to deliver on your omnichannel plans?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yes, Robert. Sure. I think the way you want to think about it is, when you put yourself in the shoes of other small business, there's a few things that they need to be able to do. They depending on their products may want to get set up on what we call the mega channels, again it's, it could be the walmart.com, Etsy, Amazon, Instagram they may want to be able to also have their own store set up. They may want to ensure that they have a POS provider to be able to transact with customers in a physical world.

But then they also need to be able to manage all of their finances, they need to understand the profitability of their customers, it's going to be connected to inventories, inventory can automatically remind them that they're about to run out of inventory. And so order more and to be able to fulfill their orders on time. And so shipment and delivery on time and also ensuring that their accounting is done right, that their compliant and if they need access to money and loans that they have that ability. And in that context of making sure when you think about our platform, we've really been positioned over the years to deliver for service-based businesses and this is an area where we believe we have a right to win to deliver product based for product-based businesses when it comes to financial compliance.

So right now, our initial focus is really just nailing water management and inventory management, it's actually critical to ensuring that our customers have the confidence they can fulfill orders and actually understand their profitability, while we then establish partnerships beyond that with some of the channels that I mentioned, the POS providers and even some of the website billers. We truly want to be an open-agnostic platform to focus on the problems that matter most and we believe an open platform is necessary to be able to ensure that customers have choice and how they choose to run their business. So initial focus is inventory and order management and this is really about rapid testing experimentation and scaling what works well and that's the way we're thinking about it.

Q - Robert Simmons {BIO 18047931 <GO>}

Got it. Great, thanks. That makes sense. And then, can you also talk about what you've seen since retention so far this fiscal year, really it's only been not quite before we expect kind of -- have you seen it stabilize or improve and what you're expecting going forward?

A - Sasan Goodarzi {BIO 15750219 <GO>}

We have, as you heard Michelle talk to, we have experienced really all of our key trends improve and retention specific to your question has improved from what we talked about last quarter. We do expect that it will be down approximately 2 points for the year, but we have seen an improvement over the last quarter. And I think more broadly I would say that being the source of truth for our customers business has always been the case, but I think this pandemic is actually even made us more relevance because the shift to online whether it's payments, payroll, accounting compliance has just become even more critical than it was four, five months ago. And so that over time may actually even impact retention more so, but we expect to be down 3 points for the year and again the trends have improved.

Q - Robert Simmons {BIO 18047931 <GO>}

Got it. Thank you very much.

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome.

Operator

Thank you. Our next question comes from Siti Panigrahi of Mizuho. Your line is open.

Q - Siti Panigrahi {BIO 17888514 <GO>}

Thank you. Congratulation on a great quarter. Just want to ask you Sasan on your big bet number 2 about connecting experts look like platform. First on the TurboTax Live is I think the question would be can retaining those live customer although it's too hard to say at this point, but could you share what kind of net promoter score or any kind of feedback that you're expert start from those new customer that would be helpful.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yes, sure. Good to hear from you Siti and thank you for your kind words. You know, we're really proud of the progress in TurboTax Live, just as a reminder, one of the biggest things that we learned last year is we needed to really improve the first time experience and the first use experience for our customers. We need to make sure that they had really access to an expert up throughout the offering and actually reminding them that they have an access to an expert along the way. And on the other side, making the experience just really drop that easy for our experts, making sure that at the fingertips of our experts is insight for our customers the moment they engage them whether through chat or through a video that they can resolve their issue is this is really -- this is a digital platform and it's a service offering.

So the expert plays such a critical role in the experience. And I would tell you that across the board, the metrics that we look at, our retention conversion, it's TRS product recommendation scores for both the customer that is using the platform and also the expert. So the happier the expert is, the more they feel like they can solve the customer's problem the higher in essence recommendations for that they give. And then we also look at efficiency, are they effectively are able to solve the customers' problem? And across the board, across every metric, it's then up into the right. And so we have a lot of confidence, we're better this year than we were last year and I have every bit of confidence we'll be a better a year from now. But across all of those key metrics, we significantly improved. And so I would just expect our momentum and the kind of obsessive focus that our employees have on our customers to deliver better experiences, both for our customers and for our experts, so that's a little bit of a snapshot as to the progress that we've made up into right on all the key metrics.

Q - Siti Panigrahi {BIO 17888514 <GO>}

Thanks for that color. And a quick follow-up on the QBO side, it's actually surprising to see that 10 points exploration of new customer acquisition. So this is your full quarter of this pandemic impact, I'm wondering what's driving that new customer growth at this pie and although it's still below pre-COVID level what is if more people realize the complexity of PPP or any other driver that will be helpful.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, one of the things that we have seen and we're fortunate that our big bets are the core of this shift, which is we're seeing more and more folks shift to a virtual world, we're seeing more and more folks want to shift to online solutions and omnichannel solutions. And then third is money matters more than ever, whether you're consumer, Self-Employed or Small Business. And I think that the thing that we are experiencing, although to your good point that we're not at the pre-COVID levels yet, the thing customers are seeing that using our cloud offering gives them the ability to be able to engage with customers in the cloud and help them avoid interaction in a physical world, higher usage of payments and payroll potentially over time. And thanks again compliant because a lot of customers realize if they weren't compliant, they -- it was hard for them to get access to loan. So I think this environment has just -- we're seeing that shift to the cloud. And I think that's why we've seen an acceleration in our acquisition compared to where we were just a quarter ago, although still below the pre-COVID levels.

Q - Siti Panigrahi {BIO 17888514 <GO>}

Thank you so much, Sasan.

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome. Be safe.

Operator

Thank you. Our next question comes from Kirk Materne of Evercore ISI. Your line is open.

Q - Kirk Materne {BIO 5771115 <GO>}

Thanks very much. Sasan, I was just wondering if you could talk a little bit on the small business side, just how sensitive are customers to pricing changes right now given the economic backdrop. And I guess how does that influence your strategy around maybe some of your higher value products like QBO Live and QBO Advanced as you go into fiscal '21. Just trying to get a sense on does the macro dynamic have an influence on your strategy around that? Thanks.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Sure, Kirk, good to hear from you and I hope you're safe and well. Particularly in the area that you ask the question, we're actually the low cost alternative both with QuickBooks Live and QuickBooks Advanced. When you look at QuickBooks Advanced, first of all this is one of the teams that's just innovating at a very rapid pace to ensure that our mid-market customers have all the capabilities that they need to be able to run their business, whether it's something we've built or other apps that our partners build on our platform, but at a very disruptive price. So I would say in some ways, QuickBooks Advanced becomes even more attractive than otherwise in this current environment, because we're the low cost provider.

And I would say the same thing for QuickBooks Live, these are folks that ultimately come to us that have been using bookkeepers and accountants and they're very dialed in to what they've been paying. And they really come to us because of the experience that they've had potentially with their bookkeepers and accountants, whereas we have a set of standards around what we expect in terms of experience that our bookkeepers need to deliver for our customers. And so in that case we also tend to be the low cost provider. And so we become even more attractive in an environment like this. So that's the way we think about pricing, we believe that in these two areas, we are actually probably more attractive choice than others.

Q - Kirk Materne {BIO 5771115 <GO>}

Okay. And then just second question from me would be just in the SMB sort of area of your business. Any major changes and what you're seeing in terms of either customer acquisition or retention rate when you think about the US versus some of your smaller regions, the UK international regions. I was just wondering if that you're seeing real differences in from a geographic perspective. Thanks.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Sure, absolutely. From a geographic perspective, I would say the US is probably holding up the strongest, probably next followed by Canada and then the UK, but I would say US is held up the strongest. And I think a lot of it has to do with the nature of how the health crisis is being managed and how open the economy is because all of these small businesses one common need across the world, they're passionate about what they do and it's the way they earn their living. But with that said, US has been the strongest. And of course from the trends perspective as you heard from Michelle, we have seen across the board our trends improve and now stabilized, they're not at pre-COVID levels, but I would say solid improvement just in the last 3 months, as the economy has opened up a bit.

Q - Kirk Materne {BIO 5771115 <GO>}

Super. Thank you and stay well.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Thank you. Very welcome.

Operator

Thank you. Our next question comes from the line of Brent Thill of Jefferies, your line is open.

Q - Brent Thill {BIO 1556691 <GO>}

Good afternoon, Sasan, just following-up on Kirk's comments on SMB. I guess you've seen such a surge in the front office with CRM wickes number of the company is doing extremely well. And I think part of the logic many investors are falling is that, inevitably companies have to turn back to the back office to innovate and if you're driving all this online traffic, you got to drive the back office as well and more around kind of the shape of the recovery. And do you believe that you can benefit from the surge you're seeing in the front office that is an indication that it's good signs for your SMB business going forward. And maybe if you could just highlight where you think the biggest opportunities are? Thank you.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, sure, Brent, good to hear from you and again hope you're safe and well. First of all, I would start with the point you made, which is exactly right, at the end of the day getting a store set up to be able to do business, you have to be able to accept payments, you have to -- if you hire contractors or full-time employees, you have to use payroll especially if you're a younger smaller business you need access to loans. And so and then you need to make sure that your compliant. And so that's where all of our services come in and why they -- why even in this environment as we look ahead our services become even more critical to ensure our customer can be organized, get paid and run their business profitability.

So with that as context, I think the second context I would just bring up is, it is remarkable how resilient our platform and business model is. I mean you saw what happened last quarter when we -- when we talked about some of the trends and how the trends had kind of fallen off given that we shut down the economy in the US and how they have bounced back. Again also not at pre-COVID levels, but they bounced back.

And so really so I think the second part of your question, the way we're thinking about the future is in context of what you heard from Michelle, if the economy continues on the track that it's on and gets to normalized levels in spring of 2021, as long as small businesses are able to do business, I think our platform is going to benefit. So a lot of our performance because the platform is resilient, the business model is resilient, it's more than ever it's times like this one customers need our platform. I think a lot of it will just depend on how the economy opens up because we're in the cloud, we have capabilities in the cloud and our customers need our capabilities, plus we're an agnostic platform, we believe the way you deliver for customers is to have partnerships with all these key players and I just think that advantages our network, but that's the way we think about it.

Q - Brent Thill {BIO 1556691 <GO>}

Great, thank you.

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome.

Operator

Thank you. Our next question comes from the line of Keith Weiss of Morgan Stanley, your question please.

Q - Mark Rende {BIO 20901258 <GO>}

Hi, this is Mark Rende on for Keith Weiss. Thanks for taking my questions and congrats on the strong results. I just want to ask you discussed the TurboTax share within the DIY category was flat year-over-year compared to and prior year's TurboTax gained share. So what are you seeing in the competitive environment and just like the competitive intensity in the DIY online filing market?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, very good question and it's actually we think about the category very differently now than we did 4 to 5 years ago. And for us it's about the entire category of filers and not just about the Do-It-Yourself category, because it just -- if I could refresh us on the fact that the Do-It-Yourself category is about $3 billion in TAM, the assisted category is about $20 billion in TAM. And of course what we've declared is declare the stopping consumer finance is north of $55 million in TAM. And so for us what's most important is the share that we have in the entire category. And so we are very, very pleased with the fact that our share of the entire category is up 1.5 points. And that is really how we measure success and that is really our goal line because when you think about that the dollar share of the Do-It-Yourself category, we have the majority of the share, we're focused on the assisted category whether is $20 billion of opportunity for us.

Q - Mark Rende {BIO 20901258 <GO>}

Got it. That's really helpful. And then maybe one quick one, just in terms of -- it's been asked a couple of times, but ask slightly differently, have you seen a change in kind of the profile of new QuickBooks subscribers maybe post-COVID and versus pre-COVID like for instance has there been an uptick in kind of acquisitions with QuickBook, Self-Employed and kind of it's still like what kind of impact could that have on Arps moving forward. Thank you very much.

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome. So you know, a couple of things I would say, one is, it is inspirational and remarkable how resilient small businesses are and how they are looking to adjust how they can still serve their customers. And I would just say that's a -- that's an over point where if one door shut for them, they open up another door to figure out if there is a different way to serve their customers. So that's really important to recognize that as long as they can manage their cash flow, they're going to find other ways to be able to serve their customers, which really gets to the second point and that is, I think there -- it's become very apparent one how meaningful and relevant we are in this environment to help our customers operate in the cloud.

If there was an element of lacking just manage through multiple different use paper and pen and my bookkeeper to run my business, I think people are now seeing hey, you know, what, I can be far more effective invoicing, getting paid instantly being able to do payroll and ensure that I'm accurate in my payroll. So I'm not paying penalties or ensuring that I'm organized, so I understand my cash flow especially with a lot of the launches that we talked about with our QuickBooks Cash and cash flow plan to be effective.

So I think what you're seeing is I have an opportunity to be much more effective and efficient with my cash flow using Intuit's platform in the cloud and the resiliency of our Small Business is just finding new and unique ways to do business is why we're I think experienced the bounce back relative to last quarter, again reminding us though that they are still not at the pre-COVID levels.

Q - Mark Rende {BIO 20901258 <GO>}

Got it. Thank you

A - Sasan Goodarzi {BIO 15750219 <GO>}

Very welcome.

Operator

Thank you. Our next question comes from Scott Schneeberger of Oppenheimer. Your line is open.

Q - Scott Schneeberger {BIO 5302695 <GO>}

Thanks very much. Good afternoon. Yeah, it was a really strong quarter in consumer. I'm curious kind of the high-level question is, how should we think about margin in that segment going forward? I see it was down about 100 bps year-over-year for the full year and I'm guessing, if you could elaborate, you got some nice leverage in TurboTax Live staffing, get more efficient there and clearly you got good volume growth, growth in revenue per return growth, but I know you spent a little higher marketing in the fiscal fourth quarter just due to the change in the year and then a lot more Free File Alliance clients this year, you addressed the percentage of folks that you sort of free. So just if you could address how we would think about that going longer-term and maybe some of the puts and takes in the quarter. Thanks or in the year rather sure.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, sure, Scott, good to hear from you, hope you're well. I would focus on the fact that we truly manage investments and margins at the company level. What really matters most is that we delivered 13% revenue and 17% operating income both GAAP and non-GAAP and EPS grew 16%. And so our leverage is more and more at the company level, because we are truly more and more building services across our platform at the company level. And so margins level moving up or down a point I wouldn't get overly excited about it at the segment level, because of the fact that we're making our investment choices. The way we're running the Company is more and more as a platform across the companies. I would really look at company level performance and not just like segment level performance because of how we're making our investment choices and we're getting a lot of leverage because of the way we're doing it.

Q - Scott Schneeberger {BIO 5302695 <GO>}

Okay, great. And on a follow-up, it's kind of a 2-part here and I'm not sure how much you're going to address, but your main tax competitor mentioned that they probably leave or almost definitely would leave the Free File Alliance going forward. I'm just curious, your take on that program and obviously you addressed the free customers you served this year. And then also with Credit Karma, there are tax customers in that. Just any comments about that and the deal that you could comment on. Thanks, Sasan.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Sure, absolutely. So let me just first share with you the objectives that we have -- that we've shared in previous years when it comes to taxes. One is, we're a big believer in voluntary tax. Two, we're a big believer that those that are deserving whether it's income levels and military and that we want to make sure that they can get their taxes done for free and then some cases it could be philosophy. And last but not least is we always want to enhance our reputation. So that's kind of one bucket of objectives to think about.

The second is our strategy and it's very much intertwined. When we talk about the notion of expanding our lead in the Do-It-Yourself category, transforming the assisted category and disrupting consumer finance, a core part of our strategy is actually for those that deserve it to give them the ability to do their taxes for free because over time they can not only grow with us, but also we can solve other problems beyond tax. So that's the way we think about our strategy. That's the way we think about our innovation and we are very dedicated to helping those that deserve at most to get their taxes done for free. So that's the -- those are the things that ultimately inform how we think about cash or pay.

Q - Scott Schneeberger {BIO 5302695 <GO>}

Thanks.

Operator

Thank you. Our next question comes from Sterling Auty of JPMorgan. Your line is open.

Q - Sterling Auty {BIO 2070271 <GO>}

Yeah, thanks. Hi, guys. I wonder if you could remind us what portion of the QuickBooks users also are using payroll at this point. In other words, what visibility do you have in terms of the potential of impending business closures and when that kind of headwind might peak and start subside for you?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, Sterling. Thank you for the question. First of all we don't break out what the percentage of our base is that users payroll. But what I would share is some of the stats, I'll take you back to some of the stats that Michelle shared which is, we've actually seen a nice bounce back of companies in essence running payroll, it's still below our pre-COVID levels, but we've seen a nice bounce back. And they have less employees, but the number of companies running payroll has bounced back nicely. I think that's one indication that we look at. I think the broader indication that we look at is really cash flow and when we look at across our base remember 70% of our base is service-based businesses, whether it's real estate, land escaping, bookkeeping, computer and software.

We look across who we serve and we also look by state, which is very different. We're seeing a nice bounce back in places like North Carolina, Georgia and New Jersey and Arizona, but on the other hand states that are recovering slower are New York, California and Michigan, just to give a couple of examples. And when we look across industries and across those states, this is based on our own analysis those that have connected to QuickBooks their bank accounts, we see their Bank averages could range from being down 10 to up towards of 20%.

So what we really monitor is cash flow because that is ultimately the biggest indication as to whether or not they're going to be able to make it through these times and that is really what we're -- what inform some of the indicators that you heard Michelle talk to. And the last but not least, we expect our retention to be down about 2 points this year, given some of what we experienced with our customers during shut down.

Q - Sterling Auty {BIO 2070271 <GO>}

Understood. Thank you so much

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome.

Operator

Thank you. Our next question comes from the line of Jennifer Lowe of UBS, your question please.

Q - Jennifer Lowe {BIO 6926228 <GO>}

Thank you. I just wanted to touch quickly on TurboTax Live and you gave a stat earlier about the very strong adoption, you saw TurboTax Live within customers that have converted off of pro this tax season, this season is obviously a very unusual one all around. But I'm curious if that uptake or that experience and if I said sort of this waiting between increased retention of existing customers and not having them go to pro versus pulling customers away from pro, does that give you any conviction that maybe it's, there is more opportunity to put a marketing push behind getting customers away from pro and onto TurboTax Live than maybe you would have thought before the season?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, Jenn, thank you for your question and hope you're well and safe. We have never lacked conviction around TurboTax Live. We believe that we are just at the beginning of really creating a platform that goes viral because the more people that do their taxes digitally with help coming to them in any frame that they need it, whether it's in their home or in their office, the more they're going to tell others and the more this will go viral. And I think as I've shared before, based on the research and work that we've done out of the $86 million folks that using assisted method, about 70 million or so are willing to switch. So our focus has been experimenting, learning, looking at our results both in terms of how we raise awareness, how we bring folks into consideration and then the experience that we deliver on the platform. And I would just tell you that a year later we're a lot better than we were this time last year, particularly this extended tax season, albeit, we all wish they would have ended in April given the tax that it put on our employees, we were able to actually experiment for another 3 months.

And so we ran a lot of test on our platform and both in terms of how to raise awareness, but also how to really nail the experience when customers come in. And as I mentioned earlier, all of our metrics, conversion, retention, PRS for both customers and our experts were all up into the right. So based on what we learned this year not just our results, but more importantly the learnings that actually gives us a lot more conviction, what we need to do for this coming tax season and even beyond. And so we feel blessed with the insights and learnings and we will absolutely be leaning in, but not just because of our results. We've had a lot of competition, but just because of our learnings that allows us to be clear in terms of where we point our innovation.

Q - Jennifer Lowe {BIO 6926228 <GO>}

Great, thank you.

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome.

Operator

Thank you. Our next question comes from Michael Millman of Millman Research. Your line is open.

Q - Michael Millman {BIO 1494618 <GO>}

Thank you. So, do you believe that assuming businesses have a tough time going forward virus continues that many of those unemployed will turn to being self-employed. And in fact that your numbers will actually increase and also on the tax, do you believe that people who've done their taxes at home this year are unlikely to switch back if indeed they are physically able to switch back?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yes, Michael, thank you for your question and I also hope you are safe and well, let me let me hit on two things. I mean, I think one, what I would say based on history, we know that we are a globe of entrepreneurs and sometimes it's not a passion for the idea that you have sometimes it's because you need to figure out a way to create income. And so at the end of the day, we don't build our business on hoping that there will be a lot of SMB new starts, but certainly in environment like this could be a trigger for new Self-Employed and Small Businesses and we certainly want to be there offer them the moment they have an idea the past to pursue something.

And as you heard from Michelle earlier, just a lot of it depends on just how we see the health crisis play out and therefore the impact on the economy. On the tax side in your question about the experience that folks may have gotten whether or not they would be unlikely to switch back to the old method, the thing that we have learned over the years, this is the first year that we have gotten a lot of our customers from the assisted segment, it all comes down to the experience and the confidence that they have in doing their taxes, right? The confidence that they have in getting their maximum refund. And we feel good about the experience that we delivered this year for customers based on our product recommendation scores.

And so -- but we also learned a lot in terms of what we need to do to continue to improve our platform. So we would hope that our retention rates play out next year the way they have in previous years, but it's primarily because of the type of experience that we delivered. And of course this time next year we'll be far better in terms of the experiences that we will deliver, we are even now given our rapid testing and learning mindset. So that's the way I would think about your two questions.

Q - Michael Millman {BIO 1494618 <GO>}

Thank you. Appreciate it.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, very welcome.

Q - Michael Millman {BIO 1494618 <GO>}

Be safe.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Thank you, you too.

Operator

Thank you. Our next question comes from the line of Michael Turrin of Wells Fargo. Your line is open.

Q - Michael Turrin {BIO 20079094 <GO>}

Hey, there. Thanks, good afternoon. We've touched on margin a few times, but we were impressed you're able to actually expand margin this year given the extended tax filing season, even with the PPP offset, was that within your own internal expectations given the spillover on the tax side? And is there any additional color you can add around whether that improvement could prove more durable as you continue to drive towards delivering higher value on both segments. Thanks.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, Michael, thank you for your question. First of all, I would start with the principles that Micheile talked about earlier and I'll just touch on a few of them as a starting point to answer your question, because it is how we run the company and ultimately our principles are we want to grow revenue double digits. We want to grow operating income faster than revenue. We want to make sure that we get 15% return on our investments and ensure that we solve our customers most important problems. In that context and you've heard Michelle and I talk about it in the last year that we're really just continue to be at the beginning of our platform journey. And that journey really means that we're going to continue to get better at building services ones so that they can be reused across the company.

You heard some of our metrics around 50% increase in the number of AI models we deployed this year, our velocity being up 3 times compared to last year. That's all innovation, but that's all also efficiency and effectiveness. And although we don't set out specific goal of increasing operating margins because we want to make sure that we can simply deliver against the principle of operating income going faster than revenue, I think the result of becoming more effective and efficient could suggest that over time our operating margin will expand.

And as you said yourself, we did actually spend more money in tax this year because of the extended season, it was both in marketing and customer success success because we want to be there for our customers because in essence we had two tax seasons in one. So we actually did spend more money and as you saw, we expanded our operating margins because I think we're starting to see the leverage of our platform and that was not by accident.

Q - Michael Turrin {BIO 20079094 <GO>}

That's great, thanks. Nice close to the year.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Thank you very much.

Operator

Thank you. Our next question comes from the line of Josh Beck of KeyBanc. Your line is open.

Q - Josh Beck {BIO 17868061 <GO>}

Thank you for squeezing me in. I wanted to ask about QuickBooks Cash. It seems like a interesting extension of your services and really gets you a little bit more into banking and debit card. So it's probably a little too early, I'm guessing to talk about the adoption curves, but would love to hear just kind of your ambitions for this -- for this product and where it could go over a multi-year period?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yes, thank you for your question, Josh, and hope you are safe and well. You know that first of all you said at this is we're very, very early. We've been working on this for some time, but we're very early and -- but we're very excited and I wouldn't think about QuickBooks Cash for the service. I would think about it as a very disruptive way for achieving this notion of truly being the source of truth for customers business. And just think about it in very simple terms of a place where you can receive and send money. And so when you do work for customer and you invoice them, it automatically gets dumped into your QuickBooks cash account where you can in essence have interest at that you gain on your money, a place that you can just pay your employees right out of your QuickBooks cash account, a place where you can buy inventory from your QuickBooks cash account, a place where you can get access to capital from your QuickBooks cash account.

And by the way, while you're doing all of that because it's all happening in your QuickBooks cash account, the accounting is actually getting done for you. And so you don't actually have to do a bunch of reconciliation, that's really what we are focused on really creating in terms of a benefit for our customers is something that customers won't tell you that they need this, but when you really look into what gets in their way, it's just can I have something that everything gets done for me and that's really the intent of QuickBooks cash. We're just excited with the launch, we're excited to learn, to adjust, to test and to scale this very fast and much is something we're going to talk about at our virtual Gallery Walk at Investor Day in September.

So hopefully that entices you to fill up, it should be fun.

Q - Josh Beck {BIO 17868061 <GO>}

Yeah, that's a great pitch there for the day, so excited about that. And just quickly on Live, the 70% growth or nearly 70% in customer seems like a really good result. So I'm just curious, was that ahead of plan and anything that stood out to there and maybe how we could think about the retention of Live customers from the prior season versus the kind of net new that you got this season.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah, you know, I would tell you that it's as tradition would hold for Intuit, we always that very, very ambitious our goals for ourselves for the near-term and for the long-term because it really just forces us to take bigger swings for our customers. So I won't get into how we did versus our internal goals, but what I would tell you is we feel truly terrific about the results because we literally on every dimension that you look at it, new customers growing 70%, 70% coming from the assisted segment, conversion being up year-over-year, retention being up year-over-year, PRS being up for our customers, PRS being up for our experts, our experts actually being very efficient delivering the $60 million hours that they engage with our customers.

We are really happy with the end results because there was truly an end-to-end experience that the team delivered and we learned the time, we learned what is not working, we learned how to be more effective, we learned how to deploy our AI models even more effectively, so that we can have the insights at the fingertips of our experts, so they can deliver for customers that this is truly a digital service experience. And so we're excited for next year and the next 5 years to come.

Q - Josh Beck {BIO 17868061 <GO>}

Really helpful, Sasan. Thank you so much.

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome.

Operator

Thank you. Our next question comes from the line of Kartik Mehta of Northcoast Research. Your line is open.

Q - Kartik Mehta {BIO 2038331 <GO>}

Hey, Sasan, interested in your thoughts on QBO. I think you and Michelle talked about price increases and obviously they're going to be a little bit more difficult in the upcoming fiscal year. And I'm wondering at what point do you feel comfortable increasing prices on the QBO skews?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yes, Kartik, good to hear your voice and hope you are also keeping well my friend. So I think the over-point I would say is, we are just obsessively focused on our customers. When you think about what our teams did in the last 12 weeks with PPP, with the go find me platform, that's funded $37 million with our instant deposit being 3 through July, just to name a few extending the deferred payment of our capital customers those that were really struggling and needed the help. We will make the right choice for our customers and ultimately we want to make sure that the value equation makes sense based on the rapid progress of our innovation the fact that our speed of innovation is up 3 times versus last year.

So we always want to make sure the value equation makes sense, but we're just going to see how the health prices plays out, how the economy plays out and and make our pricing decisions based on the principle that we have at the right time and this isn't the time the share when that is because we really want to see how things play out. But that's principally the way we think about it.

Q - Kartik Mehta {BIO 2038331 <GO>}

And then just as a follow-up, Sasan, would in the past you've always add capabilities to QBO making the product better and better, if the economy doesn't allow for a price increase would you continue to add capabilities and try to capture the value at some later point?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Absolutely and in fact I would tell you that we play the long game here when it comes to our R&D investments. And as I mentioned earlier, I think we're just picking up momentum truly operating as a platform company. And the innovation that we delivered this year was just, it got accelerated from just even a year ago and by the way that's been the trend we've been on as a company for the last 37 years. And so we're actually -- we use opportunities like this to accelerate innovation and become much more effective because we know one day we're going to get the value for our customers and for our shareholders. So the short answer with a long answer I should say is absolutely yes.

Q - Kartik Mehta {BIO 2038331 <GO>}

I appreciate it. Thank you.

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yeah. You're very welcome. Stay safe

Operator

Thank you. Our next question comes from Brad Reback of Stifel, your line is open.

Q - Brad Reback {BIO 3441314 <GO>}

Great, thanks very much. And just following-up on that last line of questioning, Sasan, from a high level as you add more product to QuickBooks platform. How do you decide what should be bundled and what should be charged for?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yes. Hi, Brad, I hope you're well and safe. Ultimately if the test that we run, it's very similar to what we do in TurboTax and across the Live platform. At the end of the day, it comes down to understanding the benefit that you're delivering and whether or not a customer is willing to pay for it, but we also think about it relative to the impact on retention in the long-term. And so based on those in essence levers that informs the things that we test inclusive of even test to come where we may choose to have accounting be free, but then charge for services. So, it really comes down to the experiments that we run and we let the data help inform strategically the choices that we make and that's primarily the way we've operated for years across the company.

Q - Brad Reback {BIO 3441314 <GO>}

Great, thanks very much.

A - Sasan Goodarzi {BIO 15750219 <GO>}

You're very welcome.

Operator

Thank you. Ladies and gentlemen, I'm not showing any further questions, would you like to close with any additional remarks?

A - Sasan Goodarzi {BIO 15750219 <GO>}

Yes, I will, just wanted to thank everyone for your time and all the great questions today. And want to just close by once again thanking our employees, our customers and partners, we would not be where we are without the incredible stakeholders that we serve. And we look forward to seeing all of you at our virtual Investor Day in September, until then be safe and be well.

Operator

Ladies and gentlemen, thank you for participating. This concludes today's conference call.