



2019 ITC Customer Survey Results

NCOCC

May 2, 2019

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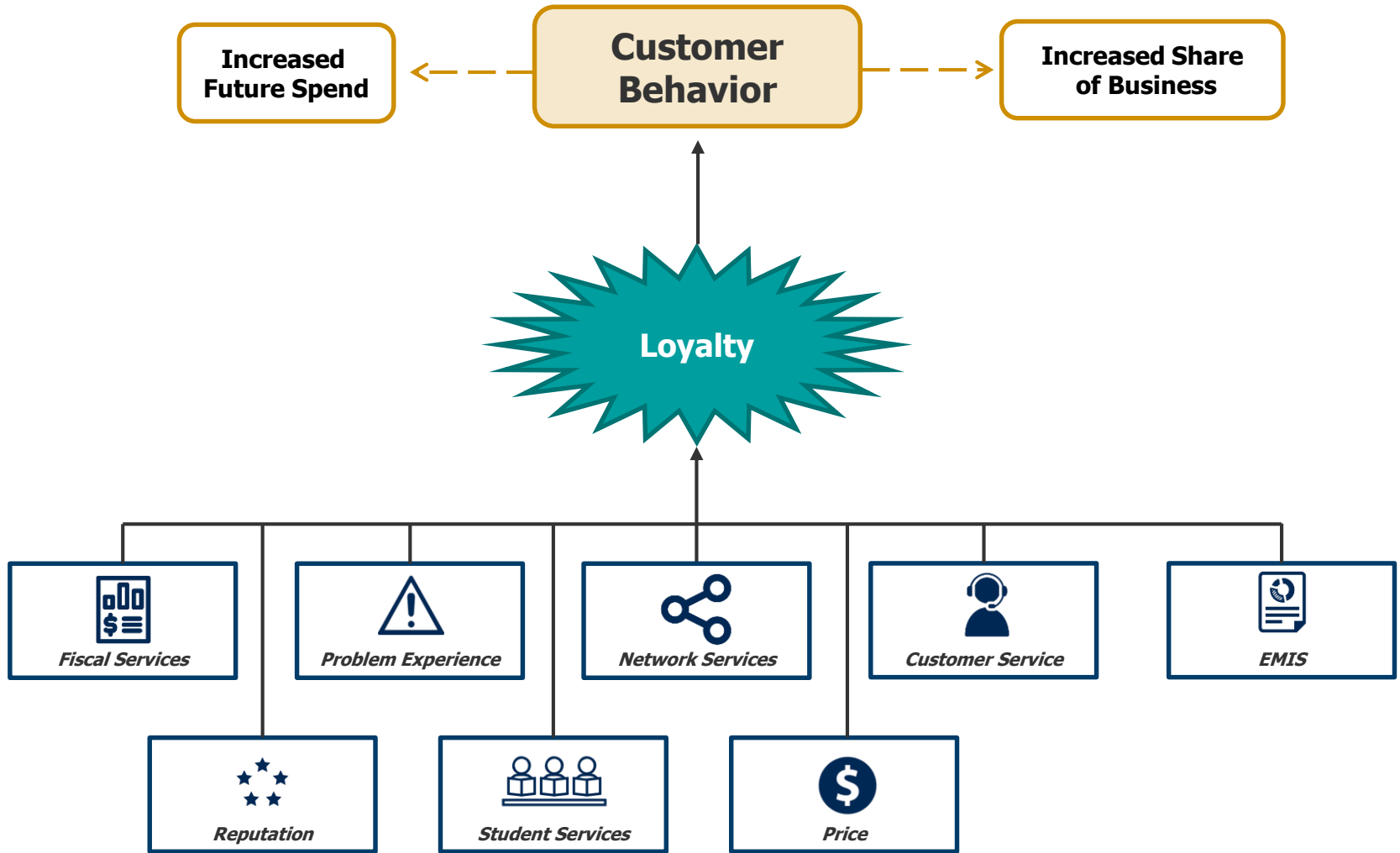
Key Objectives

- Update current understanding of the relationship that exists between the ITCs and their customers.
- Define and understand the total experience between the ITCs and their customers.
- Capture perceptions and evaluations of the ITCs across all areas of the experience.
- Identify specific areas for improving the relationships for the ITCs as a whole and for each separately.

Methodology

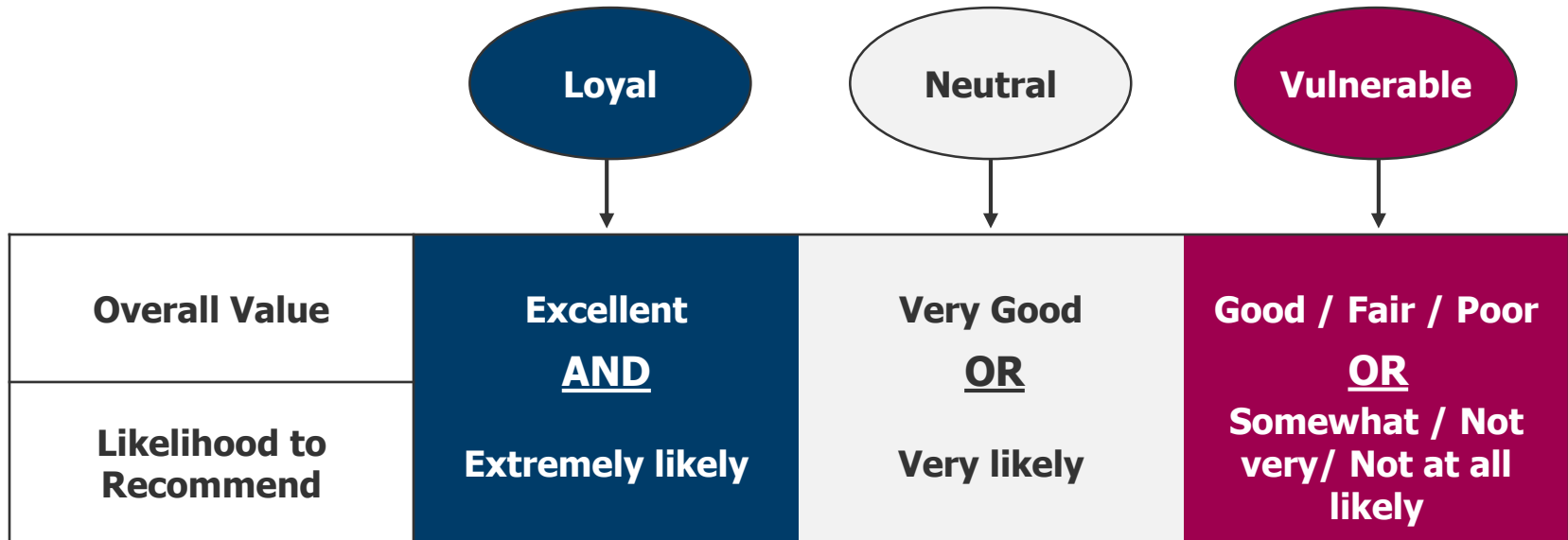
- LRC conducted exploratory one-on-one interviews with all 18 ITC directors via phone.
- LRC and the Management Council developed and finalized a questionnaire in partnership with each other.
- Management Council sent an anonymous like to its contacts to take the survey, which was administered from March 4th to March 23rd.
- There were 2402 usable surveys across 16 ITCs. NCOCC had a total of 144 usable surveys.

Loyalty Model



Loyalty Segments Defined

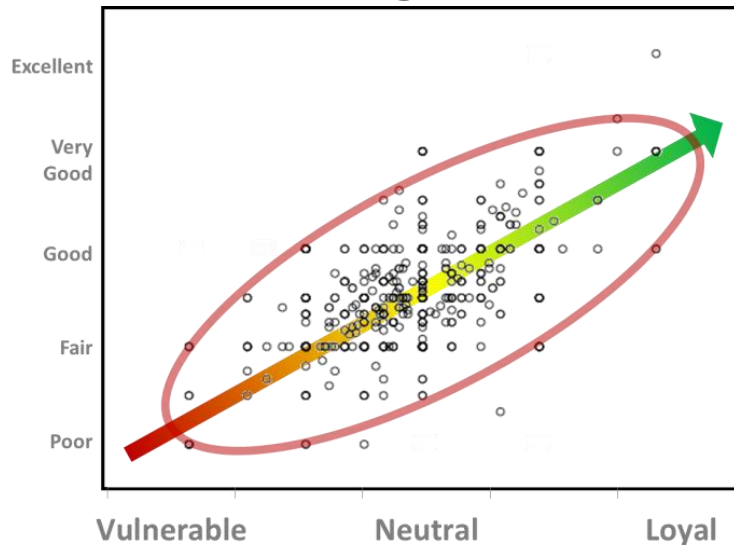
- The design of the Loyalty Profile is based on a combination of the attitudinal ratings given by each individual respondent for these key measures:
 - Overall value
 - Likelihood to recommend



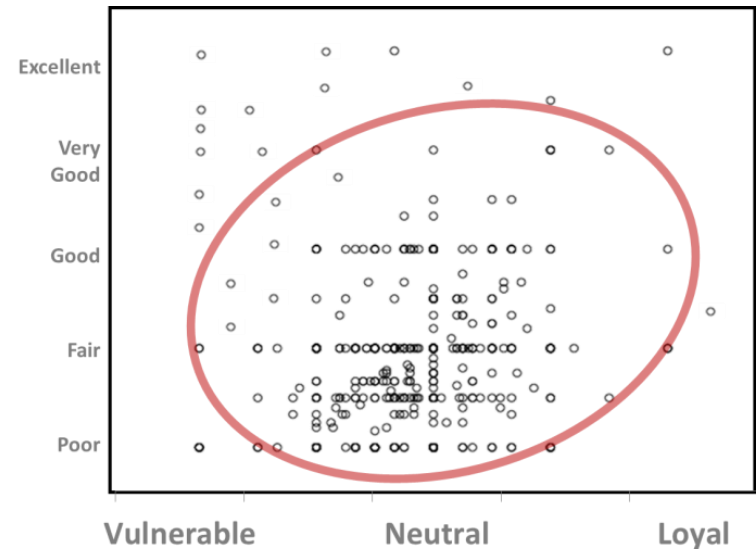
Explanation of Drivers

- Conceptually, a “driver” of Loyalty is a member touchpoint that contributes to the strength of the relationship. A touchpoint can be any product, resource, service, or experience that an individual has.
- The plotted data points in the Strong Driver graph below form a pattern that reflects the strong interaction between the performance evaluation and the strength of the Loyalty segments. Higher performance ratings are associated with a stronger relationship (Loyal) and lower ratings are aligned with a weaker relationship (Vulnerable).
- In the Weak Driver example on the right, there is little to no pattern or interaction between the performance evaluation and the relationship strength.

Strong Driver



Weak Driver



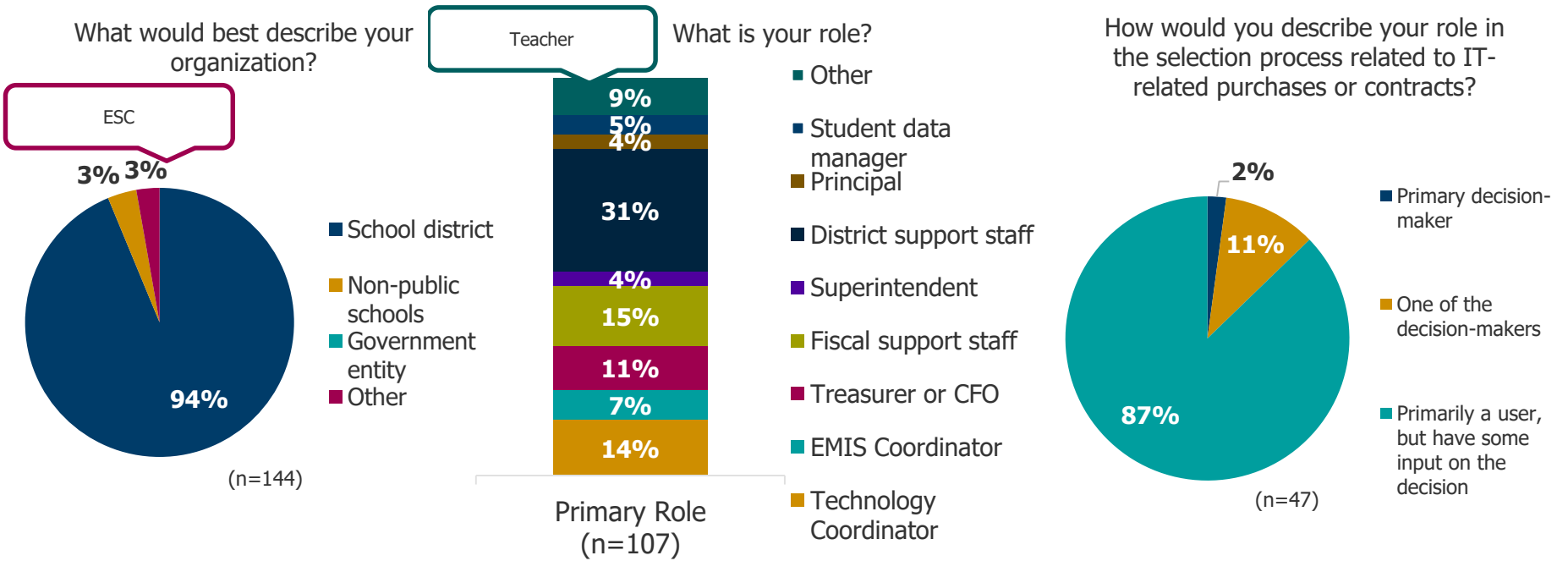
Customer Demographics

ORGANIZATION DESCRIPTION
ROLE IN SELECTION PROCESS
DISTRICT COMPOSITION

Customer Demographics

Role in Selection Process

- The majority of NCOCC respondents categorized their organization as a school district.
- Most respondents described their role at the organization as District support staff.
- 87% of respondents categorized themselves as users with input.



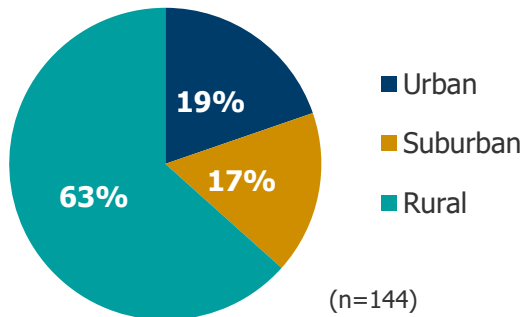
Customer Demographics

District Composition

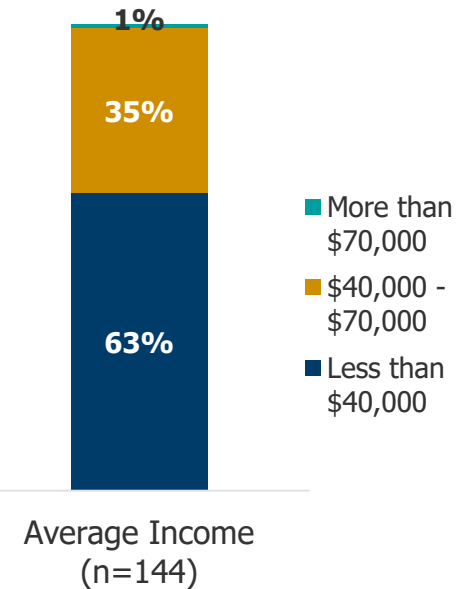
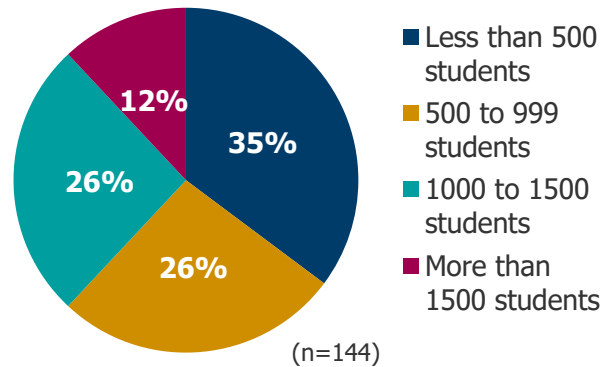
- Two out of three respondents categorized their school district as Rural.
- The average size of school districts amongst NCOCC respondents varied, with less than 500 students being the most frequent response.
- The majority of NCOCC respondents reported the average income of their district as less than \$40,000.

School District Demographics

Is your school district predominantly...?



What is the size of an average school in your school district?



- H1. Is your school district predominantly...?
 H2. What is the size of an average school in your school district?
 H3. How would you describe the average income in your district?

Customer Behaviors, Loyalty, and Drivers

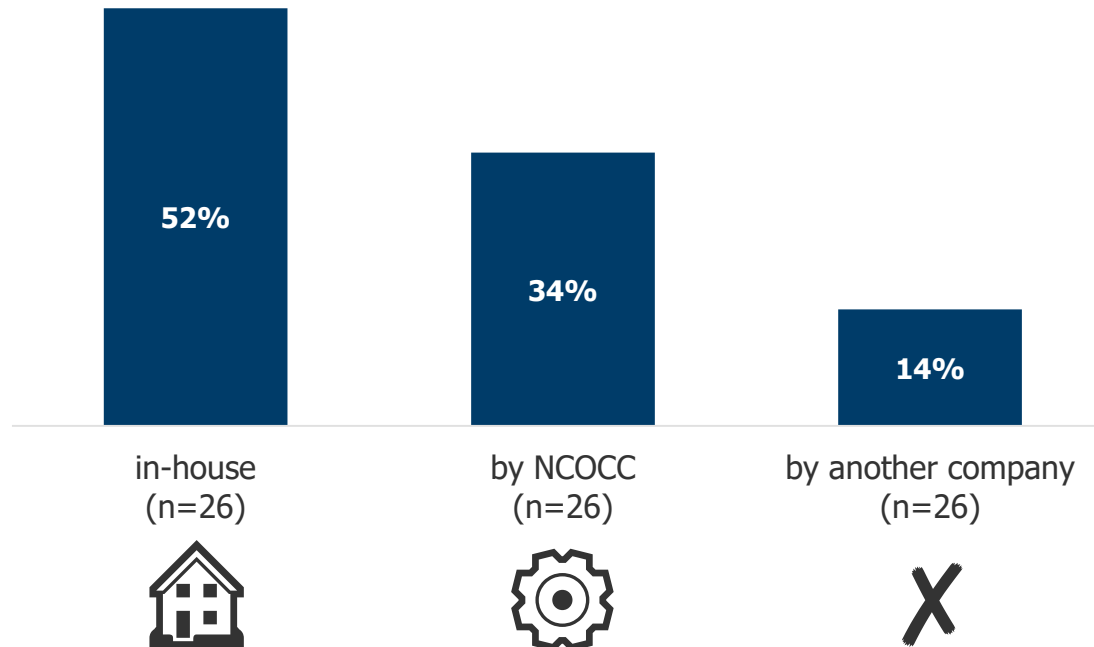
SHARE OF SPEND
FUTURE BEHAVIORS
LOYALTY PROFILE
LOYALTY DRIVERS

Customer Behaviors

Technology Needs

- On average, 52% of NCOCC respondents' dollar percentage of their technology needs are handled in-house.

What dollar percentage of your technology needs are handled...

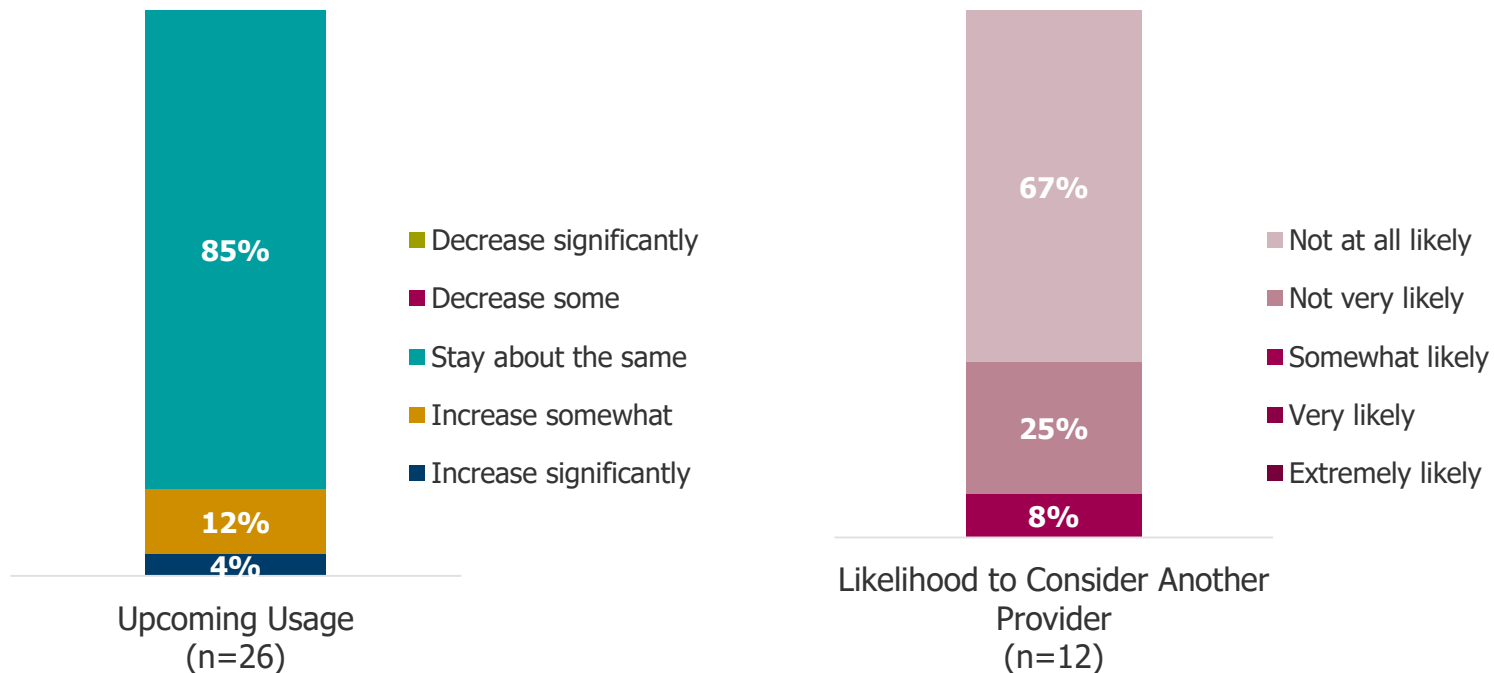


C1. What dollar percentage of your technology needs are handled...

Customer Behavior

Future Share

- 16% of NCOCC respondents report that they anticipate increasing their usage with NCOCC in the next 12 months.
- Of the 12 NCOCC respondents who were technology coordinators, treasurers, CFOs, or superintendents, none reported being likely to consider another provider.

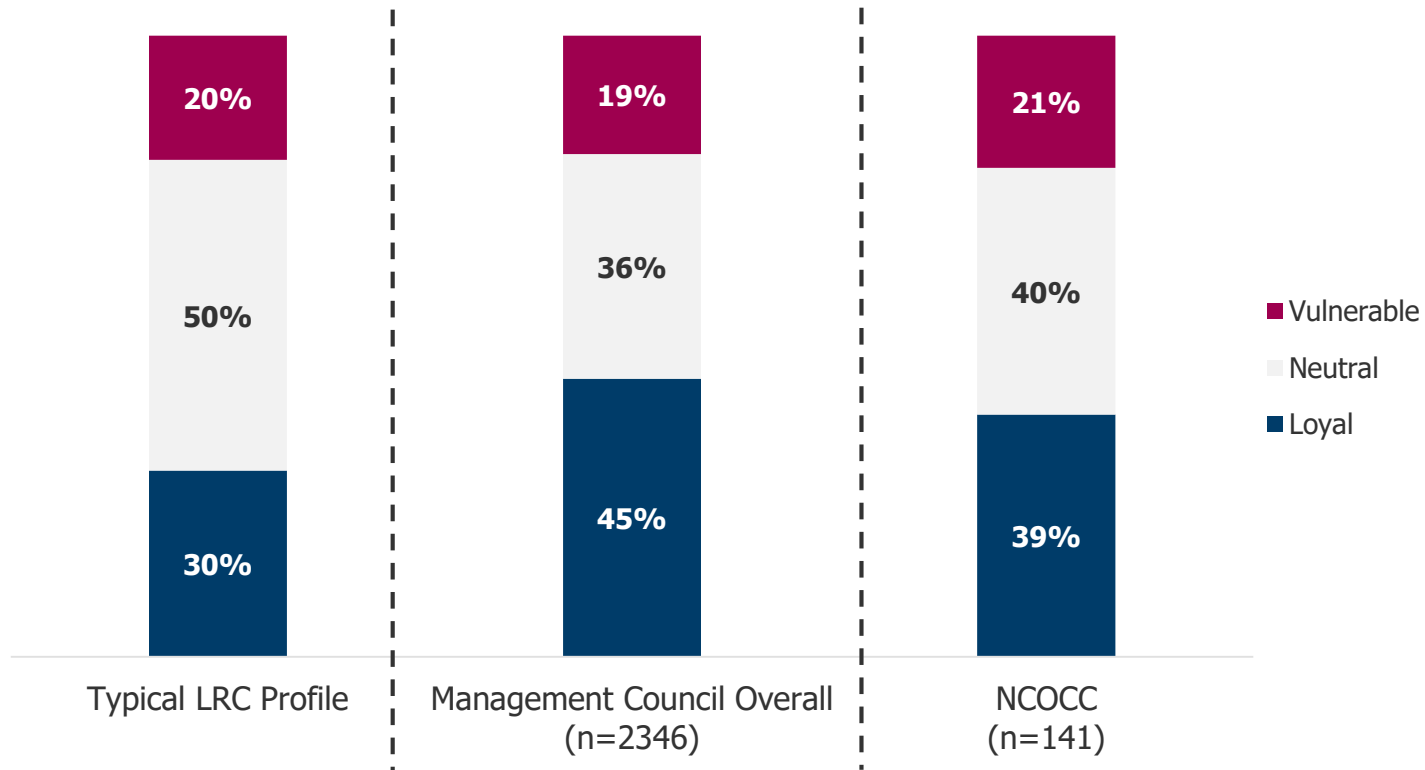


C2. In the next 12 months, do you anticipate or expect your overall use of [ITC] to...?
 C3. How likely are you to consider another provider for services [ITC] currently provides?

Customer Loyalty

Loyalty Profile

- Loyalty among NCOCC respondents is higher than the Typical LRC profile, but falls below Management Council Overall.
- Vulnerability fell in line with the Typical LRC Profile and Management Council Overall.



A2. How would you rate the overall value of [ITC] to your organization?

A3. In the future, if you were asked for a referral for an organization that provides network services, how likely would you be to recommend [ITC]?

Loyalty and Customer Descriptors

- The customer respondents in this program varied significantly in their loyalty. Analysis suggests that part of this variation is due to the type of customer.
- LRC examined role of the respondent, geography, size of school, and average income of area served by school and found the following:
 - ITCs that serve schools with a larger number of students and schools in areas with higher average incomes tend to have weaker Loyalty Profiles – lower percentage of Loyals and/or higher percentage of Vulnerables.
 - EMIS Coordinators and Superintendents tend to be significantly more Loyal and less Vulnerable, while Technology Coordinators and Treasurers/CFOs tend to be more Vulnerable.
- NCOCC respondents tend to be in smaller schools located in areas with lower average incomes. A higher percentage of the respondents are District support staff.
- **These factors suggest that independent of performance, NCOCC is more likely to have a higher percentage of Loyals and a lower percentage of Vulnerables relative to other ITCs.**

Loyalty and Customer Behaviors

- The Loyalty of the customer provides valuable insight into current behaviors and future behaviors that can be expected.
- Examining Loyalty against the customer's share of spend for the ITC reveals a strong linkage.

Share of spend	Loyal	Neutral	Vulnerable
Kept in-house	53%	60%	61%
To the ITC	38%	30%	25%
To a competitor	9%	10%	15%

This tells us that the share received by the ITC declines from 38% to 25% as the relationship weakens from Loyal to Vulnerable.

- When looking at the customer's expectations for changing spend with the ITC.

	Loyal	Neutral	Vulnerable
Increase (Sig/SW)	30%	20%	9%
Decrease (Sig/SW)	0%	1%	12%

The Loyal segment is far more likely to increase their spend with the ITC.

Loyalty and Customer Behaviors

- Finally, the likelihood the customer will consider a competitor:

	Loyal	Neutral	Vulnerable
Extremely/Very likely	4%	1%	16%
Not/Not at all likely	94%	89%	51%

Loyals are less likely to consider a competitor relative to Vulnerables.

- These results – conducted with the sample across all ITCs – demonstrate that it's a good business strategy to understand what discriminates the Loyal customers from others and to create/migrate as many customers into the Loyal segment as possible.
- The next sections will focus on how the ITC can achieve that result.

Customer Loyalty

Overall Model

- Problem Experience, Student Services, Customer Service, Price, and Reputation are strong contributors to NCOCC's customer relationship.
- All performed above the 70% performance goal.

Attributes	Driver Strength	(n)	■ Excellent ■ Very good		T2 (%Ex/Vg)	B2 (%F/P)
			Excellent	Very good		
Problem Experience**	★	100	95%		95%	5%
Student services	★	80	53%	26%	79%	5%
Customer Service	★	98	54%	24%	79%	6%
Price	★	51	37%	35%	73%	4%
Reputation*	★	N/A			N/A	N/A
EMIS		28	54%	29%	82%	7%
Network services		35	54%	26%	80%	6%
Fiscal services		34	38%	38%	76%	6%

Relationship Measures

ITC REPUTATION
CUSTOMER SERVICE

Relationship Measures

ITC Reputation

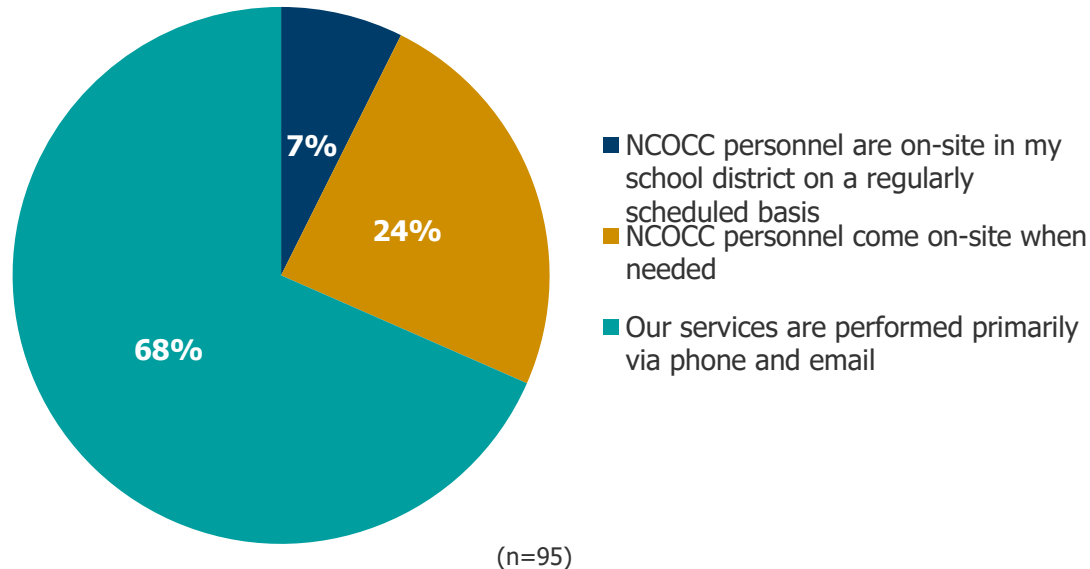
- Reputation is one of the strong drivers of NCOCC Loyalty Profile. The strong drivers of Reputation are the attributes *Is a subject matter expert*, *Anticipates my needs*, and *Is innovative*.
- All three attributes perform at or above the 70% performance goal.

ITC Reputation	Driver Strength	(n)	■ Strongly agree ■ Agree	T2 (%SA/A)	B2 (%D/SD)
Is a subject matter expert	★	136	47% Strongly agree, 34% Agree	81%	2%
Anticipates my needs	★	143	29% Strongly agree, 41% Agree	71%	4%
Is innovative	★	134	29% Strongly agree, 41% Agree	70%	7%
Is a trusted partner		139	53% Strongly agree, 38% Agree	91%	1%
Is easy to work with		141	55% Strongly agree, 33% Agree	88%	3%
Is my go-to source for my technology needs		140	32% Strongly agree, 26% Agree	58%	11%

★★ Very Strong ★ Strong ☆ Moderate

- 68% of respondents report that "our services are performed primarily via phone and email."

Which best describes how NCOCC works with the schools in your district?



Customer Service Evaluations

Attribute Ratings

- NCOCC Customer Service is a strong driver of overall Loyalty.
- *Responsiveness, Keeping us informed of the status of an issue, and Being easy to reach* are strong drivers.
- *Reliability and Being proactive* are also both moderate drivers.

Customer Service Evaluation	Driver Strength	(n)	■ Excellent ■ Very good	T2 (%Ex/Vg)	B2 (%F/P)
Responsiveness	★	95	52% 28%	80%	7%
Keeping us informed of the status of an issue	★	94	44% 35%	79%	12%
Being easy to reach	★	96	52% 25%	77%	8%
Reliability	☆	95	55% 28%	83%	6%
Being proactive	☆	90	47% 30%	77%	8%
Being knowledgeable about our systems and needs		94	56% 28%	84%	6%
Quick resolution time		95	48% 26%	75%	11%

★★ Very Strong ★ Strong ☆ Moderate

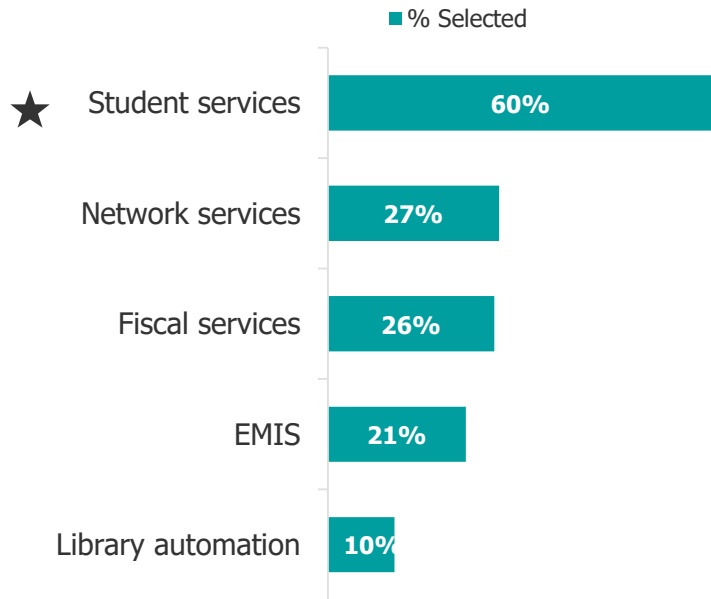
D3. How would you evaluate [ITC]'s customer service on ...?

Experience Evaluations

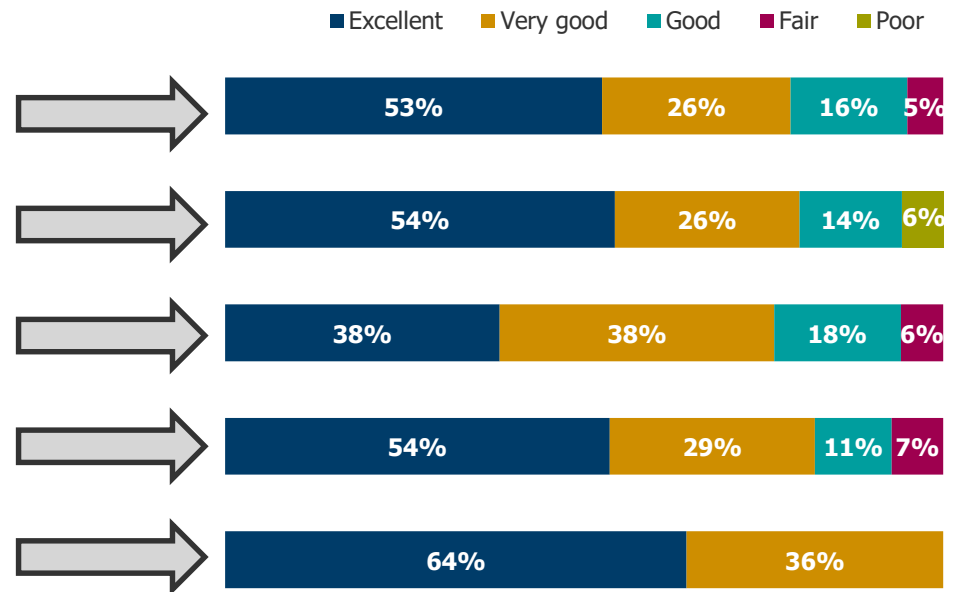
Core Services

- The most used core service for NCOCC respondents was student services, with 60% usage.
- This service received a Top 2 Evaluation of 79% Excellent/Very good scores.
- Student services is also a Strong Driver of NCOCC Loyalty.

(n=135) **Interaction with Core Services**



Core Service Evaluation



Experience Evaluations

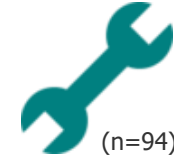
Core Services: Reasons for Fair/Poor Rating

Why do you say that?		
Bad Customer Service	50%	<i>"Generally speaking, I use NCOCC as my last option to troubleshoot issues."</i>
Outdated Services	33%	<i>"Need to improve so much of the system."</i>
Not Innovative	17%	<i>"There could be more 'best practice' meetings. There hasn't been anything new with the state software in years until the release of the rewrite which has taken a very long time. Even though the software is not user friendly, the approach is working with the software instead of finding ways to that the software can work for the user."</i>
Overall Poor Experience	17%	<i>"Fair"</i>

Problem Experience

- Problem experience was a strong driver of overall Loyalty.
- However, only 5% of respondents stated they had experienced a significant problem with NCOCC and 60% of those believe the problem has been resolved.

 **5%** of customers have experienced a significant problem in the past 12 months (n=95)

 **60%** had their problem resolved to their satisfaction. (n=94)
(% Yes, problem resolved)

What was the nature of the problem?		n=6
Slow/ Poor Communication	40%	"The computer in the lab are substandard as mentioned earlier. When there is a known issue with the student system or EMIS, it is not relayed to users in a timely manner"
Specific Software Issues	40%	"DASL doesn't move through screens fast enough - long waiting time between entry/save/next screen."
Connectivity	20%	"The system is always having problems and the Wi-Fi in our buildings is always having problems."
Miscellaneous	20%	"Hackers or people sending nasty e-mails"

Experience Evaluations

CORE SERVICES USAGE & EVALUATIONS
PRODUCT / SERVICE USAGE & EVALUATIONS
POTENTIAL OFFERINGS

Experience Evaluations

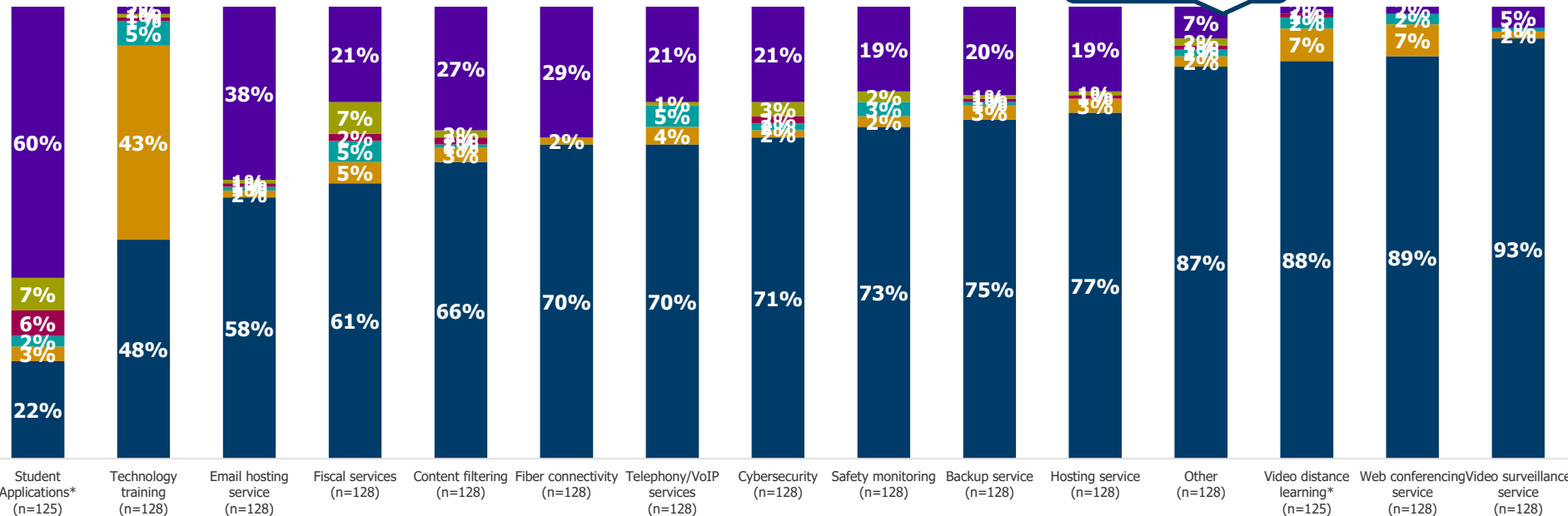
Product/Services Usage Frequency

- Student applications and Technology training were the most frequently used applications by these respondents.

How often do you use the following products/services?

■ Never
 ■ Once a quarter
 ■ Once a month
 ■ Twice a month
 ■ Once a week
 ■ Once a day

Miscellaneous

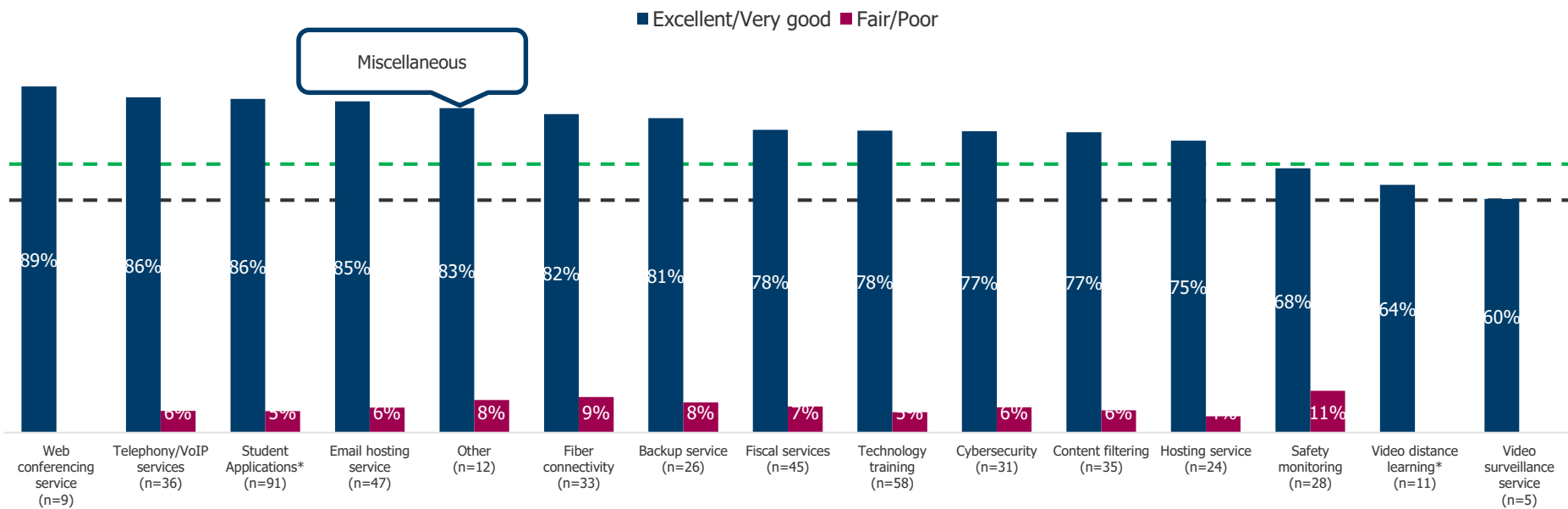


Experience Evaluations

Products/Services Usage and Rating

- The most used product/service for student applications. This service received a high evaluation of 86% Excellent/Very good evaluations.
- The highest rated product was web conferencing service, which received an evaluation of 89% Excellent/Very good.

How would you rate the selected products/services?



Usage (% at least Once a Quarter)

11%	30%	78%	42%	13%	30%	25%	39%	52%	29%	34%	23%	27%	12%	7%
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B6. How often do you use the following products/services?
 B7. How would you rate the selected products/services?

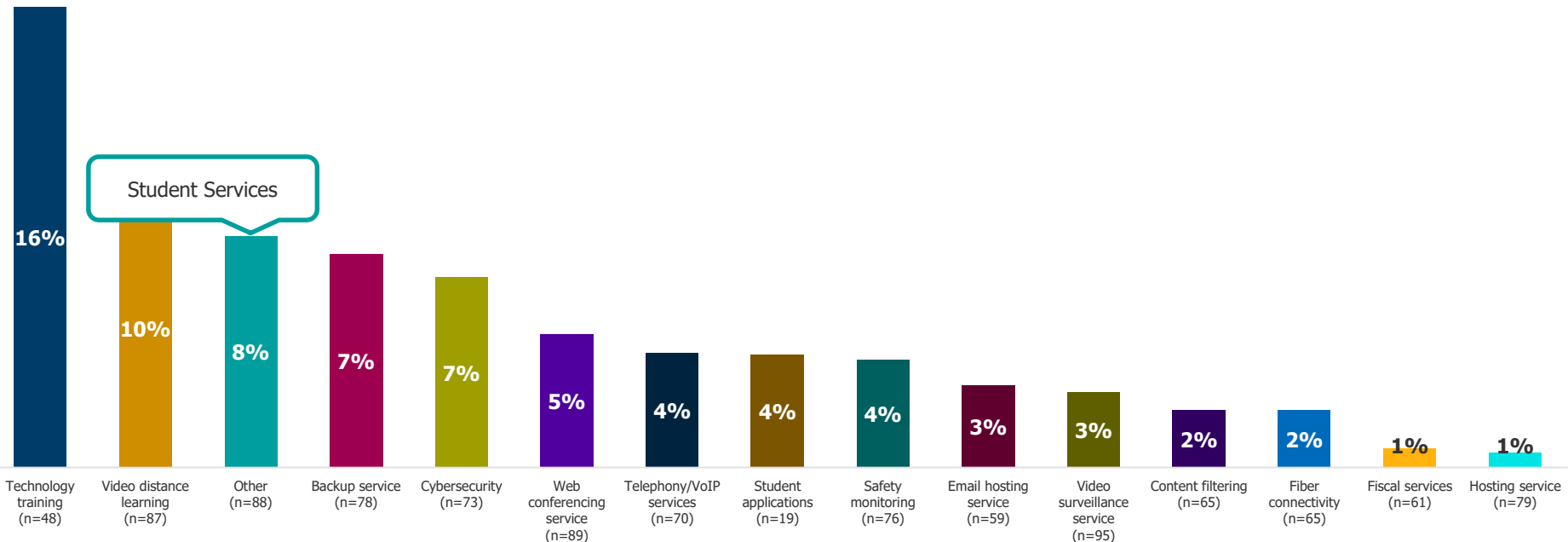
* Shown only to respondents in public or private schools (S1)

Experience Evaluations

Products/Services Potential Offerings

- NCOCC respondents, on average, chose Technology training as the product/service that would add the most value, with 16 points.

Of the products/services not offered, which one(s) would add the most value?

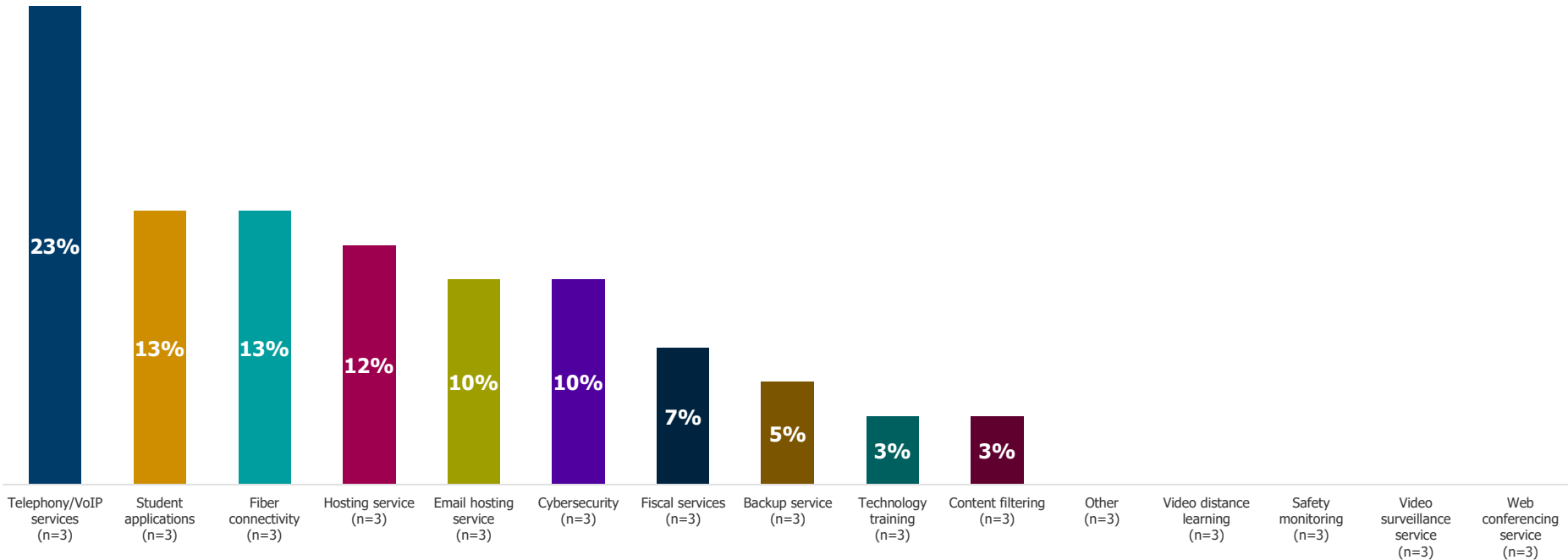


Superintendent Experience Evaluations

Products/Services Potential Offerings

- NCOCC superintendents, on average, chose Telephony/VoIP services as the product/service that would add the most value, with 23 points.

Of the products/services not offered, which one(s) would add the most value?



B8A. Of the products/services not offered, which one(s) would add the most value?

Experience Evaluation

Products/Service Potential Offerings

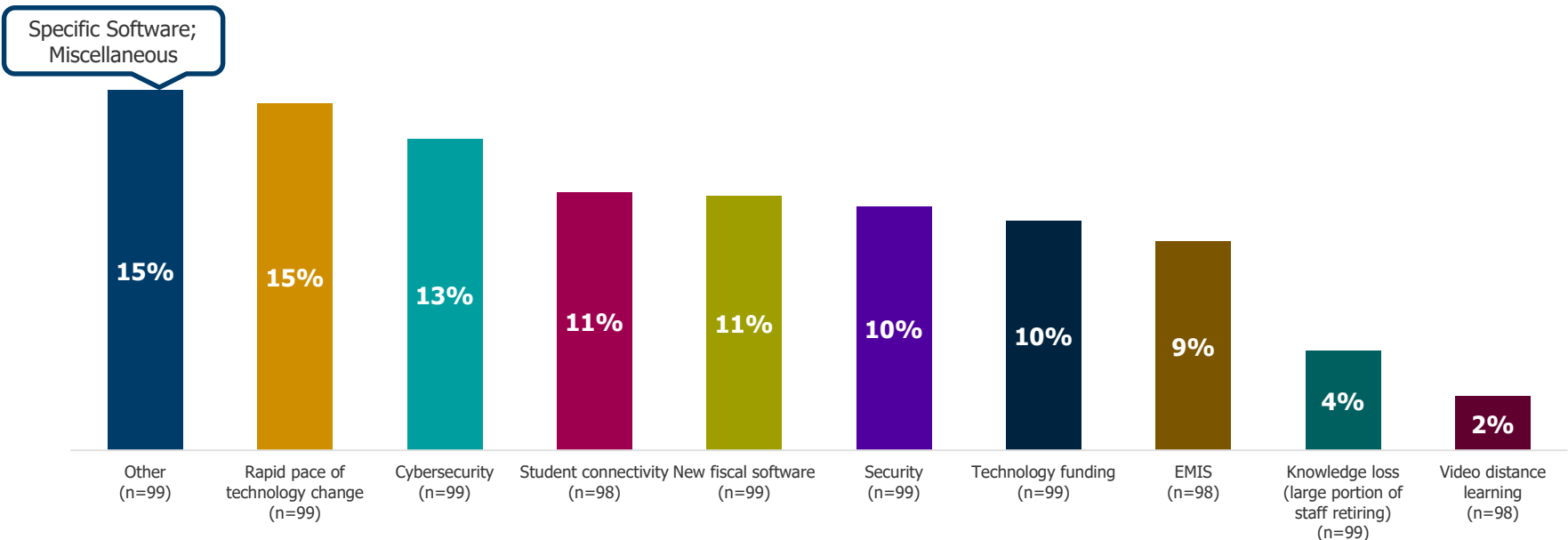
- Very few respondents had much to add regarding potential service offerings.

When thinking of everything they do for you, what can NCOCC add to its product mix to improve the overall value it provides to your organization?		
Satisfied	26%	<i>"I have been so pleased with the service they have provided they are always willing to help troubleshoot, give me pointers etc."</i>
Nothing	21%	<i>"Nothing I can think of"</i>
Improve Existing Services	11%	<i>"A better student information system"</i>
General Training	11%	<i>"Some type of instruction manual for DASL, online would be great, similar to the Workflow manual."</i>

Future Needs

- On average, NCOCC respondents chose Other as the most important technological challenge that they would anticipate facing in the next 3-5 years, with an average of 15 points.

What technological challenges do you anticipate facing in the next 3-5 years?



If you could change one thing about NCOCC, what would it be?		n=65
Nothing	45%	<i>"Nothing right now. They do a great job!"</i>
Satisfied	13%	<i>"I have been happy with the information that NCOCC has provided"</i>
More / Better Services	9%	<i>"Providing more options so that we can do our job better. The software provided by the state for fiscal barely does the job. I fear that the rewrite will not be adding any functionality, just a different format. It would be nice to see what else is out there that would be more efficient."</i>
Training	8%	<i>"Availability & Complex Training"</i>
Miscellaneous	8%	<i>"Fix the computers in the lab."</i>

I1. If you could change one thing about [ITC], what would it be?

Relationship Measures

Why Disagree/Strongly Disagree or Not Very/Not At All Likely

Why do you say that – reputation battery?			n=11
Miscellaneous	30%	"Too many changes, not enough support for staff to learn about and work with those changes."	
Not Innovative / Leader in Industry	20%	"Our district does trust NCOCC, but it is very difficult to meet our needs or any districts needs as there is 17 different schools, which are all have different needs."	
Not Easy to Work With	20%	"Training offered is rarely for aspects that go into any depth/complexity. Most training is for "old people" not newer teachers already versed in typical technology applications."	
Slow Service	20%	"I feel that the needs of smaller northern school districts are ignored by NCOCC due to the distance we are from the NCOCC office. Updates or maintenance that is needed are often ignored or only done begrudgingly by NCOCC technicians." – (Loyal/Neutral/Vulnerable)	
Systems are not Easy to Use / Outdated	10%	"I don't feel like NCOCC is leading in the technology area as much as it could be. The state software is difficult and not easy to work with. Instead of work arounds, it would be nice to have some new ideas."	
Hasn't Met Requests / Answered Questions	10%	"They don't seem knowledgeable about the system and miss things"	

A1A. Why do you say that?

Relationship Measures

Why Disagree/Strongly Disagree or Not Very/Not At All Likely

Why do you say that –low value?		
Poor Customer Service	43%	<i>"The labs are the worst. Not all computers work or they shut down and you lose all your work. I lost hours of work on an excel spreadsheet. Wasted my entire day. Complained, but the computers are still the same. Helpdesk tickets aren't answered in a timely matter."</i>
Poor Communication	14%	<i>"I don't feel that they are doing all that they can to support us. They are not quick with communication if there is problem with one of their products that we use."</i>
Lack of Innovation / Being Proactive	14%	<i>"Lack of innovative ideas"</i>
No Issues	14%	<i>"Systems seem to work (email, kiosk, progressbook)"</i>
Miscellaneous	14%	<i>"Fair"</i>

Conclusions

Conclusions and Recommendations

- The NCOCC Loyalty Profile is moderate with 39% Loyal customers and 21% classified as Vulnerable.
- This profile has a strong impact on customer behaviors and suggests that NCOCC focus on a few areas to retain and grow with existing customers.
- The strongest drivers of the NCOCC Loyalty Profile are Problem Experience, Student Services, Customer Service, Price, and Reputation.
- Evaluations in all areas were moderate, consistent with the strong Loyalty Profile. Within Reputation, the areas of being innovative and anticipating the customer's needs received the lowest percentage of Strongly Agree evaluations. This would be the most significant opportunity – and threat – for NCOCC.
 - General respondents are looking for more technology training while superintendents want telephony/VoIP services.
 - NCOCC customers are concerned about how the rapid pace of technology change will impact them in the coming years.