

Konczosné dr. Szombathelyi Márta PhD  
Széchenyi István University  
Department of Regional Sciences and Public Politics  
9026 Győr, Egyetem square 1.  
Hungary  
36/96/613-653  
+36/30/5482-654  
kszm@sze.hu

# **The trends of consumer's behaviour in Hungarian higher education**

## **Summary**

The financial position of institutions depends more and more on consumer behaviour. The trends of consumer behaviour have an influence on higher education's market, they have an effect on choosing the institution and also on future target groups. So it is very significant to pay attention to these trends in the field of university education and marketing. Changes are fast, wide spread and aggressive. These trends give chances for long-term thinking and planning. The author of this essay gives an account of how these trends of consumer behavior succeed in the market of Hungarian higher education.

**Key words:** higher education, marketing, trends, consumer

## **Introduction**

By the turn of the millennium the higher education of Europe had got into a disadvantageous position in the international competition. The scientific, cultural and economic future of Europe depends on the fact whether we are able to adapt to the requirements of our age or not. Having realized this fact the governments of Europe decided for a change: delegates of 29 countries (among them Hungary) signed the so-called Bologna Declaration. The 45 mostly European countries which are participants of the Bologna Process have undertaken to make their own educational system more successful, coordinated and competitive. They adjust their higher educational system to the Anglo-Saxon, more-level model that is followed by the majority of the best universities of the world. As a result of these changes we can connect the Hungarian higher education with the system of European higher education. It means that our universities provide educational correspondence with their European partners, they dispose of more considerable autonomy, more significant economic independence. Our students graduate from our universities with the same knowledge as their German, English, Dutch or French peers. Furthermore it means that a Hungarian degree is as worthy as that of other countries and that the knowledge and earnings of students graduated in Hungary are marketable with their European colleagues. On the other hand it is needed to reckon with the effects of political transformation on culture.

## **Reason for choosing the theme**

One of the consequences of change of regime going on since 1989 is that schools, universities, libraries, museums, theatres, paralelly with the reduction of governmental resources, have become subjects of market laws.

Therefore Hungarian higher education has gone through considerable changes in the past two decades. The number of students has trebled, non-subsidized courses have appeared, institutional integration has been performed with the aim of interdisciplination and the structure and finance of education have changed as well. These are significant changes but the transformation has not been completed yet. The Ministry of Education set the marketable higher education as an aim, which provides the students with marketable knowledge. The new educational administration has begun to form the long-term strategy of development in higher education.

The legal predecessor of Széchenyi István University was established as a technical college for transport and telecommunications in 1968. At the beginning the profile of the college included the main engineering majors related to the infrastructure, such as bridge-, road- and railway construction, transport and mechanical engineering, telecommunications. In 1990 the college - named Széchenyi since 1986 – started a large-scale improvement of institution to suit the changes of labour market. Training of economists has been going on since 1990, training of lawyers since 1995. Science of health and science of social studies have also appeared in the educational range since the beginning of the 1990s. In 1995 a college of music integrated into the University.

## **Aim of research**

In order to realise a marketable Hungarian higher education it is necessary to change attitude. The financial position of institutions depends more and more on consumers' behaviour. The trends of consumer's behaviour have an influence on the higher educational market. They have an effect on choosing the institution and also on future target groups. So it is absolutely crucial to pay attention to these trends in the field of university education and marketing. Despite these facts the opinion of competent persons is divided. The aim of this study is to prove that non-profit organisations becoming more and more under-funded need to use such marketing systems that are applied in the field of profit-oriented sectors.

## **1. Marketing with non-business and non-profit organisations**

The idea of applying marketing consciously was born in the USA, which has significant non-profit traditions, at the end of the '60s, at the beginning of the '70s. The fact that the non-profit organisations had to face more and more often the effects of lack of sources and fierce competition made it necessary to apply marketing tools shaped in the profit-oriented sector.

In spite of these facts, experts' opinion varies about the opportunities, the necessity and the importance of the application of marketing and management methods. In the non-profit world getting gradually professional marketing is still the least accepted management function. Common knowledge identifies marketing – mainly due to experience - with sales, advertising or sales incentives, which are the most aggressive phenomena in business activities and as such fall far from the philosophy and ethos of non-profit organisations.

As a matter of course in their daily activity non-profit organizations are using marketing tools as well, e.g market research, activity planning, contentment survey, sponsoring organization, advertising etc.

On the other hand, the marketing's modern interpretation does not simply consider marketing as the change of money and goods, but a special, individual form of the changes, where the main roles are played by the course of values changed (Józsa 2005).

Modern marketing is a tool to meet the consumer's demands, to create contentment and to realise the acceptance of the offer in order to achieve the long-term goals of the organisation. It means two separated but closely related phenomena: philosophy and function. As a philosophy the common values represent the creation of contentment, winning and keeping the public is the key to success. As a function a management process that endeavours to satisfy consumer demands, helps to form the best position against the competitors by evaluating situations, defining target groups and planning marketing programmes, realisation, control, considering organisation aims and resources.

Often is the starting-point already questionable: is the university a non-profit organization? What kind of organizations belong to the non-business or non-profit sector and why? What is the difference between the two categories?

The non-profit organizations are civil organizations, which are set up by the society's self organising, they aren't profit oriented, meet the society's demands, do national and local council tasks not from state resources, but they often do business activity in society interest (Dinya-Farkas-Hetesi-Veres 2004: 9). According to the above explanation, universities are not non-profit organizations.

The non-profit-oriented character is typical not only of civil organizations but such public institutions which are state-financed, do services for collective claim. Their aim is not to make profit but to satisfy consumer claims. The most universities belong to here.

The economical life's special characters are the public utilities, because they basically do collective services. Their effort is to get profit.

The non-business sector contains the above mentioned characters: the non-profit, the budget and the public utility sectors, which main activities are the community service satisfying collective needs (Dinya-Farkas-Hetesi-Veres 2004: 30). Accepting the above definitions, universities are not non-profit but non-business organisations.

Recently, the popular profit/non-profit marketing and management separation lost strength, as the non-profit/nonbusiness organizations need to do profit-oriented activities. It's named in some literature the „third sector” (Lions 2001). Essential elements of marketing – to change values, to find and keep customers for long time – are fundamental characteristic features of these organisations. Similarly to companies the non profit-oriented organisations produce products, services, thoughts. Marketing is both an organizational philosophy and a management function.

Non-business marketing activities are conducted by individuals or organizations to achieve goals than profits, return on investment or possibly market share. A target public is a collection of individuals with an interest in or concern about an organization, a service or a social cause. A not-for-profit marketing is the application of marketing practices for organizations endeavouring to appeal to target markets but without profit motives (Dibb – Simkin 2004: 239-242).

It is evident that in the different nonbusiness organizations's practice the applicableness is different between the marketing orientation and the marketing methods. The simple adaptation has to be handle under reserve, as the non-profit-oriented organizations are separated by a lot of important differences. The character, aims, inner mechanism and outer relations of this organizations are different from the others in the forprofit sphere. The essence of non-profit and public institutional organisational modell is, that their main operational question and direct aim is to assure some goods which can satisfy communal demands and claims in which the business, the profit are not determining.

While an enterprise constrained by profit and loss considerations cannot continue to use resources which have a greater value in alternative uses, a non-profit organisation can, since it need recover the full costs of the resources it uses from the recipients of the goods and services it provides. Where non-profit organizations are making grants of money, the

recipients of that money are in no position to influence the way the non-profit organizations operates, as customers of profit-seeking organizations can and do (Sowell 2007: 511)

Marketing is of higher and higher importance for these organizations, because in the fierce competition they need to produce money. Similarly, like the forprofit organizations, it is important for them to know what their competitive advantage is. On the other hand, the general marketing's solutions can be enforced only with serious constraints.

Recently, the forprofit sphere has joined the nonbusiness sphere as well. In the informational society we are witnesses to very intensive interweaving and mutual interdependence of more and more actors.

## **2. New phenomena in higher education**

### **2.1. Changes in the social environment**

Changes in the economical and social environment have a huge influence on processes in public and higher education. The situation of education is basically decided by the number of certain age groups: the rapid and significant change in children number, which is decreasing in this case, puts stress in the system. There is a competition for students and resources in higher education. As follows you will find the outlines of the challenges of the Hungarian higher education in the third millenium:

- Due to the demographic trends domestic demand is going to decrease and the training in foreign languages, mainly in English will grow in importance,
- Globalisation widens competition for students and teachers into international between universities,
- The spread and the use of PCs is typical in education, in education management, and in providing information,
- Instead of lexical knowledge new abilities are required: ability to learn, creativity, teamwork, communication, mastering foreign languages, flexibility, ability to establish connections, imagination; the development of these abilities requires a multidisciplinary approach, trainings,
- Due to the decreasing trend in educational incomings the application and charity activities need to be strengthened.

As higher educational service is a market, a marketing is needed in this field as well. Institutions of higher education has started brand building, they apply press communication

intentionally, they collect information regularly on the employment facilities of students and the company expectations towards students, they apply online marketing (websites), organise central marketing shows, etc. However, a comprehensive marketing strategy is usually missing.

Problems of the present university, including the question of marketing as well, are not simply technical problems but are often signs of a different, more comprehensive approach in the fields of university management, moreover, the university concept. The transformation, marked by the term 'Bologne process' in Europe and by the new law on education in Hungary, significantly redefines tasks of universities and possibilities of university students to assert themselves. I think it is worth distinguishing and defining some general university models formed during history and list their characteristics.

*Early-modern university:*

- Search for the truth, the idea of a mere formal philosophical truth,
- National university,
- Autonomy and independence from social processes,
- State financing,
- Central power is the professor,
- Typical place is the lecture hall, its event is the lecture,
- Its buildings are located in the city centre around the centre of the political power,
- It's the institution of a narrow, intellectual-civilian élite.

*Late-modern university:*

- An ideal knowledge of mathematics and formal logic, interdisciplinarity,
- Big departments, cooperation of more professors,
- Central workplace is the seminar room,
- Symbolic space is the library,
- Campus – „city of intellect”,
- Strong autonomy, high-level social financial support without any conditions,
- Institution of the democratic élite.

*Postmodern university:*

- Postindustrial, service-oriented functional knowledge,
- Non-state financing has a significant role,
- Board of directors, quality management, takeover of company techniques,
- Loss of autonomy,

- Globalisation of programmes and degrees,
- Disappearance of the national character, appearance of the virtual university,
- Symbolic space is the university website (e-learning, educational process-management, etc.),
- Mass education is getting common (Bókay 2005).

Regarding the postmodern university an approach has become widespread according to which higher education is a service the users of which primarily expect results which can be utilized in the labour market in return for their investment (tuition fee, time). A rather buyer's market can be mentioned, the financial situation of the institutions depends more and more on the consumer behaviour (students, R+D customers). So has become the whole system and the appearance of the products of the universities and colleges on the information market a basic financial interest.

Changes in the social environment affected all the elements of the requirements set towards higher education and higher education marketing, so

- regarding enrolment there is a fight for students, institutions try to attract students through better information providing, image-building, making connections, attractive supply,
- through the organisation of education, development of faculties, a change in infrastructure we can experience the developments in the content element of education and the adaption to new needs,
- the attention to the labour market, the evaluation of the marketability of students leaving the institution are the fields which can become an important part of arguments, influencing the competitiveness of higher education institutions (Töröcsik 2005).

On the market formed by the educational activity of higher education more and more consumer layers appear: students (direct consumers), actors of the labour market (passive consumer layer), and the society as a beneficiary of the public service functions of higher education. Higher education institutions have to take the needs of all the layers into consideration in order to provide satisfactory service. Moreover, universities and colleges wish to meet the expectations of their maintainers, as their survival depends on it. Besides these ambitions we can also experience that higher education institutional supply is rather determined by its inner capabilities, human resources and inflexible limitation in state-financed student number.



Due to the increased consideration of market signals, however, the person of the decision-makers can also change. Predominantly the consumer – the student, the economic branch, the social need – tends to choose, and the government or the qualifying institutions are losing their dominance in the educational supply.

## **2.2. Consumer behaviour trends and their validity in the higher education market especially at the University Széchenyi István**

Consumer behaviour trends influence the market of higher education as well. Today processes are not evident, we can see dramatical changes which create totally new situations. There are rapid, wide and aggressive changes. We do not tolerate too many changes very easily, because of their triggering social distress, orientation-loss. Trends suggest synthesis, explain the fulfilment of future trends. They offer a possibility for long-term thinking, the change in the aspects of segmentation, for rethinking, for defining and getting to know new target groups. If a trend strengthens enough it makes the trend analysis complicated and brings counter-trend into life, so trends and counter-trends have to be considered simultaneously.

The 'buyer decision', so the judgement of the supply of certain higher educational institutions, and the decision on them has a more and more complex background, so you also have to consider more and more things of seemingly less importance. In the following I am outlining the consumer behaviour trends of the University Széchenyi István influencing the above field, which tend to strengthen in the future, the attention to which is of high importance in the field of the university marketing and education as well.

- Two trends affect time and pace, and mobility. *Time and pace*: Trend: pressure of time, acceleration. For many of us time is accelerating in a way we cannot understand, there is a fight forever for the tasks to be done due to the available time. How is it experienced by the University's student? He is planning to make a living in 5 or 10 years maximum as a career aim. The 'true moments' are overvalued, the events which are good, very pleasant. Counter-trend: 'getting out', temporarily or finally, slowness/retardation. Intensive pace of work is replaced by the total opposite counter-trend, e.g. moving to village, child-bearing. By emphasizing quality of life we give up extreme work and extreme consumption.
- *Mobility*: Trend: physical and mental mobility. Physical, but in a mental way we also become mobile, it is not a problem to learn and work abroad. Mobility also requires learning of new trades, the acceptance of new working fields, more workplaces, sometimes unemployment. Counter-trend: search for a 'nest', stability. The sign of this is

the location of more and more functions to home (office, sauna, swimming pool, solarium, fitness room, etc). The University supply has to serve a career aim, offering a knowledge which can be utilized in the labour market. Student mobility support programmes, opportunities to learn new trades must help the students in the physical and mental mobility.

- *Knowledge*: Trend: learning to acquire rational knowledge. Learning as a lifelong programme is becoming more and more an expectation in our life. As a counter-trend – besides further training, new degree, language knowledge, etc. emotional sensitivity is getting more and more important. Among the criteria set to get a job the right recognition of others' feelings and the reaction to them is becoming more and more important, hand in hand with the ability to communicate and to handle conflicts. To improve these abilities you have to take courses. When compiling subject supply we have to consider that besides seminars, trainings students need the possibility to acquire knowledge which, besides rational knowledge, are the proven conditions for success: good ability to communicate and to handle conflicts and people, and, to motivate.
- *Consumer expectations*: Trend: search for experience, the consumer wants to have an experience during his free time. The consequences of the extreme work load are extreme sports and exploring extreme places. More and more extreme ideas, more and more special effects are necessary to raise the consumers' attention to the offer. Counter-trend is the search for authentic things, the choice for the real, authentic, competent and reliable. This trend is in connection with the need for naturalism. A more and more frequent student need is the supply tailored to one's needs, alone which provides satisfaction. This is referred to by the expectations of the foreign students studying in the University Széchenyi István with help of student mobility programmes, but these trends are to strengthen in the future.
- *Social life*: Trend: individualism. Being egocentric is a significant trend nowadays, as a straightforward consequence of the 'need to perform'. The growing role of individualism, together with the satisfaction concept results in new expectations, in many cases only the supply tailored to one's needs provides satisfaction. Counter-trend is the 'group spirit', civil associations, different organisations, activities in order to achieve common goals: Our alumni office is specialized in it, which play an important role in forming institution loyalty and building identity-consciousness.

- *Exercise*: Trend: wellness. The need for doing sports, healthy eating, and balanced life is of a growing importance in our lives, the way of feelings providing comfort. Counter-trend is the so-called 'null-ness', with the reasoning 'accept yourself as you are'. Here is a connection to hedonism. Our students' as consumers' expectations are to be traced within the growing importance of the need to do sports, to have programmes providing experience when spending free time, and, to enjoy life.
- *Health*: Trend: taking responsibility and the expectation to do so at a very high technical level. In order to intensify energy and the ability to act, to run an independent life people buy more and more products and services, certain groups do so at a level well beyond the average. A growing number of people are inclined to make financial sacrifice, invest into knowledge, energy and money in order to keep healthy. Proportionally, the need for a social responsibility-taking is also growing, so that the new healing possibilities (high-tech processes, implanted structures, expensive medicines, innovative surgery) would be available for everyone. Counter-trend: soft medicine, the solution of a problem with the least possible surgery, natural treatment, eastern healing methods, homeopathy, etc. In the supply of the Széchenyi University restaurant for example green salads, rib poultry, fruit, sugarfree soft drinks, calory charts indicated at a place of good visibility, etc. have to be given importance.
- *Youth ethos*: Trend: „forever young”, which phenomenon is connected to the shift in value that being young has been overvalued compared to being old. All products are successful promising „you can remain young’. Counter-trend: 'act your age', connected to naturalism, authenticity. The 'new old people' try to give new reason to our age, like by acquiring new knowledge, via charity activities, or as new service providers. This trend is to be strengthening, as the population is getting older and older. The consequence of this ethos to be young is the appearance of a new consumer layer of 'the new old' in a growing number. Management of the University Széchenyi István has to consider the significance of this social layer, it's study needs and the market value of this target group.
- *Basic value when selecting the product*: Trend: high-tech, virtuality, which infiltrate into our life. The search for the virtual world, the 'exchange' of reality to this is a new phenomenon. Counter-trend is a 'yes for natural / naturality', respect for the nature, natural raw materials, food, organic food, embroidery, ancient trades. The University Széchenyi István prefers and supports the distance learning based on Internet which is the

form of the virtual world, virtual university, which can be fit into work, time pressure, and the pressure to perform successfully.

### **3. Consequences, tasks**

These trends characterize the average social environment in a way significant in the future as well, influence the choice for the institution, characterize student expectations, touch future target groups. The attention to them is of high importance in the fields of the Széchenyi University education and marketing.

- University supply have to serve the career aim, offering a knowledge which can be utilized in the labour market. Programmes supporting mobility, opportunities to learn new trades have to help the students in the phisycal and mental mobility.
- When compiling subject supply we have to consider that besides seminars, trainings students need the possibility to aquire knowledge which, besides rational knowledge, are the proven conditions for success: good ability to communicate and to handle conflicts and people, and, to motivate.
- A more and more frequent student need is the supply tailored to one's needs, alone which provides satisfaction. This is referred to by the expectations of the foreign students studying at Széchenyi University with help of student mobility programmes, but these trends are to strengthen in the future.
- Besides the growing role of individualism to the 'group spirit' is attached more and more important by the students, 'Our alumni' office is specilalized in it, which play an important role in forming institution loyalty and building identity-consciousness.
- Our students' as consumers' expectations are to be traced within the growing importance of the need to do sports, to have programmes providing experience when spending free time, and to enjoy life.
- The consequence of the 'ethos to be young' is the appearance of a new consumer layer of 'the new old' in a growing number. Our institution has to consider the significance of this social layer, our study needs and the market value of this target group.
- Distance learning based on Internet is the form of virtual world, virtual university, which can be fit into work, time pressure, pressure to perform successfully.

Central marketing and management organisation of Széchenyi István university have to coordinate all the activities to be done by smaller entities to reach the above tasks and aims.

These are:

- Publishing a regular school letter;
- Organising press connections, with special consideration to the cooperation with the regional television;
- Operation of alumni and career offices, tracing student careers;
- Organizing financial support;
- Providing information on enrolment, participating in educational exhibitions, shows;
- Achieving integrated appearance, brand building;
- Development of the university homepage into an up-to date basis of information, through which both the extern and intern communication can be realized;
- Measurement of student satisfaction;
- Analysing labour market indications, etc.

The integrated direction and approach of the above fields can create synergies in the field of the University communication, marketing.

In the market of higher education there is a competition for students and resources. In this competition and in handling the challenges of the Bologna-process the University Széchenyi István can apply marketing and communication tools.

One field of their application is the enrolment marketing, during which our university can examine the possibilities of how to attract students, fields of attraction, aspects for decision making, target groups and market positions. We can apply communication enhancing student application, PR tools – rational and emotional tools -, and the image throughout the enrolment.

In the University can create student orientation, according to which they can trace the change in student needs. Trainings, education management, the quality of student services can be measured with 'satisfaction measurement'. With 'providing experience' they form 'loyalty to the institution' consciously.

The University Széchenyi István can consciously apply press communication (events, keeping contact, press release, press analyses), the tools of media. The own press of an institution can be of higher importance in inner and outer communication. The institution can regularly appear in radio, television, its realisation is partly a question of money. A homepage can be of high importance both in inner and outer communication as well. Its integrated, up-to-date, highbrow image of a high level can create the most effective and most frequently used marketing-communicational tool.

Special tasks of those working in the field of marketing are establishing connection and support, identifying partners, contacting, keeping contact, sponsorship, the target group 'alumni'. The basis of this activity can be keeping the contact with old students, the creation of identity, tracing their lifespan, providing continuous information, offering cooperation possibilities.

Tackling these tasks, the effective university marketing can be realised only via a comprehensive strategy, through which the management identifies the target groups, evaluates the situation, plans and realises marketing programmes, strives for determining and satisfying consumer needs and expectations, helps to establish the most favourable position towards competitors. For its success it is inevitable for each department and employee of the institution to represent the philosophy, the common ethos according to which creating consumer satisfaction, winning and keeping the consumers are the tools for the institutional success. In order for our university to operate successfully certain functions have to be planned carefully, they have to be harmonized to create synergical effect. At the same time, we have to avoid taking over the marketing practice applied in business life without criticism. At the University Széchenyi István a specific model rooted in its distinctive character has to be established on common principles.

## **Bibliography**

- Bókay A.** (2005): Egyetemi marketing, hallgató orientáció – új eszmék a felsőoktatásban. Előadás, amely elhangzott a II. Felsőoktatási Marketing Konferencián, Pécs, 2005. április 28.
- Dibb, S. – Simkin, L.** (2004): Marketing briefs. A Revision and Study Guide. Elsevier Butterworth-Heinemann: Oxford
- Dinya L.–Farkas F.–Hetesi E.–Veres Z.** (2004): Nonbusiness marketing és menedzsment. KJK-KERSZÖV, Budapest
- Józsa L.** (2005): Marketing Strategy (Cases by Luiz Moutinho), Akadémia: Budapest
- Lions, M.** (2001) The contribution of non-profit and cooperative enterprises in Australia: Third sector. Allen & Unwin: St Leonards N.S.W.
- Sowell, T.** (2007) Basic Economics. A Common Sense Guide to the Economy. Basic Books: New York
- Törőcsik Mária** (2005): Fogyasztói magatartás trendek hatásainak érvényesülése a felsőoktatási piacon – Trendek és a felsőoktatási piac. Előadás, amely elhangzott a II. Felsőoktatási Marketing Konferencián: Pécs, 2005. április 28-29. Törőcsik Mária (2003): Fogyasztói magatartás trendek. KJK–KERSZÖV, Budapest