CHAPTER 4

CONSUMER BEHAVIOUR IN CONTEXT

4.1   INTRODUCTION

In response to the pressures and trends in the higher education landscape (refer to Chapter 2), there have been expanded efforts by higher education institutions to understand and influence consumer behaviour, and more specifically the institution selection process, among their prospective students. The field of consumer behaviour is rooted in the marketing concept, which has a market-oriented focus that implies satisfying customers' (market) needs. The implementation of the marketing concept leads to a need for extensive research to identify unsatisfied consumer needs in order to satisfy these needs better than the competition. In order to make the most appropriate decisions about an institution's marketing mix (refer to Chapter 3) and to satisfy their customers' needs, institutions need to understand their consumers and their consumption behaviour.

To effectively market themselves, institutions must first understand the student market. An understanding of student markets requires institutions to gain more knowledge regarding the institution selection process as part of the consumer decision-making process. This knowledge enables higher education institutions to bring about change in the prospective students' selection process by using an effective marketing strategy, thus emphasising the importance of examining the dynamic interaction between marketing of higher education institutions (Chapter 3) and the consumer behaviour of students (Chapter 4) (McDonough, 1997:428).

Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money and effort) on consumption related items. In order to succeed in any business, and especially in a dynamic and rapidly changing marketplace, higher education institutions need to know as much as possible about their consumers. The decision-making process entails a series of steps that ultimately leads to a purchase or non-purchase. The decision-making process is influenced by

external and internal factors. When students have to select a higher education institution, it involves a complex process where information is sought to support their decision, after which different alternatives are evaluated.

The selection of a higher education institution can be regarded as a multi-stage process involving a series of successive decisions, finally resulting in enrolment or non-enrolment in a higher education institution. Generally, three broad decisions can be distinguished: deciding to enter into higher education, selecting a particular institution and programme of study, and persisting in higher education. The focus of this chapter and the proposed research study will fall on the institution selection decision of prospective students (choice factors).

This chapter will provide an overview of the literature in the area of consumer decision-making. The process of selecting a particular higher education institution will be put in context by focusing on the five step decision-making process: need recognition, information searches, evaluation of alternatives, purchase and the post-purchase process. Section 4.2 will act as background information by defining consumer behaviour, while Section 4.3 will briefly explain different models of consumer behaviour. The remainder of Chapter 4 will focus on the overall model of consumer behaviour by discussing the five step decision-making process as well as the internal and external factors that influence the process.

4.2 DEFINING CONSUMER BEHAVIOUR

Consumer behaviour can be described as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs (Schiffman & Kanuk, 2004:8). Sheth, Mittal and Newman (1999:5) describe consumer behaviour as the mental and physical activities undertaken by households and organisational consumers that result in decisions and actions to pay for, purchase, and the use of products and services.

Consumer behaviour describes two different kinds of consuming entities: the personal consumer and the organisational consumer. Schiffman and Kanuk (2004:9) note that

the personal consumer (also referred to as end-user) buys goods and services for his own use, for the use of the household, or as a gift for a friend. Hawkins *et al.* (2004:678) describe the second group as consumers that buy goods and services in order to run their organisations, for example government agencies and organisations, and are referred to as organisational consumers. Due to the fact that organisational consumers are not in the scope of this study, the discussion in this chapter refers to the individual consumer, more specifically students, who purchase for their own personal use.

The behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services, are represented in consumer behaviour models. In order to understand the theory behind the consumer behaviour of students, the next section will briefly highlight some of the models of consumer behaviour.

4.3 MODELS OF CONSUMER BEHAVIOUR

A model of consumer behaviour can be described as anything used to represent all or part of the variables of buying behaviour. Consumer behaviour models indicate the structure of consumer behaviour and buying behaviour and how it is represented by the decision-making process (Berman & Evans, 2001:19). In the next two sections, various consumer behaviour models will be explained. In Section 4.3.1, the economic, sociological and information processing consumer behaviour models will be highlighted and will serve as background information for Section 4.3.2, which will explain the Engel, Blackwell and Miniard model. This model is a combination of the models discussed in Section 4.3.1 and will be used as a point of reference and visual guide for the discussion in the remainder of Chapter 4.

4.3.1 ECONOMICAL, SOCIOLOGICAL AND INFORMATION PROCESSING MODELS

Consumer literature explains various general consumer behaviour and decision-making models. Cosser and Du Toit (2002:22-24) make use of these models to explain how students select a higher education institution. Economic consumer behaviour

models, sociological consumer behaviour models and information processing models (as applied to higher education selection by Cosser and Du Toit), will be briefly noted and will serve as background information for Chapter 4.

Economical models focus on the individual characteristics of consumers and are based on the concept that consumers maximise value by using a form of cost-benefit analysis. Direct and indirect costs such as tuition fees, textbooks, cost of living and leaving friends and family behind are weighed against the benefits of attending a specific institution such as improved social life, high quality sport programmes or better career opportunities.

Sociological models refer to factors such as family background, academic ability, significant others, educational aspirations and motivation to succeed, as influencing student choice. These models focus on the identification and interaction of variables students use when selecting higher education institutions.

Information processing models can be described as the combination of economic and social factors that affect the individual student's decision-making. Four models of information processing can be identified: The Jackson model, Chapman model, Litten model and Hossler and Gallagher model. These models will be briefly discussed as background information.

- The Jackson model (Jackson, 1982) consists of three stages: preference stage, exclusion stage and evaluation stage. In the preference stage, students decide; in the exclusion stage, economic factors such as location, cost and academic quality are used to exclude institutions; while in the evaluation stage, the remaining institutions are assessed on the basis of their qualities.

- The Chapman model (Chapman, 1984) proposes that student's characteristics interact with external influences to create a general notion of higher education life. Student characteristics include aspects such as education aspirations, academic performance and scholastic ability. External influences include friends,

secondary school personnel as well as institutional characteristics such as external institution communication.

- The Hanson and Litten model's (Litten, 1982) five phases represent student choice as a continual process. The five phases are influenced by factors such as background characteristics (parental income and parental education), personal characteristics (self-image) and institution characteristics (fees, course offered). The five phases include aspiration, commencement of the search process, information gathering, submission of applications, and enrolment.

- The fourth information processing model, the Hossler and Gallagher (1987) model, describes the institution selection process in three stages: pre-disposition, search and a choice stage. The decision to select a higher education institution begins as early as the eighth grade and ends when the high school graduate enrols at an institution of higher education (Cabrera & La Nasa, 2000:5). The three stages interact with one another, each affecting the other in subtle and complex ways (Alexander & Eckland, 1975). The process starts with determining a student's predisposition towards higher education institutions, thereafter engaging in a search for higher education institutions to attend, and finally choosing the institution the student would attend. Hamrick and Stage (2004:151) are of the opinion that the predisposition stage is influenced greatly by family background and school experiences. The predisposition stage involves the development of occupational and educational aspirations as well as the emergence of intentions to continue education beyond the secondary level. As first year students (sample of this study) have already decided to continue their education by attending a higher education institution, the predisposition stage is not included in the scope of the study. Many students enter the search stage of the institution selection process during their first few years in high school. During this stage, students begin to consider the various options in terms of higher education. The search stage involves the accumulation and assimilation of information necessary for students to develop a shortlist of institutions (Hossler & Gallagher, 1987). Students first narrow their options geographically and then consider the specific academic programmes among the institutions remaining in
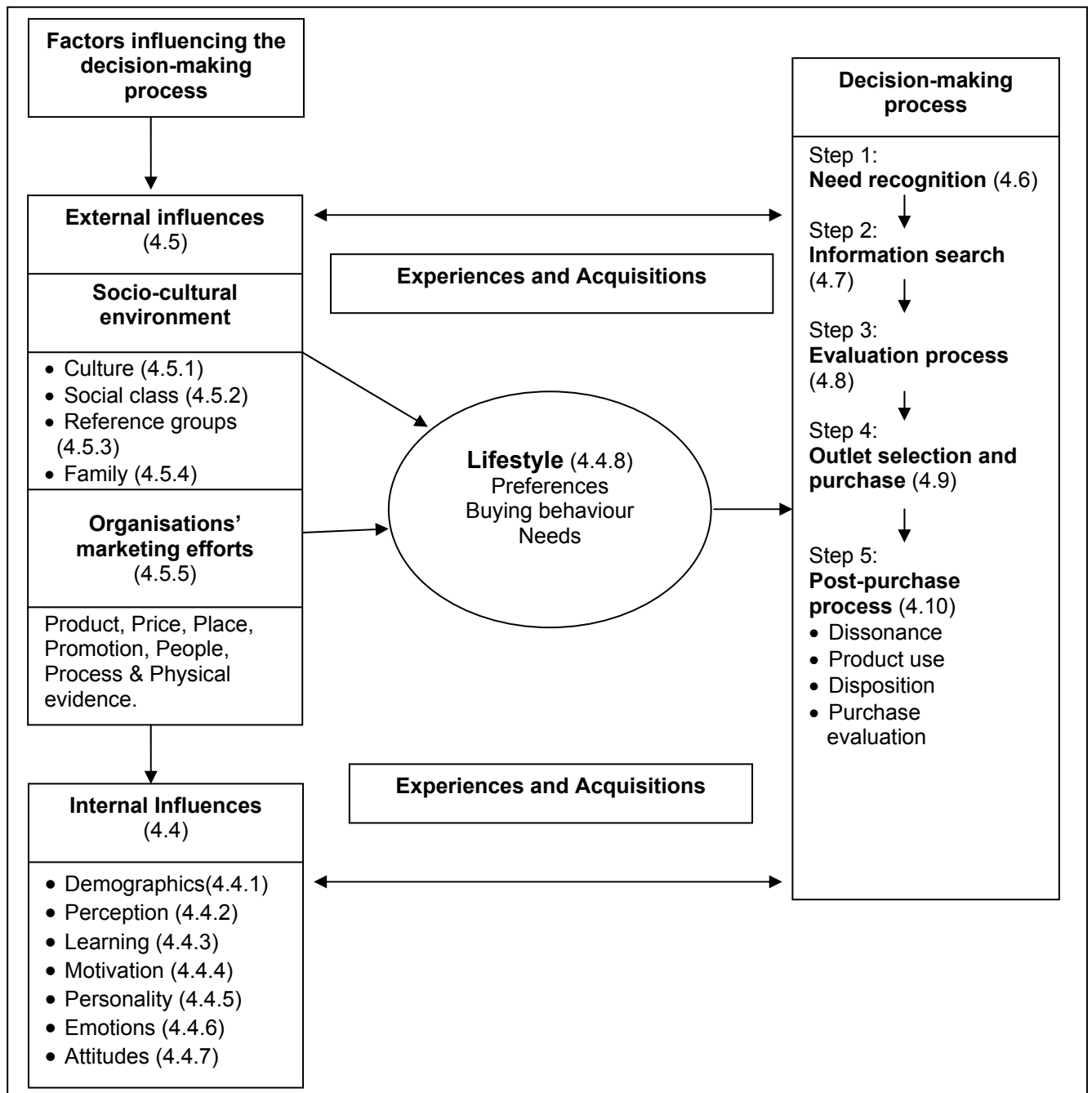
their choice set (Espinoza *et al.,* 2002:21). The search stage is influenced by parental support as well as the information available about institutions. The student's choice set is often highly influenced by parental encouragements and consists of groups of institutions that the student wants to consider and learn more about before making a decision. Attinasi (1989) in Cabrera and Steven (2000:9) states that during the search stage, students begin to interact actively with potential institutions. Visiting campuses, searching brochures and websites and talking to friends about the higher education institution/university are some of the activities used in seeking information. The search stage falls within the scope of this study and therefore the information sources used by students will be investigated. Students enter the choice stage when they submit applications to a small set of higher education institutions. During the choice stage, students consider factors such as academic reputation, cost and location, and ultimately decide which institution to attend. The choice stage will also be investigated in this study by determining the choice factors that students use to choose an institution.

4.3.2 THE ENGEL, BLACKWELL AND MINIARD CONSUMER BEHAVIOUR MODEL

The final model of consumer behaviour to be addressed is the Engel, Blackwell and Miniard model. This model provides a comprehensive discussion on the possible influences on consumer behaviour, and more specifically the impact of these influences on the different stages of decision-making. This model is a combination of the previously discussed models (refer Section 4.3.1) and will therefore be used as the basis for discussing the student decision-making process.

According to Berman and Evans (2001:233) and Hawkins *et al.* (2004:27), the Engel, Blackwell and Miniard model of consumer behaviour consists of two parts: the process itself (which consists of fives steps) and the internal and external factors (that influence the process) as evident in Figure 4.1. Section 4.4 will explain the internal factors, while Section 4.5 will explain the external factors. The steps of the decision-making process will be discussed in Section 4.6 to Section 4.10.

Figure 4.1: Engel, Blackwell and Miniard's consumer behaviour model

Factors influencing the decision-making process		Decision-making process

Decision-making process

Step 1: **Need recognition** (4.6)

Step 2: **Information search** (4.7)

Step 3: **Evaluation process** (4.8)

Step 4: **Outlet selection and purchase** (4.9)

Step 5: **Post-purchase process** (4.10)
- Dissonance
- Product use
- Disposition
- Purchase evaluation

External influences (4.5)

Socio-cultural environment
- Culture (4.5.1)
- Social class (4.5.2)
- Reference groups (4.5.3)
- Family (4.5.4)

Organisations' marketing efforts (4.5.5)

Product, Price, Place, Promotion, People, Process & Physical evidence.

Experiences and Acquisitions

Lifestyle (4.4.8)
Preferences
Buying behaviour
Needs

Experiences and Acquisitions

Internal Influences (4.4)
- Demographics(4.4.1)
- Perception (4.4.2)
- Learning (4.4.3)
- Motivation (4.4.4)
- Personality (4.4.5)
- Emotions (4.4.6)
- Attitudes (4.4.7)

Source: Adapted from: Hawkins, D.I., Best, R.J. & Coney K.A. (2004:27) *Consumer behaviour: building marketing stratgey.* Ninth edition. New York: McGraw-Hill.

The five-step decision-making process consists of need recognition, information searches, evaluating alternatives, outlet selection and purchase and finally the post-purchase process.

The five steps in the consumer decision-making process are influenced by internal factors such as demographics, perception, learning, motivation, personality, emotions and attitudes. The external factors that influence the process consist of culture, social class, reference groups, family and organisations' marketing efforts. Figure 4.1 will serve as a visual guide for the rest of this chapter. The internal factors will now be explained.

4.4 INTERNAL FACTORS INFLUENCING THE DECISION-MAKING PROCESS

The internal influences deal with how the individual react to group influences, environmental changes and marketing efforts. Several internal influences exist and they will be discussed below.

4.4.1 DEMOGRAPHICS

Demographics can be described as consumers' personal information such as gender, race and age. Gender can be described as the cultural definition of behaviour as appropriate to the gender groups in a given society at a given time and the culture capital (resources, norms, behaviour) associated with a set of gender roles (Arnould, Price & Zinkhan, 2004:511). According to Hoyer and MacInnis (2001:384), gender roles are changing and male and females differ in terms of consumer traits, information processing, decision-making styles and buying patterns. Arnould *et al.* (2004:516) are of the opinion that gender influences purchase and consumption situations, as physiological differences between male and female may lead to specialised service product needs.

Research suggests that in positioning service products, organisations need to be sensitive to gender-based differences in product meaning and symbolism. Sheth *et al.* (1999:222) are of the opinion that there are gender differences in products and services. Maringe (2006:269) found significant differences between male and female students and the importance they attach to different information sources in the institution selection process. He found that female students considered parents,

teachers and career guidance officials as very important sources of information, while male students considered all three as relatively unimportant. Students also differ in regard to their view of campus security, as female students view security as a more important factor than their male counterparts (Du Plooy & De Jager, 2004:227).

This study will investigate the possible similarities/differences between gender groups and their perceptions of the importance of different choice factors in the institution selection process.

Another demographic factor that has an influence on a consumer's behaviour is a person's age, as needs and wants vary by age. The age of consumers can have a significant impact on their behaviour, as the age of consumers generally indicate what products and services they may be interested in purchasing or which media they are exposed to (Lamb *et al.,* 2004:166). Organisations can make use of age for segmentation, targeting and positioning. Research indicates that more mature students attach a greater importance to choice factors, such as flexible study times and job opportunities, as opposed to their younger counterparts (Hoyt & Brown, 2003:3).

Race or ethnic group refers to the genetic heritage group a person is born into. Arnould *et al.* (2004:495) define ethnicity in terms of frequent patterns of association and identification with common national and cultural origins of subgroups found within the larger society. Bers and Galowich (2002:70) notice that studies by Bodfish in 2000 and Cabera and La Nasa in 2001 suggest that the institution selection process may differ among racial, ethnic and gender groups. Teranishi, Ceja, Antonio, Allen and McDonough (2004:527) also found that the institution selection processes varied by the ethnic background of students. Their study determined that factors such as cost, financial aid, perceptions of prestige and reputation of institutions differ according to ethnic group.

This study will investigate the possible similarities/differences between ethnic groups and their perception of the importance of different choice factors in the institution selection process.

Understanding the age, gender and ethnic distribution of students can help higher education institutions to determine the service products that may appeal to them, media they may be exposed to, advertising appeals to use, distribution channels and the necessary processes in order to attract students.

4.4.2 PERCEPTION

Perception is a process of giving meaning to sensory stimuli. Arnould *et al.* (2004:296) define perception as a process by which people select, organise and interpret sensory stimuli into a meaningful cohered picture, for example, how students view a brand, service product or institution. Perception consists of three components (exposure, attention, interpretation) and will be discussed briefly. Firstly, exposure occurs when a stimulus comes within range of one or more sensory receptors of consumers. Attention is the second component of perception and occurs when the stimulus activates one or more sensory receptors and relates the sensation to the brain for processing. Interpretation is the third part of the perception process and consists of the assignment of meaning to stimuli that have been attended to. Interpretation is a function of the individual as well as stimulus and situation characteristics.

Hoyer and MacInnis (2001:100) point out that organisations can use their knowledge of information processing in a variety of ways. The fact that media exposure is selective provides a basis for media strategy and institutions can enhance their operations by viewing their outlets as an information environment. Both stimulus and personal factors can be used to attract attention to advertisements, packaging (campus layout) and service products. Students' perceptions of words are used by institutions when choosing names for their service product and for selecting brand names for higher education institutions.

An individual's response to purchase a service product depends on the way in which he/she perceives it. Du Plessis and Rousseau (2005:111) state that it is imperative that organisations realise that a consumer's perception is a reality for the consumer and determine how they act towards the organisation and its service products. Mabote (2001:62) is of the opinion that perception is equal to the truth, which, if not managed, can destroy an organisation. Institutions should realise that they are in business not

only because they offer good quality service products and prices; they are also in business because consumers hold particular views about them. Consumers develop images of service products, brands, advertisements and institutions as a result of their perception. Higher education institutions must therefore know what media students expose themselves to, how they interpret information, how to capture their attention and what their perceptions are about the institution. Perception has strategic implications for higher education institutions, because consumers make decisions based on what they perceive rather that on the basis of objective reality (Schiffman & Kanuk, 2004:199). Perceptions of the quality of higher education are thought to have considerable impact on the decision-making process to attend an institution (Jones, 2002:88). Good academic programmes, leadership opportunities, job placements, opportunities for financial aid and good value for money are factors that determine the perceived quality after graduation by students (Jones, 2002:88).

This study will investigate the importance of quality of teaching as a choice factor in selecting a higher education institution.

4.4.3 LEARNING

Schiffman and Kanuk (2004:245) define consumer learning as the process by which individuals acquire purchase and consumption knowledge and experiences they apply to future related behaviour. Although some learning is intentional, most learning is incidental. Consumers must learn almost everything related to being a consumer: service product existence, performance, availability, values, and preference; therefore, organisations are very interested in the nature of learning. Consequently, the purchasing act, whether rational, deliberate or impulsive, is the result of a learning experience. If needs are satisfied, continued reinforcement usually leads to brand loyalty for a particular brand, product or service. However, if the consumer learning experience has been negative, the consumer will respond to the stimuli from competitive brands.

Schiffman and Kanuk (2004:245) point out that the major reason for understanding how consumers learn is to teach them that the organisation's brand is the best and to develop brand loyalty. Thus, higher education institutions need to understand how

students learn best and make use of this information when developing their promotional strategies to ensure that students learn about the service products they have to offer and that the institution's brand will be in the student's awareness set (refer to Section 4.8).

4.4.4 MOTIVATION AND NEEDS

Motivation can be described as an inner drive that reflects goal directed arousal. A drive is an internal stimulus, such as hunger, thirst, desire or self-esteem. Consumers' motivations and goals depend on how consumers interpret macro-environmental factors, local content, and social networks within their own personal history, circumstances and values (Arnould *et al.,* 2004:288).

Five different needs can be identified using Maslow's hierarchy of needs: physiological needs, safety and security needs, social needs, ego needs and self-actualisation (Schiffmand & Kanuk, 2004:103). As lower order needs become satisfied, higher level needs come into play. Some students may be concerned about whether they can afford education and meet their basic needs such as food and housing (physiological needs). Some students may wonder if they will be safe away from home (safety needs), while others consider if they will make friends (social needs) or be concerned about their esteem or self-actualisation. Social life is an important source of consumer motives and goals, as many consumers' behaviour is motivated by the desire to be integrated or affiliated with other people and by the desire to be different or distinct from other people (Arnould *et al*., 2004:288). According to Kotler and Fox (1995:253), a higher education institution will not be able to give attention to all these needs. Thus, some institutions will cater primarily for the need to belong (small schools, small classes and good social life), while other institutions may focus on students' needs for esteem by emphasising prestige associated with their well-known institution.

Thus, motivation means that students have a need that is sufficiently pressing to drive the student to seek satisfaction of the needs. Haigh (2002:50) expresses the opinion that students choose a higher education institution that would provide them with international working and studying opportunities, the implication being that higher education institutions must design curricula that serves the global rather than just local

priorities. However, Whitehead, Raffan and Deaney (2006:5) found that the most popular reasons for wanting to enrol in higher education include enjoyment of the subject, need for degree in career, better jobs, new subject areas, and to enjoy student life. Higher education institutions can make use of the need level that is likely shared by a large segment of the student market to focus their advertising appeal and other marketing activities to satisfy that specific need.

4.4.5 PERSONALITY

Arnould *et al.* (2004:389) describe personality as the distinctive and enduring patterns of thought, emotions and behaviour that characterise each individual's adoption to the situation of his or her life. The personality of a consumer guides and directs his/her behaviour. Although all individuals have internal characteristics, there are measurable differences between individuals' characteristics. Schiffman and Kanuk (2004:150) point out that consumers tend to prefer service products that preserve, enhance, alter or extend their self-image by selecting outlets or brands they perceive as consistent with their relevant self-image or personality.

Studying information on the desired personalities of students can aid institutions in developing similar personalities for their institutions or service products. For example, a fun-loving student may prefer a fun institution such as the University of Johannesburg with their phrase "Want to study at Jozi's coolest university?", while a more conservative student may prefer a more traditional institution.

4.4.6 EMOTIONS

Emotions can be described as strong, relatively uncontrollable feelings that affect behaviour. Emotions occur when the environment, events or consumers' mental processes trigger physiological changes (Peter & Olson, 2005:49). These changes are interpreted as specific emotions based on the situation. They affect consumers' thoughts and behaviour. Foreman (1998:9) states that it is important to measure emotions before, during and after the purchase and that the consumer's emotions are influenced by the social and cultural context during the decision-making process.

According to Hawkins *et al.* (2004:374), advertisements with emotionally arousing material lead to an increase in attention, a higher degree of processing, better remembering and brand preference. Higher education institutions can thus make use of emotions in their advertisements to capture prospective students' attention and to create brand preference.

4.4.7 ATTITUDES

An attitude can be described as the evaluation of a concept or object such as an issue, person, group, brand or service that expressed a degree of favour or disfavour. Peter and Olson (2005:459) explain an attitude as a process by which consumers elect information in the environment to interpret and view an attitude as the point at which consumers become conscious or aware of certain stimuli. Organisations can use their knowledge of consumer attitudes to develop two strategies: one strategy reinforces existing attitudes, and another tries to change them (Hawkins *et al.,* 2004:395).

An attitude consists of three components: firstly, the cognitive component, which consists of the individual's beliefs and knowledge about the object; secondly, feelings or emotional reaction to an object that represents the affective component; and thirdly, the behavioural component, which reflects actions and statements of behavioural intention. Generally, the three components are consistent with each other and if organisations can influence one component, the other components may also be influenced (Schiffman & Kanuk, 2004:285). Du Plessis and Rousseau (2005:274) state that this assumption of consistency means that a favourable attitude will lead to favourable behaviour consistent with the attitude, such as buying or trying out the service product.

Higher education institutions provide a variety of service products and information to their prospective students with the hope that it will lead to a favourable evaluation by the student and that students' positive attitudes will lead to brand selection and purchase behaviour. Institutions can use the measurement of attitudes to identify segments for which they can develop new service products and to formulate and evaluate promotional strategies. Higher education institutions should try and aim to

generate and maintain a positive attitude towards their institution through the information they supply.

4.4.8 LIFESTYLE

Lifestyle suggests a patterned way of life into which consumers fit various products, activities, services and resources. Peter and Olson (2005:463) define lifestyle as the manner in which people conduct their lives, including their activities, interest and opinions. Lifestyle is a function of one's inherent individual characteristics that have been shaped through social interaction as one move through one's lifecycle. For example, Garbert, Hale and Montalvo (1999:170) found that student athletes were more influenced by the athletic environment factors and less by social and academic choice factors when selecting an institution, thus emphasising that students will choose an institution that fit in with their lifestyle. Institutions can make use of the differences in lifestyles of students to segment the market, to select appropriate media and to choose advertising themes.

The external influences, just like the internal influences, briefly explained in Section 4.5.1 to Section 4.5.8, have an impact on every step of the decision-making process of students. An understanding of these influences will provide valuable insight for higher education institutions into the behaviour of students and will aid institutions in determining effective marketing strategies.

The next section will focus on the external factors that influence consumer behaviour and decision-making.

4.5 EXTERNAL FACTORS AFFECTING THE DECISION-MAKING PROCESS

External influences represent those factors outside of the individual that affect individual consumers, decision-making units and institutions. External influences consist of two groups, namely socio-cultural influences and an organisation's marketing efforts. Schiffman and Kanuk (2004:554) note that the socio-cultural environment has a major influence on the consumer and consists of a wide range of

non-commercial influences. Socio-cultural factors are those factors that affect a consumer's behaviour as a result of integration between the consumer and the external environment.

Section 4.5.1 to Section 4.5.4 will briefly explain the socio-cultural factors: culture, social class, reference groups and households, as well as briefly note the influence of an organisation's marketing efforts on consumer behaviour.

4.5.1 CULTURE

The study of culture is the study of all aspects of a society. Although people hardly ever notice their own culture, culture supplies important boundaries on behaviour. Culture is adaptive, dynamic and patterned dynamic blueprints for action and interpretation that enables a person to operate in a manner acceptable to other members of the culture. The values, myths, symbols and rituals also help to define culture and utilising them can help organisations to understand consumer behaviour (Arnould *et al.,* 2004:106).

According to Du Plessis and Rousseau (2005:81), cultural influences refer to implicit beliefs, norms, values and customs that prescribe conduct in a society. These beliefs, norms and values are learnt from society and lead to common patterns of behaviour. Societies can be subdivided into small subcultures that consist of people who are similar in terms of their ethnic origin, customs and the way they behave, thus sharing distinguishing values and patterns for behaviour, such as race and religion (Hawkins *et al.,* 2004:152).

Jet (1993) found that Black high school athletes in America prefer to go to predominantly black universities instead of Caucasian institutions. The author speculates that this may be due to the fact that Caucasian universities usually have larger classes as well as the existence of racial tension on mostly Caucasian campuses in America. In South Africa, ethnic subculture is predominately Caucasian, Indian, Coloured and Black African, with smaller groupings of other ethnic groups. Cosser and Du Toit (2002:2-12) found that racial/ethnic groups are influenced by

different choice factors when it comes to higher education institution selection. Their study found that:

- Black African students are more influenced by parental and peer persuasion than other groups;
- The majority of Indian and Caucasian students want to live at home while studying; and
- Black African students are more influenced by sporting facilities and lower fees than the other three ethnic groups (also refer to Section 4.5.1).

Higher education institutions need to understand students' culture in order to know which values are important to them, which will also influence the choice factors that are important to the students. Institutions can make use of those important values when planning their marketing strategies.

4.5.2 SOCIAL CLASS

Schiffman and Kanuk (2004:372) define social class as the division of members of a society into a hierarchy of distinct status classes so that members of each class have relatively the same status and members of all other classes have either more or less status. Each social class is different in occupation, education, income, ownership and affiliation. According to Peter and Olson (2005:342), social class is important to organisations because people of different social classes have different behaviour.

Money and the non-availability of it, plays a big role in decisions about where or whether to attend a higher education institution. It is reported that financial concerns are a reason why some minority groups in the United States are more likely to compromise on the higher education institution they choose (Whitehead *et al.,* 2006:22). Research also indicates that the state of the United States economy has more influence on lower income groups such as African-American and Latino high school students' higher education institution choices, than the higher income groups (Anon, 2005a:16). Bers and Galowich (2002:70) state that studies by Bodfish in 2000 and Cabera and La Nasa in 2001 suggest that the institution selection process may

differ among different income groups. Research conducted by Leslie, Johnson and Carlson in Heller (2002) found that student access to information is also dependent on their socio-economic status. Results from their study show that low income students had fewer sources of information and relied mainly on high school counsellors/teachers as sources of information. Upper level students used a variety of information sources. Cabrera and La Nasa (2000:11) report that overall, upper income families are more knowledgeable on the different sources of finance and that parents employ a variety of information seeking strategies like talking to banks, reading institutions' brochures and talking to high school counsellors to plan and save for their children's education.

Dhesi (2001:14-24) claims that students attend a particular higher education institution to improve their social prestige. Students from a low social position in society may consider education as a viable route to achieve social mobility. Cosser and Du Toit (2002:3) found that South African students view higher education as a gateway to employment and the primary reason for entering higher education. This view is supported by McDonough (1994:427), who also found that upper middle class students view attending a higher education institution as a career investment.

Thus, the measurement of social class can be used by institutions to identify and segment their target markets. As social class characteristics can be related to every aspect of a marketing strategy, research on this topic can provide institutions with insight and allow them to develop more effective marketing directed at students from different social classes.

4.5.3   REFERENCE GROUPS

Almost all individuals regularly interact with other people who directly or indirectly influence their purchase decisions. A reference group can be described as a group whose presumed perspectives, attitudes or behaviour are used by an individual as the basis for his or her own perspectives, attitudes or behaviour (Arnould *et al.,* 2004:608). Examples of reference groups include friends, family, peers, teachers and other influential people.

Research conducted in the United States indicates that parents and teachers encouraged and influenced prospective students' higher education selection process (Anon, 2005a:16). Martin (1994:29) found that first year students at the University of South Australia indicated that their main sources of information were their high school teachers, their peer groups, school counsellors and the South Australian Tertiary Admissions Centre (SATAC). Institutions must attempt to influence and get the support of high school teachers, because they can exert a critical influence on the higher education institution selection decision. It is therefore important for institutions to identify the important reference groups that students make use of and to aim their research, advertising and personal selling activities also at these groups, as they will distribute the information to the rest of the group members, in this case prospective students.

This study will attempt to determine the importance of friends, alumni and high school teachers as sources of information used in selecting a higher education institution as well as the importance students attach to the fact that their friends and family attended a particular higher education institution.

4.5.4 FAMILY

Primary reference groups exert the greatest influence and the family is one of the most important reference groups in terms of its role in attitude formation, structuring and conditioning behaviour. The family is the first group to which a person belongs and usually maintains the longest affiliation with them.

Hamrick and Stages' (2004:151) study reinforce the central role of parents on the student's early decision-making regarding higher education. Higher education institutions can benefit by communicating to parents and providing information about the institution throughout their children's' high school years. Parents rely more on institution publications and personal conversations than on the mass media. This may suggest that efforts to reach parents of prospective students should concentrate on the production and dissemination of publications and the fostering of strong ties with high school personnel, who can then transmit information to parents. Parents are likely to

respond in particular to messages about the financial wisdom and modest cost of using an institution (Bers & Galowich, 2002:82).

The higher education institution choice is affected by many factors. Cabrera and Steven (2000:7) note that among the listed factors, parental encouragement is the strongest. Parental encouragement includes a motivational dimension and pro-active dimension. Parents usually have high education expectations for their children and, secondly, parents save for higher education and discuss higher education plans with children. Bers and Galowich (2002:69) found that parents play an important role in a student's choice to attend a particular higher education institution. Their research showed that although children may ultimately decide to attend an institution, communication with parents can influence enrolments. Therefore, higher education institutions have to continually seek new approaches to recruiting students and creating new linkages with parents. However, Martin (1994:29) indicates that first year students at the University of South Australia indicated the role of parents as low, although they were used as a source of information. This contradiction with previous literature emphasises the need for a South African study to determine the importance of parents in the institutional selection process.

Research conducted by Feltham (1998:371) shows that parental influence is usually more significant for female students compared to male students, reflecting the brand socialisation of girls by their mothers. A widely held belief is that brands purchased by the family will continue to be purchased by children when they become adults. Information obtained from this study will indicate if this also holds true for higher education institution selection; thus, determining if children attend the same higher education institution as their parents.

This study will also attempt to determine the usefulness of parents as a source of information in the higher education institution selection process.

4.5.5 THE ORGANISATION'S MARKETING MIX

Schiffman and Kanuk (2004:553) are of the opinion that an organisation's marketing activities are a direct attempt to reach, inform and persuade consumers to buy and use

its products and services. Institutions can influence students' decision-making processes by making them aware of their needs, supplying information and convincing them to purchase and use their service products by means of their marketing strategy implemented through the services marketing mix: price, service product, promotion, place (distribution), process, people, and physical evidence. These seven components are coordinated and integrated with one another and aimed at a specific group of consumers, namely students. The marketing mix of higher education institutions were discussed in detail in Chapter 3.

The discussed external influences play an important role in influencing a student's decision-making process and subsequent buying patterns. Therefore, it is important for institutions to take note of these influences and understand how they can use them to their advantage to influence students to enrol at their institution.

The remainder of the chapter will focus on the consumer's decision-making process as outlined in Figure 4.1.

4.6 STEP 1: NEED/PROBLEM RECOGNITION

The recognition of a need is likely to occur when a consumer is faced with a problem. Peter and Olson (2005:171) state that the initial stage in any decision-making process is need/problem recognition. The consumer senses the difference between what he/she perceives to be the ideal state of affairs (the condition the consumer would like to be in) compared with the actual state of affairs (the condition the consumer perceives himself/herself to be in). The larger the discrepancy between the two stages, and the greater the level of motivation, ability and opportunity, the more likely the consumer is to act. Both the desired state and the actual state are influenced by the consumer's lifestyle and current situation. Hawkins *et al.* (2004:5o4) note that internal stimuli or external stimuli can trigger problem recognition. The internal stimulus is the perceived state of discomfort and the external stimuli are marketplace information such as advertisements that lead the consumer to recognise a problem.

For students, problem recognition may occur through the realisation that secondary education is not sufficient and that higher education is necessary to obtain a well paid position in industry. However, the student may be aware of the need, but may not be able to do anything about it because of the inability to fulfil his/her need, such as lack of funding. Problem recognition requires the student to have both the ability and willingness to fulfil the need. The problem recognition process imply that in the case of a student determining his or her future study plans, the actual state would be not having a post matric qualification that would enable the student to be gainfully employed. The desired state of the prospective student may be to have a higher education qualification to ensure employment. A discrepancy or gap thus exists between the student's actual and desired state, which indicates that a need has been identified. Berman and Evans (2001:234) point out that if the discrepancy between the actual and desired states is sufficiently large and important enough, the consumer will begin to search for a solution to the problem.

Once institutions are aware of the problem recognition patterns among students, they can react by designing their marketing mix to solve the recognised problem. This may involve service product development, repositioning, a different price or a host of other marketing strategies (refer to Chapter 3). Organisations often want to influence problem recognition instead of reacting to it (Peter & Olson, 2005:170). Institutions may desire to generate generic problem recognition, a discrepancy that a variety of brands within the service product category can reduce, such as "education will improve your life" campaign by the government; or they may want to induce selective problem recognition, a discrepancy that only one brand in the service product category can solve, such as "fast track your career at TUT" (Rapport, 2005).

In conclusion it can be said that higher education institutions must help students to recognise a need for higher education and then develop a marketing strategy (refer to Chapter 3) to solve the student's needs. After students recognise that they have a need for higher education, the next step involves the search for information about the available alternatives.

4.7 STEP 2: INFORMATION SEARCH

The natural response of a consumer to problem recognition is to seek a solution, and the process of seeking a solution naturally leads to the search for information. After identifying a problem of sufficient magnitude to propel the consumer into action, the search process is activated to acquire information about products or services that may eliminate the problem (Hawkins *et al.,* 2004:525). According to Du Plessis and Rousseau (2005:87), this is the stage in the process where the search for information and the organisation thereof within the individual's frame of reference begins. The investigation of the consumer search process is highly important to organisations, because it influences their marketing strategies, especially promotion and communication strategies.

The managerial problem of providing information to the market can be presented in terms of certain questions, as adapted to higher education (Dholakia, 1995:283):

- What information should higher education institutions provide to students?
- In what form must the information be provided and which media should higher education institutions use? and
- To whom should the institution provide the information, for example prospective students, parents or alumni?

One of the objectives of this study is to investigate the information search activity of students by determining the usefulness of different sources of information used by students in the selection process. This can assist institutions to answer the above questions and can be used to influence students' search patterns in the decision-making process. This study will attempt to answer these questions by identifying the most important information sources students make use of, by determining the importance of different choice factors, which will give an indication of the type of information to make available to students, and by determining the role and influence of friends, alumni and family (parents and siblings) on the selection process to identify to whom to make the information available.

Section 4.7.1 will focus on the information sources used by students and Section 4.7.2 on the amount of searches students engage in.

4.7.1 INFORMATION SOURCES USED BY STUDENTS

Hawkins *et al.* (2004:530) note that the consumer decides how many and which sources of information to use. Two types of consumer search processes can be identified: internal and external searches. Internal search happens when a consumer attempts to retrieve information from his long-term memory on products and services that may help to solve the problem at hand. Internal sources of information are the consumer's memory of past searches, personal experiences and low-involvement learning. Internal information is the primary source of information and used by most consumers most of the time. In contrast, external search involves the acquisition of information from any outside sources. Schiffman and Kanuk (2004:556) point out that the recollection of past experiences might provide the consumer with adequate information to make present choices. But when the consumer has had no prior experience, such as a student choosing a higher education institution for the first time, they usually engage in an extensive search of the outside environment (external sources) for useful information on which to base their choice. Different types of external information sources exist: personal sources such as friends, family, career guidance teachers, reference groups and opinion leaders; independent sources such as consumer groups, government agencies, the Internet and service experts; marketing sources such as sales personnel, advertising, websites or brochures of the organisation; and experiential sources such as organisational visits (Hawkins *et al.,* 2004:530).

Personal sources refer to information shared by friends, family or reference groups and is known as word-of-mouth. Zeithaml and Bitner (2000:32-33) state that the service industry recognises the strong influence of word-of-mouth. Word-of-mouth (personal sources) gives the consumer the opportunity to reduce risk, since it gives the consumer the opportunity to receive feedback. Friends, family and peer groups may all give advice, whether based on experiences, knowledge or opinion. Research shows that when purchasing a service product such as education, students rely to a greater extent on personal sources, such as word-of-mouth by friends, family, opinion leaders

and teachers, because mass media convey very little about experience qualities (Jones, 2002:76). Cosser and Du Toit (2002:2) found that the family has a high degree of influence in the institution selection process, especially by encouraging students to continue to study. Research done by Mitra, Reiss and Capella (1999:223) supports the common marketing belief that consumers prefer personal information sources to impersonal information sources. Word-of-mouth information, in particular, is regarded as highly credible and believable. Kotler and Fox (1995:258) are of the opinion that many people, such as friends, alumni, faculty members, and parents of students have an influence on the selection of an institution. Cosser and Du Toit (2002:101-103) also found that discussion with relatives and friends were well used by high school learners as sources of information.

Research furthermore suggests that students make use of experiential sources of information such as campus visits and open days. Open days and career exhibitions were identified as the most important sources of information used by prospective students (Coetzee & Liebenberg, 2004:70-71). The authors also found that prospective students attach high importance to activities on campus as a source of information. Students indicated that they were more willing to attend an exhibition or open day to secure first-hand information than to rely on mass media.

Marketing sources such as advertisements, websites, e-mail and brochures are also used by students as sources of information. Weidlich (2001) suggests that higher education institutions make use of e-mail as a relationship building tool with cost saving advantages to recruit students. The author predicts that although higher education institutions are not ready to abandon all print communications, they must make sure that they can communicate electronically if they want to stay competitive. According to a press statement by the Primary Research Group (2007) more than 47percent of American universities use web advertising to market their institutions. Warren (1994) found that universities in the Los Angeles area mainly make use of recruiting catalogues and glossy alumni magazines to market their institution. McDonough (1994:427) notes that universities make use of guidebooks, private counsellors, and magazines to market their institution. Some popular, well-known universities mainly make use of word-of-mouth by students to market themselves, while more unknown institutions must market themselves more aggressively and may

even make use of advertising agencies to help them project a modern image to students (Gemma, 2002). Websites were identified as one of the most important sources of information used by South African students, while advertisements on streetlamp posts and newspapers were the least important sources of information (Coetzee & Liebenberg, 2004:70-71). Cosser and Du Toit (2002:101-103) found that receiving information directly from a university was the most important source of information used by high school learners.

Students do not attach the same importance to the different sources of information, and research findings suggest that there may be differences between gender, age and ethnic backgrounds of students and the sources of information that they use (Kotler & Fox, 1995:259). McDonough (1994:434) found that for mid-range academic performers, institution choice is a highly rationalised, managed process requiring professional help from a variety of sources. Prospective students from different ethnic groups also make use of different sources of information, for example: relatives and friends were more important to Indians than to African, Coloured or Caucasian students; radio and newspapers were more important to African students than to Coloured, Indian or Caucasian students; and campus visits more important to rural students than to students from the city (Cosser & Du Toit, 2002:103).

MacInnis (2002) notes that recruiting students are becoming more competitive and institutions must find an efficient and effective way of providing students with information, while they move along the decision-making process. Thus, higher education institutions should know (a) the major information source that prospective students will turn to and (b) the relative influence of each. This will enable them to supply information about their institution and service products in the most effective sources to reach and influence students.

Due to discrepancies found in previous research on the usefulness of different sources of information in different countries, the need for research in South Africa is clear. For the purpose of this study, the usefulness of the different sources of information used by students in the higher education institution selection process will be investigated. The study will also investigate if students that live seventy kilometres or more from a higher education institution view campus visits or open days as a more useful source of

information than students that live close to the higher education institution; if academically gifted students view university websites more useful as a source of information than less academically gifted students; and if students that are resident in the province in which the chosen university is located view word-of-mouth information more useful than students from other provinces.

4.7.2   THE INTENSITY OF THE SEARCH ACTIVITY

Consumers generally engage in relatively extensive external searches prior to purchasing an important, complex or expensive product or service (Lamb *et al.*, 2004:145). However, this view ignores the fact that information searches are not free of costs. It takes time, energy and money and can often require giving up more desirable activities. Therefore, consumers may engage in external search only to the extent that the expected benefits – like a lower price or more satisfaction – outweigh the expected cost. The amount of information searches will also depend on the strength of motivation, amount of information the consumer initially has, the ease of obtaining information, the value that the consumer places on additional information, the risk involved and the satisfaction the consumer gets from the search process (Kolter and Fox, 1995:252).

Consumers purchase hundreds of products and services, but are not equally involved in all of them. The consumer will search for products and services that students consider as important, such as education, extensively and with great care. Not all consumer decision-making situations require or receive the same degree of information searches. If all purchase decisions required extensive effort, students would be exhausted and little time would be left to do anything else, such as studying. However, if all purchases were routine, they would provide students with little pleasure or novelty.

Schiffman and Kanuk (2004:549) identify three levels of consumer decision-making by using a continuum of efforts ranging from very high involvement to very low involvement. The three levels are addressed below.

- Extensive decision-making: When consumers have not established criteria for evaluating a service product category or specific brands in that category or have not narrowed the number of brands they will consider to a small manageable subset, extensive decision-making is used. Extensive decision-making involves an extensive internal and external information search followed by an evaluation of multiple alternatives and significant post purchase evaluation (Hawkins *et al.,* 2004:503). Extensive decision-making is usually a response to a high level of purchase involvement. A student deciding what and where to study needs a great deal of information to establish a set of criteria on which to judge higher education institutions and study courses as well as a large amount of information concerning each institution and course to be considered.

- Limited decision-making: If the consumer already established the basic criteria for evaluating the service product category and the various brands in the category, but have not fully established preferences concerning the selected groups of brands, their decision-making can be described as limited.

- Routine decision-making: Consumers that have experience with a product or service category and have a well-established set of criteria with which to evaluate the brands they are considering, make use of routine decision-making. An example can be a student buying his/her favourite brand of cigarettes. This strategy is used for purchase problems that have occurred before and have been solved previously.

The level of personal involvement and prior experience will influence how complex and time consuming the decision-making process for a student will be. More complex, high involvement products/decisions require extensive searches for information, while low involvement decisions/products usually require less information searches. High involvement is usually present if one of the following conditions exists (Kotler & Fox, 1995:245):

- The consumer's decision will reflect upon his/her self-image and could have long-term consequences, such as choosing a course to study that will influence your career;

- The cost to carry out the decision involves major personal and economical sacrifices, such as enrolling in higher education that is expensive and need a lot of personal effort;

- The personal and social risk of making a wrong decision are perceived as higher; and

- There is considerable reference group pressure to make a particular choice or to act in a particular manner.

Prospective higher education students in South Africa undergo an extensive decision-making process when applying for a course of study. This process commences in Grade 9 when learners have to make a choice of subjects, and it is carried through to Grade 12. These subjects play a role in the career paths of learners, as it forms part of the entrance requirements for higher education and the prerequisites for certain programmes. Learners normally only enquire about institutions and programmes when they reach Grade 11 or 12. The decision-making process is therefore lengthy. Gray in Pimpa (1999) view the purchase of higher education as a high involvement purchase, due to its high cost, high personal relevance, variety of different alternatives available and time taken to make the decision.

In the light of the above-mentioned criteria, a decision about higher education can be described as high involvement, as it has long-term consequences (future career, friendships and life satisfaction), involve major sacrifice (expensive and time consuming) and has high risk (failure or the possibility of no employment). As the prospective first year student usually does not have a lot of prior knowledge on higher education, extensive external search will take place. Because of the fact that extensive external search will take place, higher education institutions need to understand which sources of information will be used in such an external search. One of the objectives of this study is to determine the usefulness of different sources of information used by students in their external information search.

In light of the discussion in Section 4.7.1 and 4.7.2, it is evident that knowledge on information search patterns of students is very important to institutions. The sources of information used and importance attached to each source will influence the strategies that institutions need to follow to make sure that students come in contact with information about their institutions. Sound marketing strategies take into account the nature of the information search engaged in by the target market. According to Wells (1996:362), institutions want consumers to include their services/brands in their evoked set (see detailed discussion of evoked set in Section 4.9). Therefore, higher education institutions must ensure that the student is aware of their service products and the needs that their service products can satisfy.

Higher education institutions must therefore understand the information gathering activities of prospective students. The task of higher education institutions is to help students to learn about the key characteristics of their institutions, the relative importance of each choice factor and the standing of the institution on each choice factor. Institutions must also ensure that they make the right information available in the right sources to ensure that their institution is in the student's evoked set in order to be considered as possible alternatives to the students' need for education.

Higher education institutions must also be aware of how students evaluate the alternatives in the marketplace. Step 3, the evaluation process, will be discussed in the next section.

4.8   STEP 3: EVALUATION PROCESS

Once a consumer has searched for and selected the necessary information, the next stage focuses on organising, categorising and interpreting the incoming information. Berman and Evans (2001:235) point out that when evaluative criteria are selected, the importance of each criterion is established and thereafter, alternatives are ranked. The number, type and importance of evaluative criteria used differ from consumer to consumer and across service product categories. This section will explain how consumers evaluate alternatives by focusing on the appropriate evaluative criteria (choice factors), the importance of each evaluative criterion (choice factor), the

existence of various alternative solutions and the decision-making rules that consumers can apply when faced with a decision. Figure 4.2 provides an outline that serves as a basis for the discussion of this section.

Figure 4.2: Alternative evaluation process
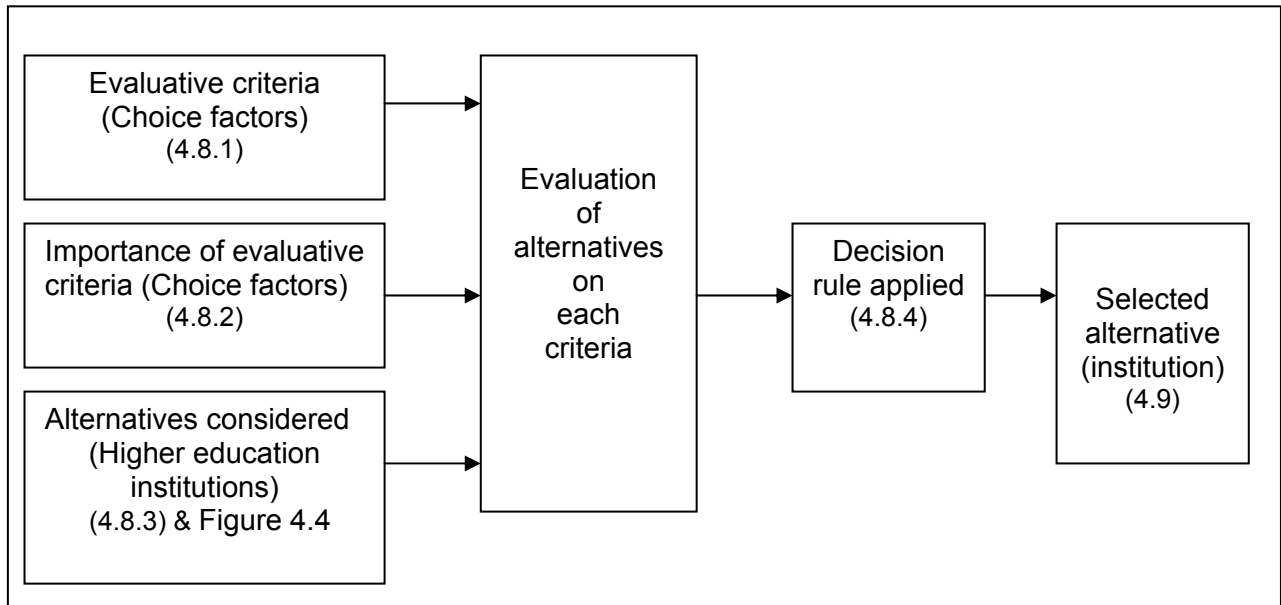
Source: Hawkins, D.I., Best, R.J. & Coney K.A. (2004:556) Consumer *behaviour: building marketing strategy.* Ninth edition. New York: McGraw-Hill.

The first two components of Figure 4.2, evaluative criteria (choice factors) and the importance of evaluative criteria, will be discussed in Section 4.8.1 and Section 4.8.2. The third component is the alternatives considered, and for the purpose of this study, consists of the higher education institutions students can ultimately enrol in and will be explained in Section 4.8.3. While students evaluate the different institutions based on their performance on each choice factor (criteria), students can make use of different decision-making rules to make the final decision. The decision-making rules will be discussed in Section 4.8.4.

4.8.1   APPROPRIATE EVALUATIVE CRITERIA (CHOICE FACTORS)

The criteria consumers use to evaluate the alternatives available that constitute their evoked set, are usually expressed in terms of important attributes or factors. Evaluative criteria can be described as those features or characteristics that

consumers are looking for when buying a specific product or service (Hawkins *et al.,* 2004:566). During and after the time that consumers gather information about various alternative solutions to a recognised problem, they evaluate the alternatives and select the source of action that seems most likely to solve the problem. Evaluative criteria are used to compare the different brands, service products or institutions. According to Hawkins *et al.* (2004:526), the evaluative criteria used by the consumer, how the consumer perceives the various alternatives and the relative importance of each criteria are the critical first step for organisations in utilising evaluative criteria to develop marketing mix strategies.

Students apply evaluation criteria to the ultimate decision on which institution to attend. Firstly, prospective students determine which factors to consider (evaluative criteria) in making their decisions and secondly, the relative importance of each evaluative criteria that they will use to assess each institution (Kotler & Fox, 1995:253). In the instance of students selecting a higher education institution, the evaluative criteria that they use are referred to as choice factors. A better understanding of the evaluative criteria or choice factors that influence institution preference among prospective students can help higher education institutions to better their marketing efforts in order to attract new students by ensuring that their marketing strategy emphasises those important criteria.

Table 4.1 is a summary of some of the choice factors (evaluative criteria) that students make use of as identified in literature and previous research studies, both nationally and internationally.

Table 4.1:   Choice factors used by students in the institutional selection process

CHOICE FACTORS EVALUATIVE CRITERIA	INTERNATIONAL STUDIES					NATIONAL STUDIES		
	Van Dimitrios (1980)	CIRP (Cooperative Institutional Research Programme)	ASQ Plus (Admitted Student Questionnaire Plus)	ASQ (Admitted Student Questionnaire)	Bajsh and Hoyt (2001)	Cosser and Du Toit (2002)	Coetzee and Liebenberg (2004)	Holtzhausen (2005)
Wide choice of subjects/courses		✓	✓	✓				✓
Quality of teaching				✓	✓	✓		✓
Academic facilities			✓	✓				
Entry requirements				✓				
Fees		✓	✓	✓		✓	✓	✓
Location	✓	✓	✓	✓	✓	✓	✓	✓
Sport programme	✓		✓	✓	✓	✓	✓	✓
Social life		✓	✓	✓	✓			
Attractiveness of campus			✓	✓				
Safety & security								
Tradition		✓				✓	✓	
Brothers/sister/ parents went there						✓	✓	
Friends						✓	✓	
Academic reputation		✓	✓	✓		✓	✓	✓
Financial assistance		✓				✓		✓
Language policy								
Links with industry								
Multi-culturality/diversity				✓				✓
Internationally linked								✓
Employment prospects		✓			✓			
Flexible study mode						✓	✓	
Image							✓	✓
Size		✓			✓			
Religion		✓		✓				✓
Personal attention			✓					
On-campus housing			✓	✓		✓	✓	
Access to off-campus facilities			✓			✓		
Research					✓			

Apart from the research findings in Table 4.1, other researchers such as Dworkin (2002), Haviland (2005), Galloway (1998) and Martin and Dixon (1991) also reported findings on choice factors. Dworkin (2002:33) suggests that students should consider the following factors before choosing where and what to study:

- Students should decide whether recreation and sporting facilities are important or not;

- Awards, scholarships, bursaries and loans awarded by the institutions should be investigated;

- Students should decide what size of institution they should study at. Larger institutions may be more impersonal while smaller institutions may have fewer students in class and students may thus receive more individual attention;

- Students should check the entry requirements and see whether they qualify; and

- Students should investigate whether the institution will equip them with skills required by industry and whether the institution offer practical training and assist in job placements.

Haviland (2005:62) expresses the opinion that the "feel" of a higher education institution can also influence the attitude of prospective students and thus influence their selection process. Galloway (1998:23) points out that quality is important for educational institutions for a number of reasons, including competitive advantage, satisfying government requirements and meeting ever-increasing public expectations. Martin and Dixon (1991:253-357) describe four basic types of influences that affect the higher education institution's choice process. The types are the reputation of academic programmes, social climate, cost and location, and influences of others (parents, friends, recruiters and counsellors). Although certain choice factors may not be identified as very important by students when making decisions, higher education institutions should not dismiss these choice factors as they may become important in future. Higher education institutions must understand the factors influencing a student's higher education institution choice if they hope to effectively influence the student's decision-making (Sevier, 1993:51).

One of the study's primary objectives is to investigate the relative importance of each choice factor that students use in their selection process. Section 4.8.2 will focus on the importance of evaluative criteria.

4.8.2 IMPORTANCE OF EACH EVALUATIVE CRITERIA (CHOICE FACTORS)

The importance assigned to evaluative criteria can differ from consumer to consumer and needs to be measured. The information obtained from such a measurement can help organisations to plan and design their marketing mix in such as way as to ensure customer satisfaction (Hawkins *et al.*, 2001:570-575). Literature and previous studies do not only report on the choice factors students use (refer Section 4.8.1), but also suggest that some choice factors may be more important than others. The importance that students assign to each evaluative criterion is of great interest to higher education institutions. The understanding of evaluative criteria is essential for developing and communicating appropriate brand/institutional features by means of marketing to the target market. The prospective student has certain perceptions about where each specific institution stands on each attribute.

According to Davis (1998), students attach high importance to factors such as the beauty of the campus, good sporting facilities and the reputation of a prestigious institution. Martin (1994:36) found that first year students at the University of South Australia ranked career preparation, specific academic programmes, distance from home, academic reputation, quality of research programmes and library resources as having a strong influence on their choice of university. In his study, cost was ranked very low due to the fact that Australian students pay only twenty percent of the full cost of their courses. The rest is subsidised by government. Shin and Milton (2006:235) also found that tuition cost has a small effect on student enrollments. Interesting to note is that Bers and Galowich (2002:80) found that factors related to money were more influential than the institution's reputation or the influence of friends and family. Geraghty (1997:41) found that first year students in America placed a very high importance on financial assistance and low tuition rates, as the majority of students indicated that they selected an institution for financial reasons. Sevier (1993:48-50) found in his research that the reputation of the institution, availability of study courses, cost and the availability of financial aid were the most important factors influencing the choice of   higher education institutions. Freeman (1999:13) notes that African-American students are very much aware of the job markets and their decision to attend higher education institutions are greatly influenced by possible job opportunities. Mills (2004:29) found that the majority of students in his study attached a high importance to

financial aid offered by higher education institutions. Price, Matzdorf, Smit and Aghai (2003:215) found that cost was a very important consideration to students as well as the course they wanted to study, technology (computers), quality of library, overall image/good reputation and social life. Students indicated accommodation, the quality of university grounds, safety and security, and sports facilities as less important factors.

Coetzee and Liebenberg (2004:71) found in a local South Africa study that the academic reputation, image, sporting facilities, friends studying at the higher education institution and location were the most important choice factors. The mode of study, residence, fees and the fact that parents have studied there, were less important choice factors.

However, it is not just the difference in importance between choice factors that institutions should take cognisance of. Not all students attach the same importance to the same choice factors. Several differences between students and the importance of choice factors have been identified in previous research:

- Gifted students attached greater importance to academic reputation, quality and scholarships than academically challenged students (Hoyt & Brown, 2003:3);
- Black and Hispanic students were more cost-conscious and therefore financial aid and grants were more important choice factors to them (Hoyt & Brown, 2003:3);
- Older and part-time working students attached a higher importance to location and vocational training than other students (Hoyt & Brown, 2003:3);
- Female students view security as a more important factor than their male counterparts (Du Plooy & De Jager, 2004:227); and
- Cost and accommodation are more important for rural students than for their urban counterparts (Martin,1994:37).

To conclude, literature and previous studies identified various choice factors used by students, indicating that some factors are more important than others. Previous findings suggest differences and similarities between gender, age, academic standing,

ethnic background and the importance students attach to these factors. Due to the conflicting results found in previous research in different countries, it is important to determine the importance that South African students attach to choice factors and the usefulness of information sources in the institution selection process. Making use of available literature and previous research studies, internationally and locally, twenty-three choice factors were identified to be investigated in this study: wide choice of subjects/courses, quality of teaching, academic facilities, entry requirements, fees, location of university, sport programmes, social life on campus, campus safety and security, parents studied at the institution, brother/sisters studied at the institution, friends studied at the institution, academic reputation, financial assistance, language policy, links with the industry, multi-culturality/diversity, international study and job opportunities, employment prospects, flexible study modes, and image of the university.

This study will try to determine the importance of the above-mentioned factors, as well as investigating the similarities or differences between students' gender, ethnic background, academic institution and language.

After students have decided upon the appropriate criteria (choice factors), they will use and assign importance to the factors, as well as rank or weigh each available higher education institution until one or more is selected. Section 4.8.3 will explain this process.

### 4.8.3   THE EXISTENCE OF VARIOUS ALTERNATIVES CONSIDERED

As the consumer engages in the search activity, there is also an active engagement in information evaluation. As consumers gather information, they learn about competing brands and this is captured through the brand elimination process. Kotler and Armstrong (1999:245) define a brand as a name, term, sign, symbol or design or a combination of those intended to identity the goods or services of one seller or groups of sellers and to distinguish them from those of the competitors. For higher education institutions, their brand does not only consist of the name and symbol of the institution, it also embodies the vision, philosophy, cultural values and style of the organisation (Jones, 2002:77). The brand gives the institution a personality, identity and image.

Figure 4.3 depict the brand elimination process leading to an organisation's acceptance or rejection by a consumer.

After searching for appropriate choice factors, consumers seek appropriate alternative brands. Figure 4.3 indicate the five-stage brand elimination process. According to Lamb *et al.* (2004:144), the brands that consumers consider as a possible solution for their problem/need are called the awareness set. Rosen, Curran and Greelee (1988:62-63) claim that an organisation's ability to influence consumers is stronger during the awareness and considerations set than it is at the time of choice. Kolter and Fox (1995:251) define the unawareness set as the brands a consumer has not heard about. Unfortunately, brands in a consumer's unawareness set will never be considered unless they somehow make their way into the awareness set of the consumer. From the awareness set, the consumer makes the first choice, narrowing down those brands in the awareness set into three subsets called the evoked set, the inert set and the inept set (Schiffman & Kanuk, 2004:559). This process is an attempt to reduce the alternatives to a more manageable number and to allow a rational choice among the most viable alternatives.

Those brands that the consumer feel are completely unworthy for further consideration are called the inept set and the brands which are seen as possible back-ups are called the inert set. The evoked set is the brands that the consumer considers as a possible solution to his/her need/problem. A specific brand is then selected from the choice set. Ideally an organisation would aim to be included in a consumer's total set, the awareness set, the evoked set and the choice set, and finally being selected by the consumer. This success sequence is indicated in grey in Figure 4.3.

Figure 4.3: The five stage brand elimination model
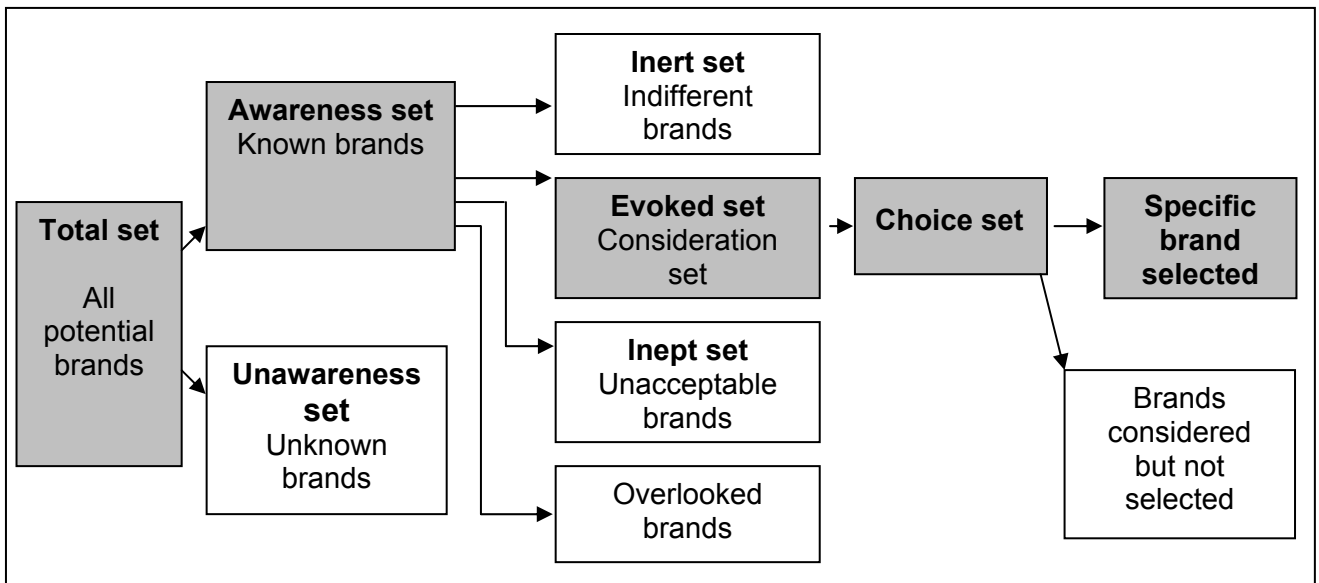
Source: Hawkins, D.I., Best, R.J. & Coney K.A. (2004:529). *Consumer behaviour: Building marketing stratgey.* **Ninth edition. New York: McGraw-Hill.**

Higher education institutions have to increase their potential of being included in the awareness set as an institution's ability to influence students is the strongest in the awareness set. Higher education institutions should strive to gain their place in the students' choice set by supplying information on the important choice factors to their prospective students, to allow students to make informed decisions. At this stage, the institution may not know whether it is part of the awareness set, but any contact made with the prospective student may move them from the awareness set into the consideration set. Higher education institutions in the inert set will be considered for instance if a student is not admitted/accepted to any of the institutions in his evoked set. The inept set consists of institutions that are eliminated from further consideration because the student is negative towards these higher education institutions and find them unacceptable. Higher education institutions may be included in a student's inert or inept set due to the fact that: the institution may be unknown because of selective exposure by the students to advertising, institutions may be unacceptable because of their poor attributes or poor positioning, institutions may be perceived as not offering sufficient benefits, or institutions may be overlooked because they have not targeted a particular segment (Jones, 2002:80).

Students will search for information on the institutions that are in their evoked set and these institutions will become the student's choice set. The choice set is largely dependent on the level of sophistication and thoroughness of the search process. In general, more affluent students, compared with their less well-off peers, tend to rely on several sources of information (including private counsellors) and are more knowledgeable due to a broader search (McDonough,1997). Because the decision-making process is a multi-step procedure, an institution cannot be content with being included in the awareness set of the student. Higher education institutions should examine their recruitment and marketing to ensure that the institution remains part of the consideration set and moves into the choice set. It is thus essential that a higher education institution forms part of a student's evoked set if it is to be considered at all. Students would evaluate each of the institutions in the consideration set according to the choice factors they view as important. These choice factors are the standards and specifications students use in evaluating and choosing institutions (refer to Section 4.6.1).

Higher education institutions need to steer away from being included in a student's inert or inept set. Institutions need to ensure that their brand is in the student's evoked set in order to stand a chance of being considered or selected by the student. A higher education institution can only accept students who apply, and students can only apply to institutions they have heard of. Thus, higher education institutions must make sure that they reach prospective students, make them aware of the institution and inform them what the institution has to offer.

Information obtained from this study on what information to provide (choice factors) and which sources to use to make the information available, will enhance a higher education institution's chance of being included in a student's evoked set.

While students evaluate the different institutions based on their performance on each choice factor (criteria), students can make use of different decision rules to make the final decision. Several decision-making rules exist that students can use to select a higher education institution. These rules will be discussed in the next section.

4.8.4 DECISION RULES

When consumers judge alternative brands on several evaluative criteria, they must have some method to select one brand from the various choices. Decision rules serve this function (Hawkins *et al.,* 2001:584).

McDonough (1994:427) is of the opinion that high school learners become higher education students as a result of two separate but interacting processes. Prospective students apply to higher education institutions as a result of the encouragement of family, friends, teachers, counsellors and advertising materials. Higher education institutions conduct marketing assessments, establish entrance standards, select, and enrol students. In many instances, both prospective students and education institutions have opportunities to choose. Just as institutions narrow their selection, so does prospective students. The individual student's decision is probably more difficult because the decision is to attend one specific institution. A higher education institution on the other hand selects a mix of students of whom some is more attractive than others. Ultimately the student arrives at the choice stage and students can make use of several decision-making rules, as discussed below (Hawkins *et al.,* 2004:574):

- Either-or model is when students will consider an institution that meets any of the minimum levels of performance set for each choice factor.
- Jump-the-hurdle model is when students set a minimum attribute level that they will consider, and then disqualifies those institutions that fall short on any attribute.
- Elimination-by-aspects rule requires the student to rank the evaluative criteria in terms of their importance and to establish a cut-off point for each choice factor. All institutions are first considered on the most important criteria. Those that surpass the cut-off point continue to the next round until one institution remains.
- Consumer report model is when students are sometimes looking for the best overall institution and then make use of the compensatory decision rule. This rule implies that a good performance by an institution on a given choice factor can compensate for poor performance in other areas. Students typically average out

some very good features such as good reputation or excellent location with some less attractive criteria such as high price, for an overall brand preference.

Consumers have different decision-making styles based on the evaluative criteria (choice factors) that are important to them (Durvasula, Lysonski & Andrews, 1993:55). For example, a student's decision-making style can be described as price sensitive if he/she attaches a high importance to the choice factor, price. If institutions understand the decision-making styles and decision rules used by prospective students, they can attempt to influence students' decision-making.

The ultimate result of the evaluation process, as explained in this section, is the selection and purchase or non-purchase of the chosen brand.

4.9   STEP 4: OUTLET SELECTION AND PURCHASE

As the decision-making process moves through problem recognition, information searches, alternative evaluation and the selection, the consumer finally reaches the point at which the actual purchase is made (Peter & Olson, 2005:179). The outcome of brand evaluation is an intention to buy or not to buy. The purchase transaction is the key point at which the institution and students come together in the economic system.

Higher education institutions can try to increase the probability of brand selection by adapting their price, service product, distribution, communication, people, process and physical evidence strategies to affect the probability of exposure and selection.

Students are faced with different purchase decisions that can also be applied to higher education (Arnould *et al.,* 2004:676-677):

- The student makes the basic purchase decision in response to need recognition, for example, want to proceed with higher education;
- The student may opt to make a particular service product category decision, such as enrolling in a residential higher education institution instead of a distance higher education institution;

- Students may make a brand purchase decision when they consider which brand of residential higher education institution to enrol at, for example choosing between the Tshwane University of Technology or the University of Pretoria; and

- Payment decisions are related to the payment method and terms of payment, for example study loan, cash payment, scholarships or bursaries.

Kotler and Fox (1995:263) express the opinion that preferences and even enrolment intentions are not completely reliable predictors of actual behaviour. Preferences and intentions give direction to behaviour, but fail to include a number of additional factors that may intervene, such as a student failing to get a loan or not getting placement in a residence.

Although students go through the evaluation process when deciding which institution to apply to, it is the institution that will make the final decision regarding the acceptance or rejection of the student's application based on the institution's selection criteria. The decision regarding which institution to study at is a natural outcome of the evaluation process. At this stage the student may have completed the application and may be accepted. However, acceptance does not mean enrolment. Institutions have to ensure that the student's acceptance leads to enrolment.

Jones (2002:81) states that enrolment is the beginning of a long-term process involving the students and the institution. A prospective student's application proceeds through a number of stages: completion of the application forms, data capturing, application screening, selection outcome, interviewing and testing, submission of results, orientation, pre-registration and finally enrolment and registration. Enrolment is the commitment stage. A prospective student becomes a student when he pays his registration fee for the course. However, this purchase is like any other and the students can still cancel their registrations.

According to Hawkins *et al.* (2004:588), the appropriate marketing strategies for organisations will differ depending on the decision sequence generally used by the consumer. It is therefore important for organisations to know which sequence their

target market follows to enable them to use the appropriate strategies. There are three basic sequences a consumer can follow when making a purchase decision:

- Service product first and outlet second. In this scenario, students first decide which course they want to enrol in and then at which institution. Institutions must therefore focus on marketing and informing prospective students about their different courses and programmes. Other strategies include a variety of programmes and courses on offer, or focusing on better priced or superior quality programmes to differentiate the institution from competitors.

- Outlet first and service product second. In this instance, students will first decide at which institution to study (outlet) and then decide on a course or programme (service product). When faced with this sequence, institutions must concentrate on image advertising, convenient location and their overall package such as their academic programmes, sport facilities, research outputs, brand, image, location and social life.

- Service product and outlet simultaneously. Students often almost simultaneously decide which institution and programme to enrol in. In this situation, institutions can make use of a combination of the strategies mentioned above. High service levels or low price structures are other strategies to be used by institutions in this sequence of decision-making.

Research undertaken by the Australian Higher Education Department (1999) on the sequence of decision-making indicated that for most students, this process is not a linear, two-step decision, but an interactive process (Anon, 1999). Students are weighing up the field of study preference, the possible courses that fit these preferences, and the myriad of institutional characteristics that are attractive to them; thus deciding on a service product and outlet (institution) simultaneously.

Once the outlet has been selected, the consumer must acquire the rights to the service product (Arnould *et al.,* 2004:677). Traditionally, this involves giving cash to acquire the right to a service product. Berman and Evans (2001:235) point out that it is important for organisations to get an idea of the purchasing patterns of consumers in terms of when and how they purchase. This will enable higher education institutions to ensure

that they have the necessary facilities, processes, resources and services in place to ensure a convenient purchasing process for their students.

The actual purchase of the item may be subject to various unanticipated situational factors, for example, limited space in a certain course or time availability. If the item cannot be purchased, a substantial risk may be involved. Higher education institutions must engage with the prospective student to reduce risks and uncertainty by ensuring a well-informed student who will know that enrolling at the institution is the right choice. Higher education institutions thus need to manage and build a relationship with prospective students from the first enquiry through the enrolment process and beyond.

After consumers have selected an outlet and purchased the service product, the final step in the decision-making process is reached when students engage in post-purchase behaviour.

4.10 STEP 5: POST-PURCHASE BEHAVIOUR

The consumer's decision-making process does not end with the purchase. A consumer's post-purchase behaviour consists of post-purchase dissonance, service product use, product disposition and purchase evaluation. Some purchases are followed by post-purchase dissonance and/or use while other purchases are followed by non-use. In this instance, a consumer keeps or returns the product without using it. For example, a student registers for a course in Grade 12 but then decides not to pursue higher education after completion of Grade 12. Most purchases are however followed by use, even if post-purchase dissonance is present. Product use often requires the disposing of the product or product packaging. Due to the intangible nature of service products, such as education, a discussion of disposing products is not included in this study. During and after purchasing and use, the service product is evaluated by the student. Unsatisfactory evaluations may produce complaints by students. The result of all these processes is a final level of satisfaction, which can result in loyal, committed consumers who are using the service product and are willing to purchase again, or a consumer that discontinues using the service product or switching to another course or even another institution due to dissatisfaction.

The elements included in post-purchase behaviour of a service product are: post-purchase dissonance, service product use and service product evaluation and will be briefly discussed in the next section.

4.10.1   POST-PURCHASE DISSONANCE

Post-purchase dissonance can be described as the doubt or anxiety experienced after making a difficult, relatively permanent decision. Berman and Evans (2001:236) point out that a purchase decision usually involves two or more close alternatives and the decision could go either way, and this contributes to doubt or anxiety. According to Du Plessis and Rousseau (2005:121), consumers, having made their decisions, may feel insecure about their choice, and any negative information about a chosen service product causes post-purchase dissonance, which is conflict resulting from two contradictory beliefs.

An important component of managing post-purchase evaluation is the reduction of any uncertainty or doubt that the consumer might have about the choice he/she had made (Schiffman & Kanuk, 2004:570). In order to reduce post-purchase dissonance, institutions need to know what influences the magnitude of post-purchase behaviour. The probability of a consumer experiencing post-purchase dissonance as well as the magnitude of such dissonance depends on several factors (Schiffman & Kanuk, 2004:571). These factors are highlighted below.

- The degree of commitment to the decision. The easier it is to alter the decision, the less likely the consumer is to experience dissonance. For example, students usually experience a high level of commitment when choosing a higher education institution. Altering a study course or enrolling in another higher education institution entails wasted time and money.

- The importance of the decision to the consumer. The more important the decision, the greater the likelihood that dissonance will occur. For example,

choosing a higher education institution can have a big impact on a student's life and future and therefore dissonance may occur.

- The difficulty of choosing among the alternatives. The more difficult it is to select among the alternatives, the more likely the experience and magnitude of experiencing dissonance. For example, if higher education institutions promise to provide similar benefits and opportunities, students may experience dissonance due to the difficulty of choosing among the different institutions.

- The individual's tendency to experience anxiety. Some individuals have a higher tendency to experience anxiety than others do. For example, the higher the tendency of a student to experience anxiety, the greater the possibility to experience dissonance.

Every time students make purchases, they add to their buying experiences. The more often a service product is purchased, the more routine the purchase decision becomes. In routine buying situations, consumers are likely to have fewer second thoughts as to the wisdom of purchases. However, consumers will typically experience some post-purchase anxieties when the purchase is less routine, as is the case with higher education. As the process of choosing a higher education institution can generally be viewed as an important decision, with a high degree of commitment as well as difficulty in choosing among the various higher education institutions, institutions can expect prospective students to experience a high degree of post-purchase dissonance. Students experiencing post-purchase dissonance may change their study course, residence or even the institution they are studying at. Knowing that students will probably experience post-purchase dissonance when selecting a higher education institution, institutions must develop strategies to reduce or prevent post-purchase dissonance.

Institutions can increase the desirability of their brand, decrease the desirability of competitive alternatives or decrease the importance of the purchase decision in order to try and reduce dissonance. According to Hawkins *et al.* (2004:628), the consumer's search for information after the purchase greatly enhances the role that advertising and follow-up sales efforts can have. To build consumer confidence in choosing their

brand, institutions can design advertisements for recent purchases in the hope of helping to reduce post-purchase dissonance. Institutions need to reduce the dissonance that students experience after purchasing at their store in order to increase the probability that the student will buy from them again. Higher education institutions can take positive steps to help students feel good about their choice, such as sending a warm congratulatory letter to recently admitted students (Kotler & Fox, 1995).

According to Schiffman and Kanuk (2004:571), consumers try to reduce dissonance by rationalising their decisions as being wise, returning the purchase (cancelling a course) or turning to satisfied owners (alumni) to be reassured, seeking information to support their choice (institution's brochures, open days or advertisements) and avoiding information of competitive brands (ignoring brochures, open days or advertisements of other higher education institutions).

Most consumer purchases involve nominal or limited decision-making and therefore arouse little or no post-purchase dissonance. Even when post-purchase dissonance occurs, such as in higher education institution selection, it is still generally followed by service product use.

4.10.2   SERVICE PRODUCT USE

Organisations are interested in service product use for many reasons. First, consumers use service products to fulfil needs. If the service product does not fulfil the need, a negative evaluation may result. Observing consumers as they use service products can be an important source of new service product ideas. For example, knowledge of how their service products are used can help higher education institutions to develop more effective promotion strategies, service products, distribution and process strategies. Institutions can also take advantage of the fact that the use of one service product may require or suggest the use of another product or service, leading to multi-category purchases. Finally, monitoring service product use can indicate service product modification and appropriate advertising themes.

Institutions have to make sure that they teach students the proper way to use their service product to limit confusion and increase satisfaction. Proper use and increased satisfaction may lead to a positive experience for the students and therefore a positive evaluation.

4.10.3 PURCHASE EVALUATION

Post-purchase dissonance, product use and disposition are all potential influences on the purchase evaluation process (Arnould *et al.,* 2004:346-347). During and after purchasing and using a service product, the consumer determines the level of satisfaction or dissatisfaction. This will be determined by the relationship between the consumer's expectations and the organisation's perceived performance.

Every student has expectations before attending an institution. These expectations are based on information received from friends, family, the institution and other sources. If the student's expectation is met, there will be satisfaction. Students who are satisfied will probably recommend the institution to others. A satisfied student will keep enrolling each semester and will also tend to say good things about the institution to others (positive word-of-mouth).

However, students' expectations that are not met will lead to dissatisfaction. Dissatisfied students will probably drop out of the course or institution or spread negative information about the institution. According to Jones (2002:84), higher education institutions should monitor early warning signs to prevent dissatisfaction such as poor performance by students, lack of social integration or disadvantages due to family or ethnic background. Higher education institutions must take preventative measures by supplying career planning, social integration, financial planning, faculty counselling, and providing advice and support to prevent dissatisfaction.

Consumers may respond to these outcomes (satisfaction or dissatisfaction) verbally or through their behaviour. According to Athanassopoulos, Gunaris and Stathkapoulus (2001:687), the behavioural consequences of consumer satisfaction are threefold: firstly, a decision to stay with the existing services provider; secondly, the engagement

in positive or negative word-of-mouth communications; and thirdly, the intention to switch service providers.

The post-purchase response of students is very important to higher education institutions. In the case of positive reinforcement (satisfaction), successful marketing strategies are confirmed and in the case of negative response (dissatisfaction), they provide guidelines for corrective action to be taken by the institution. Higher education institutions should measure student satisfaction regularly and not only rely on student complaints before they react. If the post-purchase process is managed correctly by the institution, it can assist in retaining existing students and recruiting new ones.

4.11 SUMMARY

The focus of Chapter 4 was on the decision-making process of consumers and for higher education institutions the focus was on the student institution selection process. The chapter started with a definition of consumer behaviour and a broad overview of different decision-making models to serve as background information. The remainder of the chapter focused on the model of consumer decision-making.

The consumer decision-making process and resulting buying patterns and preferences are an important area of study in consumer behaviour. The model of consumer behaviour consists of the decision-making process as well as the internal and external influences on the process. The decision-making process for higher education is a lengthy process. Students have to progress through five steps: problem/need recognition, information search, evaluation of alternatives, selection and purchase as well as the post-purchase processes. The steps in the decision-making process are a good point of departure for higher education institutions, helping them to identify areas in which they can manipulate or influence students' behaviour.

The first step, problem/need recognition, occurs if there is a difference between the actual and desired state of students. Institutions can react by supplying service products to satisfy the recognised needs or initiated needs through an effective communication campaign whereby students are made aware of new service products

and new needs. The emphasis of the second step is the provision of information. The sources of information that students make use of, type of information and amount of searches students engage in are of great importance to institutions. Research investigating students' search activity provides institutions with knowledge on which information to make available to students and which sources to use to reach students. The third step in the decision-making process is the evaluation of the available alternatives based on comparing important evaluation criteria (choice factors). If institutions know which factors students use to evaluate and choose an institution, they can ensure that they address those factors through their image, positioning, advertising, distribution, promotion and other marketing strategies. The fourth step involves the actual selection of the outlet, a higher education institution, and the purchase of a service product, namely education. The fifth step consists of the post-purchase processes: dissonance, service product use and evaluation. Higher education institutions can assist students after the purchase of the service product to reduce dissonance and help them to optimally use the service product. As a result, the students will positively evaluate the service encounter and satisfaction will occur.

The decision-making process does not take place in isolation, as it is influenced by internal and external factors. The internal influences deal with how students react to group influence, environmental changes and an institution's marketing mix. The demographics (age, gender and race) of students, their processing of information (perception), learning, needs and motivation as well as their personalities and emotions can influence the process. Students' attitudes towards service products, brands and institutions as well as the way students live (lifestyle) are other internal influences on the decision-making process.

The external influences are those factors outside the student that influence and affect his/her decision-making. Cultural background, social class, reference groups, household and the marketing mix used by institutions are all external factors that influence the student's decision-making process.

Studying the consumer decision-making process provides a basis for higher education institutions to understand their market and to develop a total marketing strategy, since it presents an integrated view of all the characteristics that may influence the student's

behaviour. This knowledge will aid institutions in the development of effective price, product, distribution, people, process, physical evidence and promotional strategies in order to attract students and create consumer satisfaction.

Chapters 2, 3 and 4 served as the literature review and theoretical background to this study. The next chapter will explain the research methodology used in the study.