



GENERATIONAL DYNAMICS IN THE MARKETING FUNNEL

¹Saish Adlakonda, ²Janhvi Goje

¹Student, ²Student

¹Bachelor's of Business Administration (BBA in International Business)

¹IndSearch Institute of Management Studies and Research, Pune, India

Abstract: This research paper explores consumer behaviour through the marketing funnel with a focus on the correlation between age demographics and the four distinct stages: Awareness, Consideration, Conversion, and Loyalty. The study aims to provide valuable insights for businesses and marketers to optimise their marketing strategies and cultivate lasting relationships with diverse customer segments. The literature review highlights previous research on consumer behaviour based on age, revealing varying preferences for price, suitability, and durability across different age groups. However, there is a lack of exploration in integrated market segmentation, particularly in the context of the marketing funnel, which presents an opportunity for this study. The methodology involves data collection through surveys from India, Italy, and the USA using convenience sampling. The collected responses were analysed to identify patterns in consumer behaviour at different funnel stages for each age group. Correlation analysis was used to quantify the relationship between age and each stage. The results indicated that younger respondents show higher brand awareness but decline in responsiveness as they progress through the funnel. Middle-aged consumers are more discerning during the consideration/conversion stage, while older consumers display higher loyalty. The correlation analysis reveals a strengthening correlation between age and funnel stages as consumers move deeper into the funnel. The implications of this study for marketers include understanding age-related consumer preferences for developing targeted marketing campaigns and fostering lasting customer relationships..

Index Terms - Generational dynamics, Marketing funnel, Consumer behaviour, Age demographics, Correlation analysis, Brand awareness, Consideration stage, Conversion, Customer loyalty, Marketing strategies, Consumer preferences, Targeted marketing, Market segmentation, Advertising effectiveness, Age-related behaviour, Customer engagement, Consumer decision-making, Cross-generational marketing, Marketing research, Consumer journey.

I.INTRODUCTION

INTRODUCTION

In today's day and age, the advent of multiple media forms, including social media, has expanded the horizons of advertising to great extents and profoundly transformed the marketing landscapes. Marketing executives take the responsibilities of not only executing marketing projects and decisions, but also determining what modes of media would be ideal for doing so. For organisations that segment their consumers through age dynamics, this process traditionally involves using different forms of media in advertising products to varied demographics of consumers through rigorous market and demographic research, ensuring a productive management of marketing funds. This holds especially true when the product in question does not limit itself to one specific age group (for example, restaurant services target audiences of a large demographic while teen magazines focus, although not limit, their marketing to pre-teens and teens).

However, it is crucial to know that marketing is not one-dimensional and is in fact sectioned into 4 distinct stages: Awareness, Consideration, Conversion and Loyalty. At the Awareness stage, the primary focus is on establishing brand recognition and maintaining consumer interest. Consideration informs and educates customers about the brand's distinctive products. In Conversion, the key objective switches to offering a unique product and luxurious service which successfully persuade the client into making a purchase. Finally, the Loyalty stage involves creating brand supporters and encouraging repeat business through engagement marketing (Amazon Ads).

When we consider age demographics in the context of the marketing funnel, an instinctive observation comes to be how different age groups respond differently to the strategies across these four stages. Consumers under the Generation Z population segment are very receptive to the initial awareness and consideration stage due to their high social media usage, however, exposure from

several other competitive brands makes their conversion harder to accomplish. Further, Elderly Citizens are difficult to reach as traditional media is their primary source of advertising exposure. Once reached though, they choose to stay loyal as these consumers prefer the one product effective in providing them satisfactory utility, maximising repurchases and minimising influence of competitors.

This research aims to explore consumer behaviour through the marketing funnel, emphasising statistical evidence regarding advertisement reception and exposure across target audiences at each funnel stage. By analysing the influence of age on brand awareness, consideration, conversion, and loyalty, this study seeks to provide valuable insights for businesses and marketers. A statistical tool that explains the relationship between two variables is correlation. It explains if an increase in one variable is accompanied by an increase or decrease in another. In the context of our study, correlation analysis enables us to determine whether there is a relationship between an individual's age and their behaviour at various marketing process phases. A positive correlation suggests that as one element rises, the other tends to rise as well, whereas a negative correlation shows that as one factor rises, the other tends to fall. The research aims to inform targeted marketing strategies and customer engagement efforts, enabling businesses to optimise their approach and cultivate lasting relationships with diverse customer segments in today's competitive market landscape.

LITERATURE REVIEW AND NEED OF THE STUDY.

A comprehensive study on consumer behaviour throughout ages revealed an insightful finding about the priority individuals place on different aspects of a product: price, durability and suitability. The finding of the research highlighted how consumers between the ages of 18 - 25 years prioritised price as the most important factor while purchasing a product. For 35 - 50 year olds, the focus shifted to suitability while 65 year olds and older prioritised durability (Hervé and Mullet).

Another study exploring demographic factors, such sex, income and age, as an influence on consumer behaviour used the product of a four-wheeled vehicle to highlight the difference of consumer preferences throughout ages. The study revealed how the demand for luxury peaks at the ages of 30 - 45 year olds while the second highest remaining for consumers below 30 years of age. After the age of 45 years, the demand for luxury significantly declined (Kumar). Therefore, the findings of this study further support the arguments made by Hervé and Mullet in the sense that below 30 years of age, the preference of luxury is lesser as luxury vehicles come with a high price to pay. As suitability peaks in importance for middle aged consumers, so does the want for luxury and comfort. Finally, due to the higher maintenance costs of luxury cars, the durability can be perceived as low which is why older consumers didn't prefer them. These studies served as enough evidence to identify that consumer behaviour varies significantly throughout age groups, which is an argument that forms the basis of this research.

Another aspect of this research is the marketing funnel which has been thoroughly used across multiple industries to identify consumers' journey and using the distinct stages of the marketing funnel in strategizing marketing decisions. Therefore, when we perform market segmentation on the basis of these stages of the marketing funnel, we nullify the risk of unnecessary investment (for example, marketing loyalty programs to consumers who haven't reached the conversion stage yet is unnecessary as they do not believe in the utility provided by the product to benefit from loyalty programs). Extending market segmentation further into a three dimensional model, we can provide segmentation on the basis of age, in addition to the formerly mentioned marketing funnel segmentation. Cross et al. studies market segmentation's effective implementation by dividing it into 4 steps: selecting variables, forming market segments, choosing target market and taking marketing actions to reach the segment. The first step of selecting the variables ultimately determines the strategies of the last step and these variables could either be set to a demographic factor, such as age, or the stages of marketing funnel each consumer is in.

The research and review of articles on market segmentation, marketing funnels, and targeted audiences revealed a notable gap in the literature: the lack of exploration in integrated market segmentation, particularly for consumers in the marketing funnel. This gap presents an opportunity for further investigation, and thus, this research aims to address it. By examining the effectiveness of integrated market segmentation for different age groups throughout the consumer journey, valuable insights can be gained, benefiting marketers in their efforts to target and engage diverse audiences effectively.

II. RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

This research approaches marketing through models that better visualise integrated market segmentation by using age and stages of marketing funnels as two parameters. This model would then be practised in real life context through the addition of data collected by surveys, containing questions that give insights into the respondent's age and their stand on each stage of their consumer's journey according to the marketing funnel i.e how receptive they are to the marketing strategies at each stage. Further, there would be a rigorous correlational analysis done which would use the collected data to reveal correlation between age and stages of marketing through modelling four correlational models comparing age to the ease of awareness, consideration, conversion and loyalty respectively. This approach provides insightful information that can help marketers divide and implement relevant strategies, targeted towards relevant consumer groups. All modelling was done through Excel.

2.1 Population and Sample

Initially, the survey was planned to be conducted through a well-formed company to easily segment consumers in their marketing funnel stage. However, after thorough consideration it was established how this method would give rise to several biases in the results and findings, being geographical restrictions and also consumer reach. Therefore, the type of sampling used for this

research was decided to be convenience sampling. The nature of the survey has been kept online with Google Forms, however, in person surveys were also conducted in the regions of India, Italy and USA through voluntary help, recruited and trained to ensure consistent data collection. 127 responses were collected. This method ensured the inclusion of respondents from different age cohorts and regions, ensuring a holistic and robust analysis. Ethical data collection guidelines were also followed as the respondents anonymity was ensured and the data was used solely for the purposes of this research. All the respondents were informed of this and submitted their consent in using the data

2.2 Theoretical framework

The theoretical framework for this research is grounded in the intersection of generational dynamics, consumer behavior, and the stages of the marketing funnel. This framework aims to elucidate how age-related factors influence consumer behavior across the stages of awareness, consideration, conversion, and loyalty within the marketing process.

2.2.1 Marketing Funnel Stages

The marketing funnel represents a consumer's journey from initial awareness of a product or service to becoming a loyal customer. The stages within the funnel are:

Awareness: Introducing consumers to a brand and creating recognition.

Consideration: Informing and educating consumers about products to generate interest.

Conversion: Persuading consumers to make a purchase.

Loyalty: Cultivating repeat business and brand advocacy.

2.2.2 Correlational Analysis

The research employs correlation analysis to quantitatively assess the relationship between age demographics and consumer behavior at each stage of the marketing funnel. This analysis explores the strength and direction of correlations between age groups and receptivity to marketing strategies in different stages.

III.RESULTS AND FINDINGS

The surveys were sent out and responses were collected through convenience sampling throughout the regions of India, Italy and USA using in-person survey methods. Furthermore, an online version of the survey was also sent out through Google Forms to increase the international reach of the responses, resulting in a fair representation of the population. A sample of 127 responses was acquired. The respondents were required to submit their age and answer questions that covered all stages of the marketing funnel: from awareness, to loyalty. The questions were required to be answered in the form of a linear scale from 1 to 5 (Appendix). Each stage had 2-3 questions each and their rating was calculated finding the average of the respective questions.

3.1 Categorical Grouping

The results of these finding were grouped categorically, the mean for each age category was calculated for each one of the four marketing funnel stages and were as follows:

	Awareness	Consideration	Conversion	Loyalty
Below 25 years	4.02	3.69	3.56	3.34
25 - 40 years	3.77	3.78	3.82	3.91
40 - 55 years	3.78	3.54	4.31	3.94
Above 55 years	3.72	2.89	3.11	4.29

Table 1 - Responses of the survey grouped categorically

Visualising this data as a bar graph gives us:

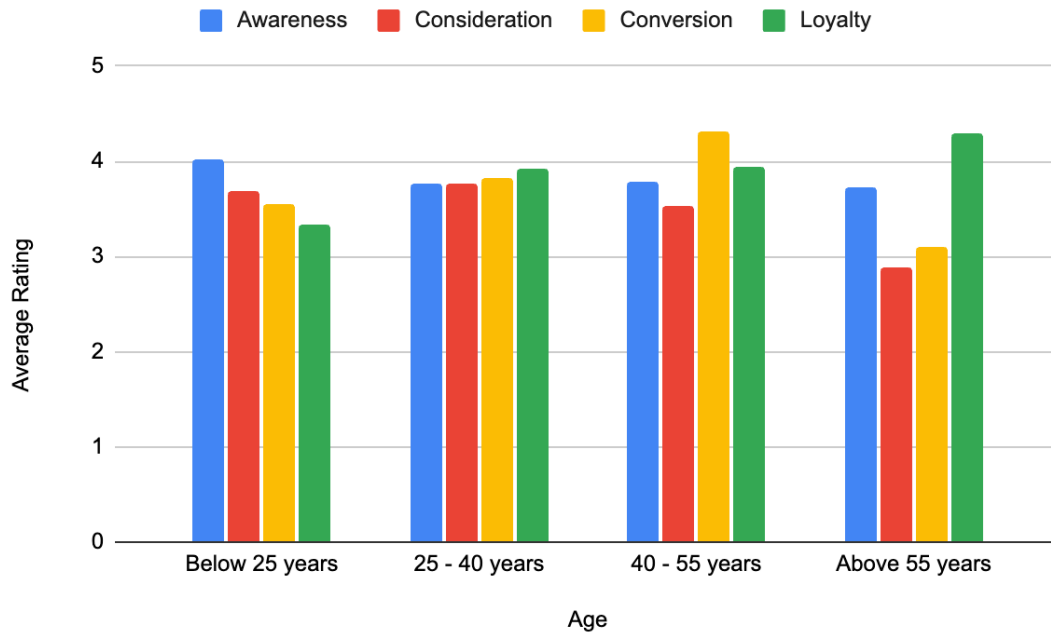


Figure 1 - Bar Graph of the collected data

Through these findings, it is evident that different age groups are easier to deal with in different stages of the marketing funnel compared to others. Respondents below the age of 25 had the the highest rating for awareness and also, were recognised to be more receptive to brand awareness than consideration, conversion or loyalty. Looking at the graph (Figure 1), we see a clear decline after the awareness stage. Respondents between 25 - 40 years showed a generally lower response rate throughout the stages of the marketing funnel, but it is worthy of noting that they peak in consideration compared to other age groups while reception to the rest of the stages remain fairly stable and similar. 40 - 55 year old respondents significantly peaked in the conversion stage compared to other stages and also had the highest consideration rating across all age groups. Respondents over 55 years were seen to be highly loyal to the few businesses they did purchase from. They were the most loyal consumers out of all age groups and loyalty seemed to be their highest rated stage compared to other stages.

3.1 Correlational Analysis

As we look at the data, it is quite evident that there exists some form of correlation here which can be viewed and analysed when we isolate the age parameter which each of the stages of the marketing funnel in the form of a scatter plot with a trend line to help us visualise and vaguely interpret the correlation:

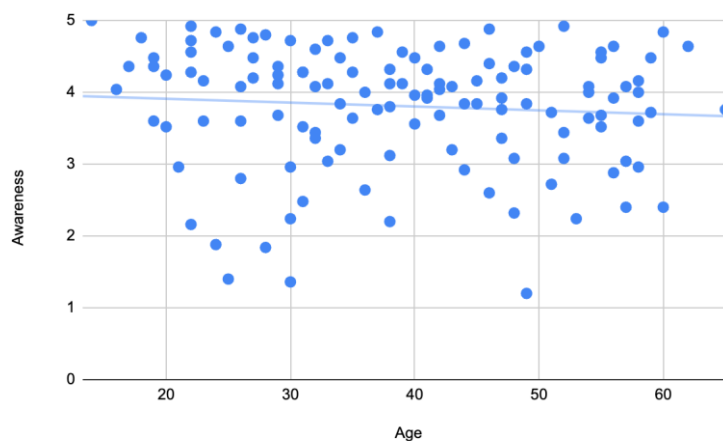


Figure 2 - Scatter Plot of Awareness vs Age

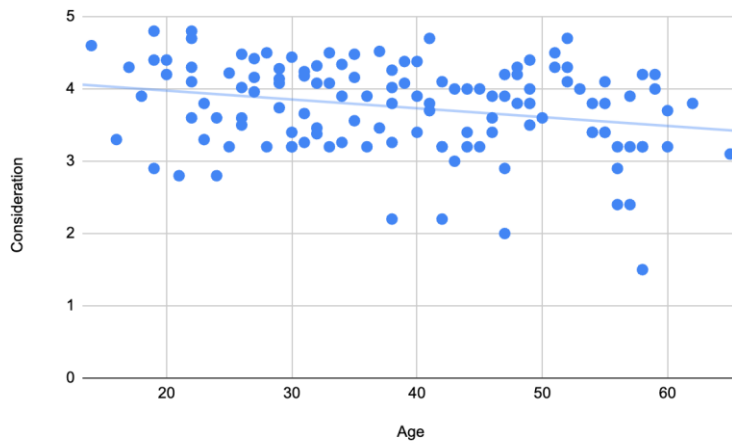


Figure 3 - Scatter Plot of Consideration vs Age

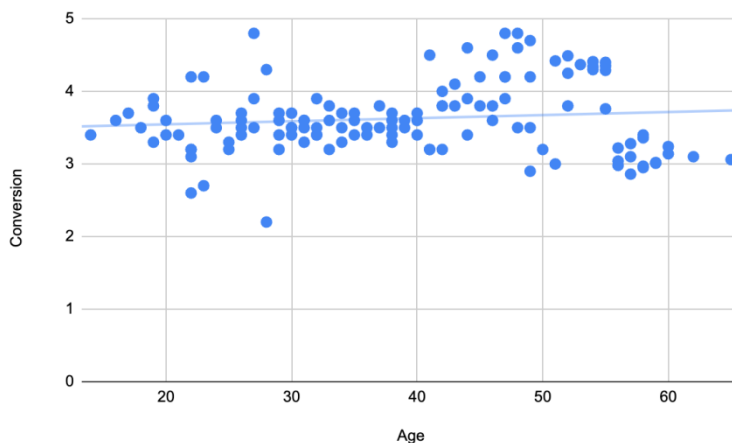


Figure 4 - Scatter Plot of Conversion vs Age

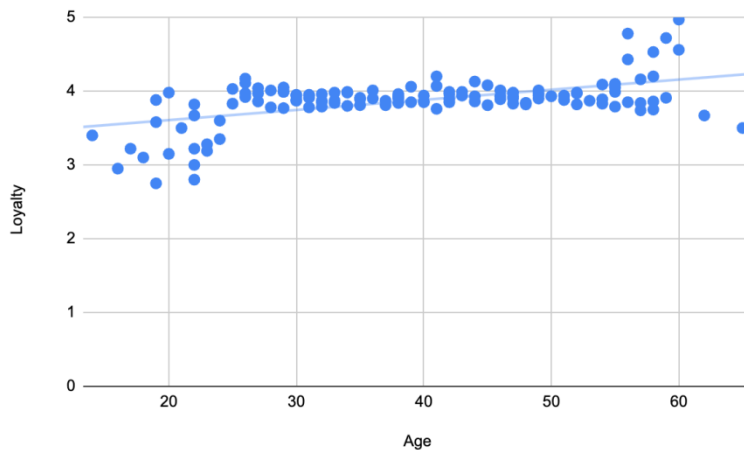


Figure 5 - Scatter Plot of Loyalty vs Age

These correlation scatter plots highlight several key aspects of the data being collected. We see that the correlation starts becoming stronger as we move across the marketing funnel stages which might suggest how in the initial stage the target audience might have a set of varying opinions across different age groups, but as we progress deeper into the funnel our opinions start becoming more rigid. Further, the scope for diversified opinions becomes lesser as we move deeper into the funnel and we start ‘acting our age’.

Through following the trendlines, we can interpret how the ‘Awareness ’and ‘Consideration ’stages have a moderate negative correlation with age while ‘Conversion ’and ‘Loyalty ’have high to very high correlation. In order to quantify this, we find the pearson’s correlation coefficient for each of these models. In our study, we used a statistical measure called Pearson's correlation coefficient to quantify the relationship between age and different stages of the marketing funnel. The correlation coefficient ranges from -1 to +1. A value closer to +1 indicates a strong positive correlation, meaning that as one variable increases, the other tends to increase as well. On the other hand, a value closer to -1 indicates a strong negative correlation, suggesting that as one variable increases, the other tends to decrease. A value around 0 suggests a weak or no correlation between the variables.

	Correlation Coefficient (-1 to +1) with Age
Awareness Model	- 0.081
Consideration Model	- 0.252
Conversion Model	+ 0.108
Loyalty Model	+ 0.539

Table 2 - Correlation Coefficient of each models respectively

Table 2 organises the entire correlational analysis we did and condenses it which allows us to conclude our findings on age as an influencing factor in marketing funnel models. We see how with the increase in age, consumers start becoming more receptive towards the later parts of the marketing funnel.

IV.DISCUSSION

This study aimed to investigate the correlation between different age groups and the stages of the marketing funnel, through sampling consumers from India, Italy, and the USA. Through the analysis of 127 survey responses collected through both in-person and online methods, we gained valuable insights into the relationship between age and consumer preferences at various stages of the marketing process.

4.1 Interpretation of Results Across All Age Groups

The key findings of this study reveal insightful patterns in consumer behaviour across different age groups. Younger respondents below the age of 25 demonstrated the highest rating for awareness, indicating their receptivity to brand awareness efforts. However, as we progressed deeper into the marketing funnel, the responses declined sharply. This decline may be attributed to the experimental nature of younger consumers who are open to new products and ideas but might not show strong loyalty. For example, some teenagers might be aware of a product and some may not, leading to the weak 'Awareness' correlation. On the other hand, most teenagers are in their experimentation stage and might change their preferences as they discover new brands, hence 'Loyalty' might not apply to them. Here, awareness is something that depends on several factors such as a person's exposure to media while the will to experiment is more of an innate teen habit.

In contrast, respondents between the ages of 25 and 40 showed a relatively lower response rate throughout the marketing funnel. Nevertheless, they exhibited a peak in the consideration stage compared to other age groups. This finding suggests that this age group is more discerning and selective when it comes to making purchase decisions.

Further, consumers aged between 40 and 55 displayed a significant peak in the conversion stage. This group showed the highest rating for consideration across all age groups, indicating their careful evaluation of products and services before making a purchase decision. This finding could be attributed to the maturity and stability of this age group's preferences and brand loyalty.

Respondents above 55 years emerged as the most loyal consumers across all stages of the marketing funnel. They exhibited the highest rating for loyalty compared to other stages, indicating a strong bond with the few businesses they purchase from. This high loyalty might be attributed to the cumulative effect of positive experiences and the reluctance to experiment with new brands.

4.2 Interpretation of Correlation Coefficients

The analysis of correlation coefficients revealed that the marketing funnel stages' correlation with age became stronger as we progressed deeper into the funnel. This observation suggests that consumer opinions tend to become more rigid and aligned with their age group's characteristics as they move from awareness to loyalty. Additionally, we observed moderate negative correlations with age in the awareness and consideration stages, while the conversion and loyalty stages displayed high to very high correlations.

It is important to acknowledge a slight inconsistency in the consideration stage, where the correlation coefficient was relatively lower than other stages. We believe that this inconsistency might be attributed to the complexity of consumer decision-making during the consideration phase, which involves multiple factors beyond age, such as personal preferences, lifestyle, and external influences.

4.3 Significance to Marketers

The findings from this study have practical implications for marketers aiming to design effective marketing strategies. Younger consumers show higher receptivity to brand awareness efforts, making the awareness stage crucial for targeting this age group. As consumers age, their preferences become more stable, making them more receptive to targeted messaging in the conversion and loyalty stages. When we combine this knowledge with the information that the correlation proceeded to strengthen for the most part, the awareness part of the marketing stage can be perceived as the most challenging while the loyalty part might

be considered as the least challenging. Consequently, businesses should tailor their marketing campaigns based on age group segmentation to optimise their outreach and engagement.

4.4 Limitations

While this study provides valuable insights, limitations to the results and findings still exist. The sample size of 127 respondents may not fully represent the diverse demographics of the three countries studied. Additionally, the data collection method through both in-person and online surveys might have introduced response bias. Another limitation of this study is that it takes into consideration the natural life age of all the respondents and according to a research by Ying and Yao, self-perceived age, that is the age a person believes themselves to be consciously and subconsciously, influences consumer behaviour greater than natural age. A person's self-perceived age can depend on many independent variables such as culture, up-bringing, and lifestyle.

4.5 Area of Further Research

Future research could explore the influence of self-perceived age on consumer behaviour and additionally make a contrast between self-perceived age and natural age to see if there is a recurring pattern of difference, helping marketers and businesses in interpreting consumers' self-perceived age from their natural age. There is also scope in exploring the role of other variables, such as gender and socioeconomic status, in conjunction with age to gain a deeper understanding of consumer behaviour in marketing.

V.CONCLUSION

In conclusion, our findings support the existence of a correlation between age and consumer behaviour at different stages of the marketing funnel. Understanding the nuances of consumer preferences across age groups can empower marketers to design more effective and targeted marketing strategies, ultimately enhancing customer engagement and brand loyalty.

Our findings highlight the significant role of age in shaping consumer behaviour throughout the marketing journey. Younger consumers exhibit higher awareness and brand receptivity, while older age groups demonstrate stronger brand loyalty. Marketers can capitalise on the consideration stage for the 25 to 40 age group, tailoring messaging to maximise conversion rates. For consumers aged 40 to 55, emphasising product/service evaluation can drive conversion rates and secure repeat business. Building trust and fostering enduring relationships are crucial for securing lasting customer loyalty among respondents above 55 years.

Moreover, our correlation analysis reveals a compelling trend, whereby the correlation between age and marketing funnel stages strengthens as consumers progress deeper into the funnel. This research implies that age group features and consumer opinions are increasingly in line, supporting the importance of age-based segmentation in developing focused marketing strategies that appeal to different age demographics.

Utilising this knowledge, marketers may create focused strategies that appeal to specific age segments, increasing conversion rates and encouraging long-term client loyalty. These insights offer valuable guidance for marketers to design targeted strategies that resonate with different age demographics and enhance overall customer engagement and loyalty. Building trust and emphasising product/service evaluation are crucial components in creating marketing campaigns that are effective for a range of age groups, thereby increasing consumer engagement and satisfaction. As the marketing landscape continues to evolve, a deep understanding of age-related consumer preferences will remain a vital asset for businesses striving to forge enduring and impactful relationships with their customers.



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