

28.15: Components of the Marketing Mix

Learning Objectives

- Define product
- Define promotion
- Define place
- Define price

Product



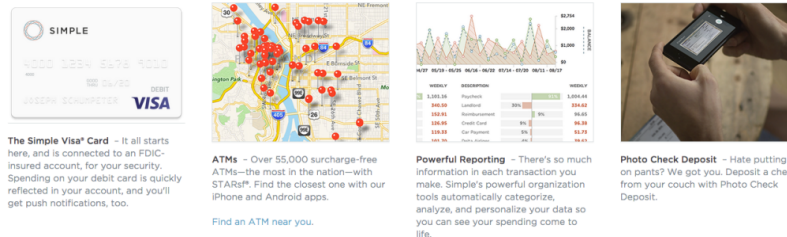
Figure 28.15.1: Product

In the marketing mix, the term “product” means the solution that the customer wants and needs. In this context, we focus on the solution rather than only on the physical product. Examples of the product include:

- The Tesla Model S, a premium electric car
- A Stay at a Holiday Inn Express, a low-price national hotel chain
- Doritos Nachos Cheese, a snack food
- Simple, an online banking service

Each of these products has a unique set of features, design, name, and brand that are focused on a target customer. The characteristics of the products are different from competitors’ products.

All your finances, in your pocket or on the web, whenever you need it.



The Simple Visa® Card – It all starts here, and is connected to an FDIC-insured account, for your security. Spending on your debit card is quickly reflected in your account, and you'll get push notifications, too.

ATMs – Over 55,000 surcharge-free ATMs—the most in the nation—with STAR®. Find the closest one with our iPhone and Android apps. Find an ATM near you.

Powerful Reporting – There's so much information in each transaction you make. Simple's powerful organization tools automatically categorize, analyze, and personalize your data so you can see your spending come to life.

Photo Check Deposit – Hate putting on pants? We got you. Deposit a check from your couch with Photo Check Deposit.

Source: <https://www.simple.com/banking>

Promotion



Figure 28.15.2: Promotion

In the marketing mix, the term “promotion” refers to the communications that occur between the company and the customer. Promotion includes both the messages sent by the company and messages that customers send to the public about their experience. Examples of promotion include:

- An advertisement in Cooking Light magazine
- A customer’s review of the product on YouTube
- A newspaper article in the local paper quoting a company employee as an expert
- A text message sent to a list of customers or prospects

Marketing professionals have an increasingly difficult job influencing promotions that cannot be controlled by the company. The company’s formal messages and advertising are only one part of promotions.



Figure 28.15.3: Marketers often run social media campaigns, rewarding customers who “Like” the company on Facebook.

Place



Figure 28.15.4: Place

In the marketing mix, the term “place” refers to the distribution of the product. Where does the customer buy the product? “Place” might be a traditional brick-and-mortar store, or it could be online. Examples include:

- Distribution through an online retailer such as Amazon.com
- Use of a direct sales force that sells directly to buyers
- Sales through the company’s Web site, such as the shoe purchases at Nike.com
- Sales by a distributor or partner, such as the purchase of a Samsung phone from Best Buy or from a Verizon store

In today’s world, the concept of “place” in the marketing mix rarely refers to a specific physical address. It takes into account the broad range of distribution channels that make it easy for the target customer to buy.

Price



Figure 28.15.5: Copy and Paste Caption here. (Copyright; author via source)

In the marketing mix, the term “price” refers to the cost to the customer. This requires the company to analyze the product’s value for the target customer. Examples of price include:

- The price of a used college textbook in the campus bookstore
- Promotional pricing such as Sonic Drive-In’s half-price cheeseburgers on Tuesdays
- Discounts to trade customers, such as furniture discounts for interior designers

Marketing professionals must analyze what buyers are willing to pay, what competitors are charging, and what the price means to the target customer when calculating the product’s value. Determining price is almost always a complicated analysis that brings together many variables.



Figure 28.15.6: Sonic offers discounts on cheeseburgers on Tuesday, which is typically a low sales day of the week. Source: www.sonicdrivein.com

? Practice Questions

<https://assessments.lumenlearning.co...essments/14487>

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